

**MY SPEECH TO COMMEMORATE THE CELEBRATION OF THE
INTERNATIONAL DAY OF REMITTANCE IN SIERRA LEONE
*ON THE 16TH OF JUNE, 2016.***

His Excellency

Distinguished Ladies and Gentlemen

Let me first of all use this opportunity to thank and congratulate the organizers (Auxfin The Netherlands, SALPOST, The Office of The Diaspora and the Ministry of Information) for putting together this event to celebrate the first International Day of Remittance in Sierra Leone [on the 16 of June, 2016.](#) The International Day of Remittance is a day that will allow us to pause, reflect and show cases the productive contribution of Sierra Leonean diaspora for poverty elevation and sustainable development in Sierra Leone. The celebration of this day at the Bank of Sierra Leone complex and the launching of UMVA, a money transfer tool for Sierra Leoneans diaspora are a clear manifestation of the importance that the government of Sierra Leone is now given to remittance for development impact. UMVA is a Dutch initiative. The first pilot project for Sierra Leonean diaspora is been carried out in The Netherlands in collaboration with The

SLCU. The SLCU is currently serving as a promotional platform to reach out to members of the Sierra Leonean diaspora in the Netherlands. The process has started and we will continue to amplify the importance of UMVA for the target group to use the system to facilitate and fast track formal money transfer in the country to foster development.

Distinguished Ladies and Gentlemen

The World Bank estimated that remittances are the largest source of external finance for developing countries and remittance flows are expected to continue growing. A significant majority of Sierra Leonean migrants in the globe send money home, typically 50 to 100 euros several times a year. While this amount may appear to be relatively small, they are often 50 percent or more of their families income back home. Addition together it is an estimated amount of around \$168m annually or around 12% of GDP. Government calculations place the number between \$250 and \$400 million, or 20-25% of GDP which would be among the very highest in Africa" (UNDP Remittance Report 2010). This data does not include the huge money sent informally to families back home.

Empirical evidence suggest that members of the diaspora are channeling their remittances towards productive and consumptive activities: they used the funds for the provision of basic facilities like health care, clothing, education, provide shelter and help friends'/family's businesses to unlock the private sector development of the country. For example, the construction of SLCU School at Lungi and our joint humanitarian actions during the Ebola surge in the country are examples of diaspora remittance in the country.

The transformative impact of remittance is most apparent in communities particularly in rural areas where poverty rates are highest. It is also apparent that in a time of the Ebola disaster, remittance to families was the first source of support and therefore important development tool for the post Ebola era of Sierra Leone. However, there are also down side to this, It appears also as if these remittances are free grants taken for granted by some of our compatriots back home. Instead of seeing as a stimulants they depend solely on it. These remittances can also advance inequality in the communities, making it harder for those not depending

on it to compete with those having the advantage.

For remittance to be successful we must align it with the country's post Ebola agenda and also ensure that the down side of it mitigated, I therefore propose that 7 factors needs to be addressed in developing a sustainable remittance frame for Sierra Leone:

1. We need a remittance policy and strategy. The policy that provides a framework and guidelines for MDAs and migrants to leverage the impact of remittances for development.
2. We need to promote remittance as well as other financial products like Diaspora Bond, insurance schemes, mortgaging facility and online web shops to sell home grown products for diaspora abroad.
3. We need to use innovation to facilitate the setting up a diaspora investment fund to support SMEs in the countries using crowd funding possibilities and existing expertise of diaspora and experiences of diaspora in other countries.
4. We need a mature domestic money transfer infratructure in both urban and rural areas and a proper documentation to package the impact of Remittance in Sierra Leone.

5. We need to lower the costs of remittance corridors and risks that prevent payment systems from adequately serving the country's poorest.
6. We need to fine whys to partner with the diaspora as well as organized informal money transfer agents and to ensure that agents within this market are fully embedded into the new system.
7. Lastly, we need to build trust with the UMVA system and stakeholders and have confidence in SALPOST that the money sent is timely received by the right recipients.

Distinguished Ladies and Gentlemen,

No where is remittance more important or significant than in a place like Sierra Leone that was ravage first by the civil war and later on by the deadly Ebola virus. Therefore it becomes urgent to develop sustainable mechanisms for reflection on the impact of remittance and the implementing UMVA in collaboration with the diaspora. The collaboration with SLCU as a distinct comparative advantage in bringing structure in the remittance market in Sierra Leone. With a vast network of branches in the Netherlands and additional network in Europe, coupled with a robust political will of the

government of SL, SLCU is confidence to bring UMVA closer to the diaspora to contribute to the sustainable development of our country.

In conclusion

I am proud to say that I have already used the system as I transferred the first 10 euros to Freetown three weeks ago and an additional 200 euros last week. My experience is excellent; the system is simple, straightforward, cheap and cost effective. We must support it and ensure that it works for Sierra Leone diaspora all over the world.

I thank you all and I wish you warm greetings from The Netherlands.

Ik wens jullie een fijne dag.