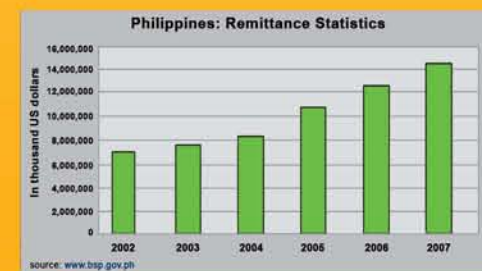


## Background

Remittances are one of the most visible and tangible contributions of migrants to their home countries. The money sent by migrants to their families pays for food, education and healthcare, easing day-to-day hardship and poverty and contributing to the achievement of the Millennium Development Goals (MDG).

International remittances received by developing countries were estimated to be approximately US\$251 billion (2007), doubling in the last five years.

The **Philippines** has experienced a consistent growth in remittances, reaching US\$14.4 billion in 2007. Europe is the third largest



destination of Filipino workers, with Italy hosting about 128,080 workers as of December 2007.

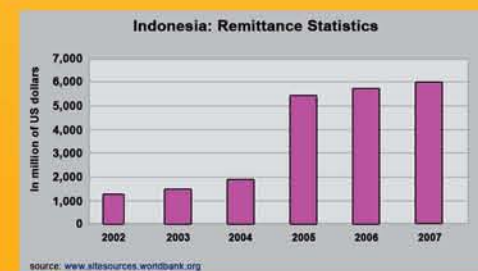
Despite the sophistication and comprehensiveness of the Philippines' labour migration management model, interventions

to promote migrant reintegration and an organized development-oriented inflow of remittances remain a critical gap.

It is estimated that some 3 to 5 million **Indonesian** workers are now employed abroad, with a large proportion of this population going to Malaysia.

Official statistics indicate that in 2006, a total of 393,057 persons "with Indonesian background" lived and worked in the Netherlands.

Remittances to Indonesia have grown steadily over the past three decades and constitute the single largest source of foreign exchange, exceeding export revenues and



foreign direct investment.

Key challenges include enhancing access to formal remittance channels, increasing transparency of the process and reducing costs.

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# Improving Knowledge of Remittance Corridors and Enhancing Development through Inter-Regional Dialogue and Pilot Projects in South-East Asia and Europe *(special focus on the Philippines and Indonesia)*



## Improving Knowledge of Remittance Corridors and Enhancing Development through Inter-Regional Dialogue and Pilot Projects in South-East Asia and Europe

### Objective

To promote the link between remittances and development in South-East Asia (SEA) and provide support to the European Union's (EU) ongoing efforts to manage migration challenges and promote development in SEA countries of origin through data gathering, policy dialogue and pilot project activities.

### Specific Objectives

1. Enhance national development planning in Indonesia and the Philippines through the generation of new remittance data in important corridors within SEA and those linking SEA to Europe which are understudied and/or difficult to measure.

2. Provide a forum for inter-regional dialogue, information exchange and cooperative development planning.
3. Strengthen the capacity of government, civil society, diaspora groups and other main actors in SEA and EU to engage more effectively in development-enhancing initiatives in SEA.
4. Improve remittance transfer services, promote transfers through formal financial institutions and support initiatives that enhance savings and/or investment in productive projects promoting development in SEA.

### Project Sites

The project's target countries in South East Asia are the Philippines and Indonesia, while the Netherlands and Italy are the counterparts in Europe.



### Strategic Activity Areas

#### 1. Research

Comprehensive, survey-based, and policy-relevant research will be carried out focusing on the following areas:

- a. remittance corridors between Indonesia and the Netherlands;
- b. remittance corridors between the Philippines and Italy and
- c. informal remittance corridors between Malaysia and the Philippines and Malaysia and Indonesia.

The research aims to establish references on remittance policies and practices and document migrants' remittance behaviours, including savings, consumption and investment patterns, channels, facilities, transfer mechanisms, transfer size and service providers.

#### 2. Policy Dialogue

Two major Euro-Asia policy dialogues on remittance and



development will be held with governments, civil society organizations, diaspora groups, financial institutions and other stakeholders—one dedicated to the Philippines-Italy remittance corridor and the other for the Indonesia-the Netherlands remittance corridor.

This dialogues will generate recommendations for practical action to enhance the constructive link between remittances and development.

#### 3. Pilot-Projects

Capacity-building, awareness-raising and direct service interventions to encourage development will be undertaken in both the remittance-sending and receiving countries. The projects are meant to encourage development-oriented use of remittances at the family and community levels under cooperative arrangement between migrant diaspora groups and their families.

### Partners and Beneficiaries

The Economic Resource Center for Overseas Filipinos (ERCOF), a Philippines-based organization with links to diaspora groups in EU, Asia and the Middle East is the key partner for the implementation of major components of the project, notably its region-wide research.



Serikat Buru Migran Indonesia (SBMI), an Indonesia-based community organization is key cooperating partner in Indonesia.

Civil society organizations, diaspora groups and private industries working to support migrant reintegration and advance the productive use of remittances will contribute to and benefit from the different activity phases of the project.



Government organizations overseeing migration, reintegration, remittances and development programmes will contribute based on their respective policy mandates to the objectives of the project.

