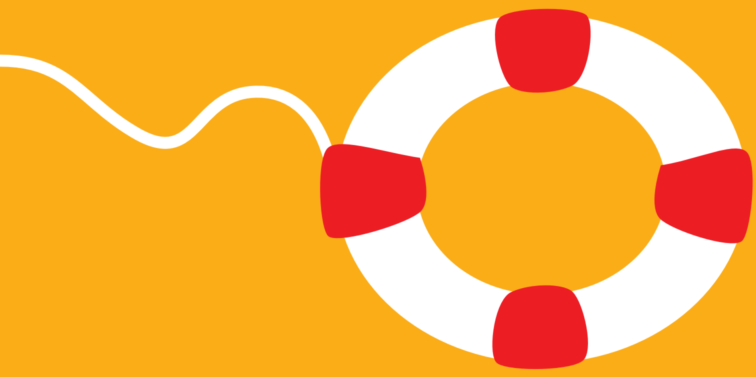
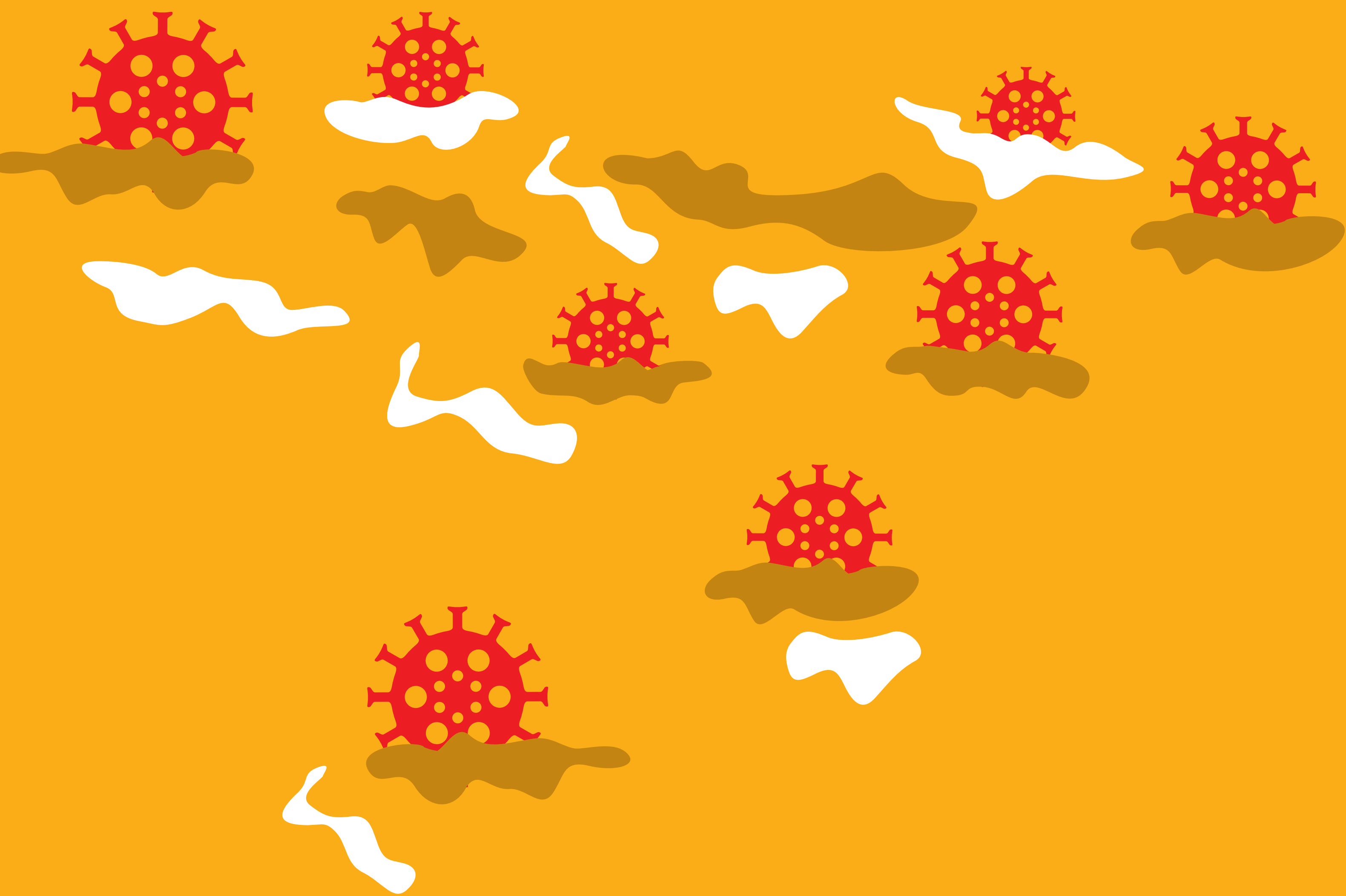
04

Impacts on Migrants and Remittances





04

Impacts on Migrants and Remittances

Regional background and impacts of the shock

Migration and displacement remain defining issues for the Arab States, caused by a multitude of social, political, economic, environmental and conflict-related issues that have considerable impacts on people's livelihoods and wellbeing.[1] The region has witnessed major outflows of migrants, but also continues to host sizable numbers of international migrants, mainly in the countries of the Gulf Cooperation Council (GCC), Jordan and Lebanon.

In recent years, the movement of irregular and mixed migrants[2] within the region has increased. Nearly 32 million people from the Arab region were living outside their countries of origin in 2019, accounting for 12 percent of the total international migration stock.[3] The number of migrants to the Arab region and within the region in 2019 reached more than 40.2 million (15 percent of total international migrants), up from 35.1 million in 2015[4] (see Figure 4.1).

The context in the Arab region is one of mixed migration, comprising asylum seekers and refugees fleeing conflict and persecution, irregular and regular migrants, victims of human trafficking, and people seeking better lives and opportunities. The six GCC countries alone hosted 30 million international migrants in 2019 (75 percent of the total in the region), out of which 6.3 million migrants are from the Arab region.[5] Although less pronounced than during the 2000s, trends in the region continue to show an increase in labour migration, predominantly of migrant workers concentrated in the GCC countries, which are now estimated to represent 11 percent of the total migrants in the world.[6]

In addition, protracted conflicts (such as in Libya, Syria and Yemen) and climate change across the region are still major drivers of forced migration and displacement. It is estimated that in 2019 the number of refugees and asylum seekers in the region increased to 9.3 million (33 percent of the total number of refugees worldwide) compared to 8.3 million people in 2015.[7, 8] The region still also accounts

1 Displaced people include internally displaced people, as a result of crisis or disasters, and refugees who leave their countries fearing prosecution, war or violence.

2 According to IOM, irregular migration is a movement of persons that takes place outside the laws, regulations, or international agreements governing the entry into or exit from the State of origin, transit or destination. Hence an irregular migrant is a person who enters, transits or stays in a country - of which he or she is neither a national nor a permanent resident - without fulfilling relevant legal requirements. Mixed migration is 'complex population movements including refugees, asylum seekers, economic migrants and other migrants.' Unaccompanied minors, environmental migrants, smuggled persons, victims of trafficking and stranded migrants, among others, may also form part of a mixed flow.

3 International migrant stock 2019, UN Department of Economic and Social Affairs (UNDESA), "Immigrant Migrant Stock 2019", Population Division, https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp, accessed June 2020.

4 Ibid.

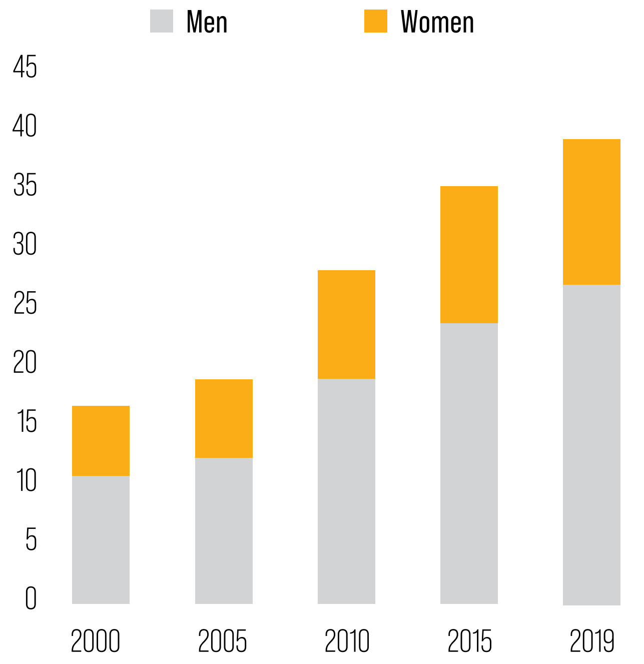
5 Ibid.

6 Ibid.

7 Ibid.

8 Numbers of migrants in the Arab Region include UNRWA-registered Palestinian refugees, including those born in their current country of residence outside of State of Palestine (i.e. Jordan, Syria and Lebanon).

Figure 4.1 **Migrants at mid-year by gender 2000–2019 (millions)**



Source: UNDP calculations based on UNDESA, "Immigrant Migrant Stock 2019".

for a high number of internally displaced people (IDPs), reaching 17.5 million in 2019 as a result of conflicts, violence and disasters.[9]

Migrants to and from the Arab region have been able to avail of job opportunities in several sectors, such as the oil and gas industry, agriculture, transportation and hospitality, and have contributed to the economies of host countries. Nonetheless, certain categories of migrant workers[10] in the region continue to suffer from poor working conditions; abusive, fraudulent and costly recruitment practices; and substantial deficits in terms of occupational safety, health, legal protection and access to justice.[11] Systems such as "kafala" – the requirement for migrants to secure sponsorship to enter the country, obtain a work permit, renew residency or exit the country – provide examples of the increased vulnerability of migrant workers in terms of their freedom of movement.[12]

Vulnerable migrants across the region, including female domestic workers, suffer exploitation and potential lack of access to healthcare. In 2019, it is estimated that women comprised 13.3 million (33 percent) of the total migrant population in the region, with 63 percent in the GCC countries (see Figure 4.1). Strict lockdowns and curfews in the region have serious implications for female migrant domestic workers in terms of health and safety, but also their exposure to sexual and gender-based violence at work and in their communities.[13] Women who lose their livelihoods or are threatened with eviction from their homes are disempowered and further exposed to food insecurity, violence and trafficking – especially among informal migrants and poor refugee households.

COVID-19 and low oil prices have only exacerbated the challenges of migrants and displaced people in the region. Overcrowded refugee and displaced persons camps, migrant detention facilities, as well as "labour camps" in the GCC countries, with limited access to clean water and hygienic sanitation, have put migrants, refugees and IDPs at particular risk. Weak or broken public health systems across the region are struggling to respond to the pandemic and ensure the most vulnerable – including migrants, refugees and IDPs – receive equitable access to health information and services.[14]

The fall in oil prices and the economic depression caused by the COVID-19 outbreak have strained the finances of many businesses in the region, leading to job losses and pay cuts among migrant workers.[15] Initial estimates show that the region may lose around USD 42 billion in income

9 International Displacement Monitoring Centre (IDMC), "2019 internal displacement figures by country," accessed June 2020, https://www.internal-displacement.org/database/displacement-data.

10 Migrants in poor conditions and low-paid jobs are mainly low-skilled migrant workers, employed in construction or domestic services (originating from South Asia) are the most vulnerable, compared to highly skilled migrant workers including migrants from the Arab region to the GCC countries.

11 International Labour Organization (ILO), "Labour Migration in the Arab States", https://www.ilo.org/beirut/areasofwork/labour-migration/WCMS_514910/lang--en/index.htm.

12 According to the ILO, kafala is a sponsorship system, mainly used in the GCC countries as well as in Jordan and Lebanon, under which migrant workers' immigration status is legally bound to an individual employer or sponsor (*kafeel*) for their contract period. ILO, *Reform of the kafala (sponsorship) system,* Policy Brief No. 2, n.d., https://www.ilo.org/dyn/migpractice/docs/132/PB2.pdf.

13 CARE International, *Global Rapid Gender Analysis for COVID-19*, April 2020, https://insights.careinternational.org.uk/media/k2/attachments/CARE-IRC_Global-RGA-COVID-19_April-2020.pdf.

14 As businesses close due COVID-19 restrictions, vulnerable migrant workers are already being dismissed, forced to take unpaid leave or are merely being denied their wages. Reports confirm that COVID-19 cases are the highest among the populations of migrant workers in the Gulf countries due to their poor living conditions. Geneva Solutions, "Covid-19 puts Gulf migrant workers 'in dangerous situation'," heidi.news, 4 May 2020, https://www.heidi.news/geneva-solutions/covid-19-puts-gulf-migrant-workers-in-dangerous-situation.

15 As reported in Chapter 5, the UNDP Lebanon Survey of vulnerable workers shows, for example, that Syrian refugees are more likely to be employed in informal jobs and are more likely to lose their jobs because of COVID-19.

and at least 1.7 million jobs in 2020.[16] About 100,000 Jordanian migrants – notably in the GCC countries – are expected to lose their jobs.[17] Governments across the region, and particularly in GCC countries, will likely speed up programs to replace migrant workers with nationals, but such efforts could delay jump-starting economic growth in the region. Migrant job losses and wage cuts also severely damage the already fragile economic situation in migrants' countries of origin in the region – which are amongst some of the largest recipients of remittances as a percentage of GDP, including the State of Palestine, Lebanon, Yemen, Jordan and Egypt. While some countries have committed to measures to limit overcrowding, mitigate financial risks and offer free health care services to all migrant workers regardless of their legal status (such as Qatar, Saudi Arabia and Bahrain),[18] it is unclear to what extent those measures are being implemented.

Migrants and displaced people are also disproportionately vulnerable to exclusion, stigma and discrimination. Such vulnerabilities only increase in the COVID-19 environment. Although statistical data is scant to demonstrate the scale of discrimination against migrants, reports of abuse and discrimination are abundant across the region.[19]

Irregular migration patterns have also greatly changed since the start of the pandemic. For example, migrants crossing the Gulf of Aden to reach Yemen have dropped significantly (by the end of March, barely any crossing was reported from Djibouti and movements from Somalia had decreased by 25 percent).[20] While tightened security measures are reducing irregular migration and smuggling in the short term, they are also posing serious risks to migrant protection and human rights.

Remittances

Remittances are an important source of foreign exchange earnings in the countries of origin of migrant workers and serve as a vital source of income for millions of households in the region. In countries with limited social protection, remittances often serve as a lifeline, even during conflict and crises. Remittances are known to play a key role in sustainable development and poverty reduction. In Yemen, for instance, World Bank estimates show that one in ten people wholly rely on remittances to meet their basic needs.[21] In Morocco, remittance inflows are closely associated with children's school attainment in rural areas – particularly among secondary school-age children.[22] In Tunisia, households expend 18 percent of remittances on productive enterprise or investment.[23]

In 2018, remittance outflows from the six GCC countries totalled over USD 117 billion (Figure 4.2). The United Arab Emirates and Saudi Arabia ranked second and third globally in terms of remittance outflows (after the United States), and Kuwait and Qatar ranked ninth and thirteenth, respectively.[24] Remittance outflows from Jordan and Lebanon – two of the non-GCC countries with the highest numbers of migrants in the region – totalled around USD 5.5 billion.[25]

Remittances represent an essential contribution to the GDP of many middle-income oil-importing countries

16 UN Economic and Social Commission for Western Asia (ESCWA), *Covid-19, Economic Cost in the Arab Region*, September 2020, https://www.unescwa.org/sites/www.unescwa.org/files/escwa-covid-19-economic-cost-arab-region-en.pdf.

17 "Jordan Chamber of Commerce online jobs platform to help returning Jordanians", *The Jordan Times*, 17 May 2020, http://www.jordantimes.com/news/local/jcc-online-jobs-platform-help-returning-jordanians.

18 Amnesty International, "COVID-19 makes Gulf countries' abuse of migrant workers impossible to ignore", 30 April 2020, https://www.amnesty.org/en/latest/campaigns/2020/04/covid19-makes-gulf-countries-abuse-of-migrant-workers-impossible-to-ignore/.

19 United Nations, Situation Report on International Migration 2019: The Global Compact for Safe, Orderly and Regular Migration in the Context of the Arab Region. 2020. https://www.unescwa.org/publications/situation-report-international-migration-2019

20 International Organization for Migration (IOM), "Migration from Africa to Arabian Gulf Decreases, Risks Facing Migrants Increase as Countries Grapple with COVID-19", 23 April 2020, https://www.iom.int/news/migration-africa-arabian-gulf-decreases-risks-facing-migrants-increase-countries-grapple-covid.

21 Oxfam, "Remittances to Yemen plummet as needs surge amid war and coronavirus", 1 June 2020, https://www.oxfam.org/en/press-releases/remittances-yemen-plummet-needs-surge-amid-war-and-coronavirus.

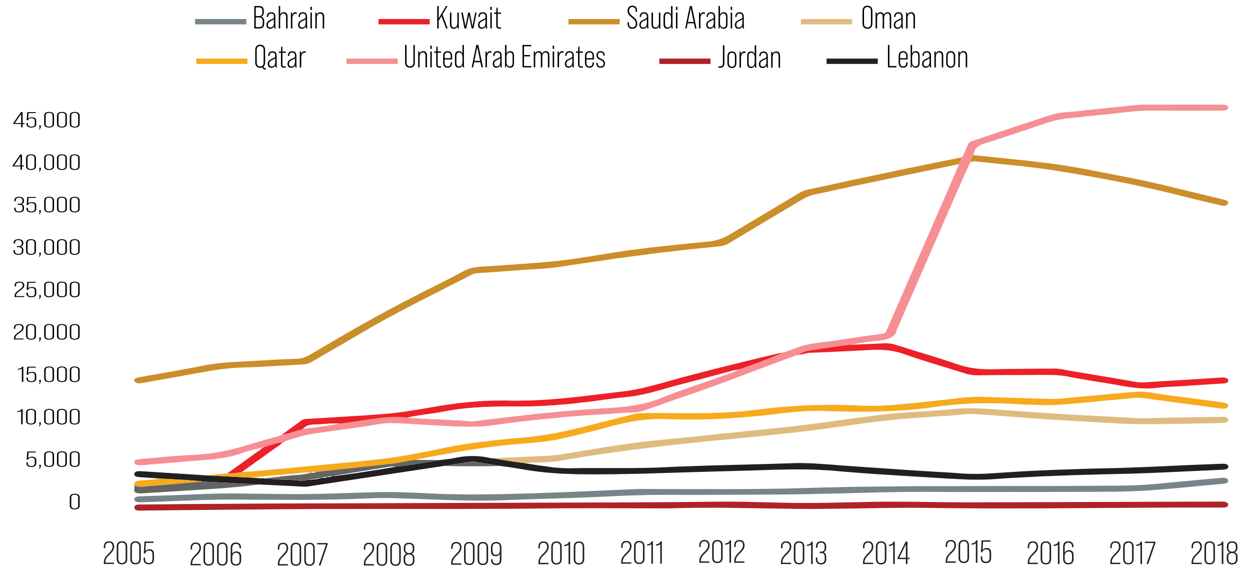
22 Bouoiyour, J., and A. Miftah, "Migration, Remittances and Educational Levels of Household Members Left Behind: Evidence from Rural Morocco", *The European Journal of Comparative Economics* Volume 12, Issue 1, 2015, pp. 21–40.

23 IOM and League of Arab States, *A Study on the Dynamics of Arab Expatriate Communities: Promoting Positive Contributions to Socioeconomic Development and Political Transitions in their Homelands*, 2012, https://publications.iom.int/books/study-dynamics-arab-expatriate-communities-promoting-positive-contributions-socioeconomic.

24 The World Bank, Migration and Remittances Data, accessed June 2020.

25 Ibid.

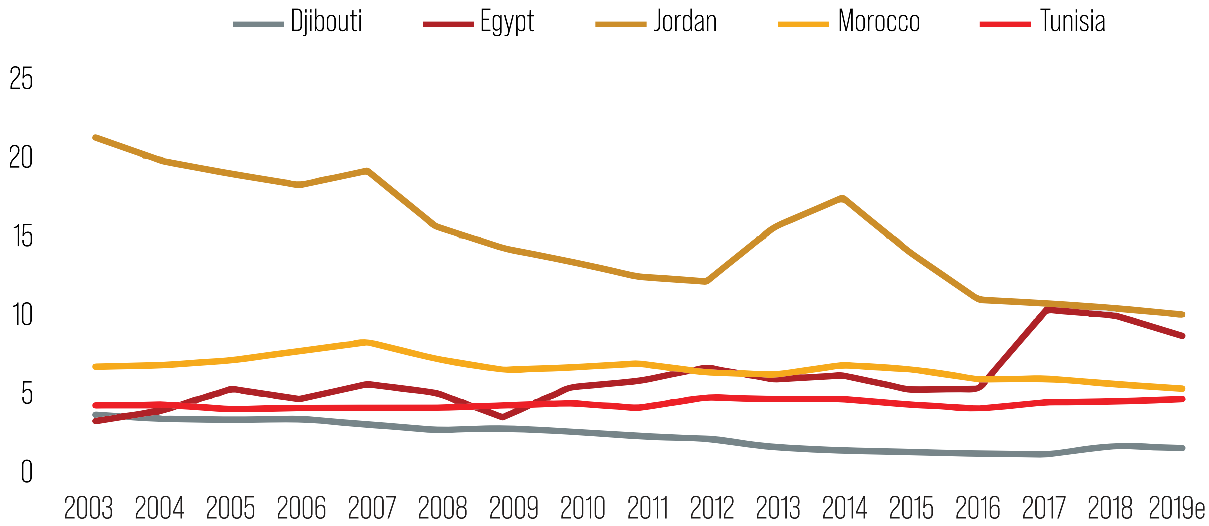
Figure 4.2 **Annual remittance outflows (USD million)**



Source: The World Bank, Migration and Remittances Data.

Note: The remittance data reported by the World Bank cover only officially recorded remittances and, therefore, do not include remittances sent through informal channels.

Figure 4.3 **Annual remittance inflows as a percentage of GDP – middle-income oil-importing countries**



Source: The World Bank, Migration and Remittances Data.

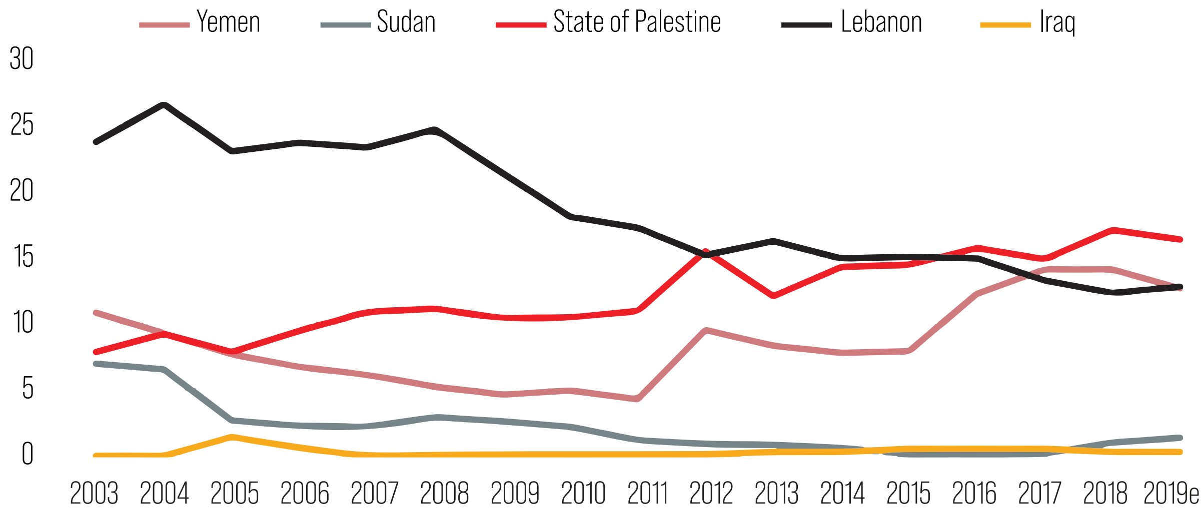
Note: e stands for estimates.

and fragile and crisis-affected countries (FCCs) in the region. Estimated remittance inflows to seven countries (Tunisia, Morocco, Egypt, Jordan, Yemen, Lebanon and the State of Palestine) ranged from nearly five percent to 17 percent of their GDP in 2019 (Figure 4.3 and 4.4).[26]

High remittance costs are a key constraint to maximizing the contribution of remittances to sustainable development. Remittance costs for migrants to send money to their countries of origin in the region remain high, with fees surpassing 7.1 percent, on average, to transfer USD 200. This is significantly higher than the three percent (or less) remittance-cost-target included in the SDGs, although there is variation across cost corridors. The five highest cost corridors through which to send USD 200 from the OECD countries to the Arab States averaged 12.4 percent as of Q1 2020 (Figure 4.5). The five highest cost corridors within the region averaged 8.9 percent as of Q1 2020, with the Jordan-to-Syria corridor averaging 16.3 percent (Figure 4.6).

26 The World Bank, Migration and Remittances Data, accessed June 2020.

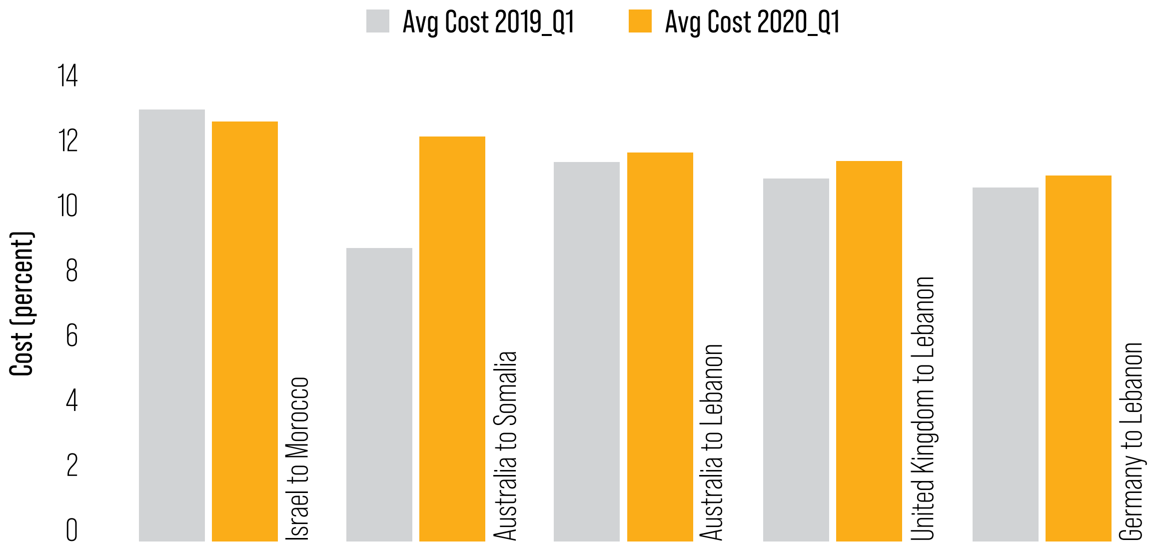
Figure 4.4 **Annual remittance inflows as a percentage of GDP – fragile and crisis-affected countries**



Source: The World Bank, Migration and Remittances Data.

Note: Recent data on annual remittance inflows to Libya, Somalia and Syria are unavailable. e stands for estimates.

Figure 4.5 **Five highest-cost remittance corridors – OECD countries to the Arab States**



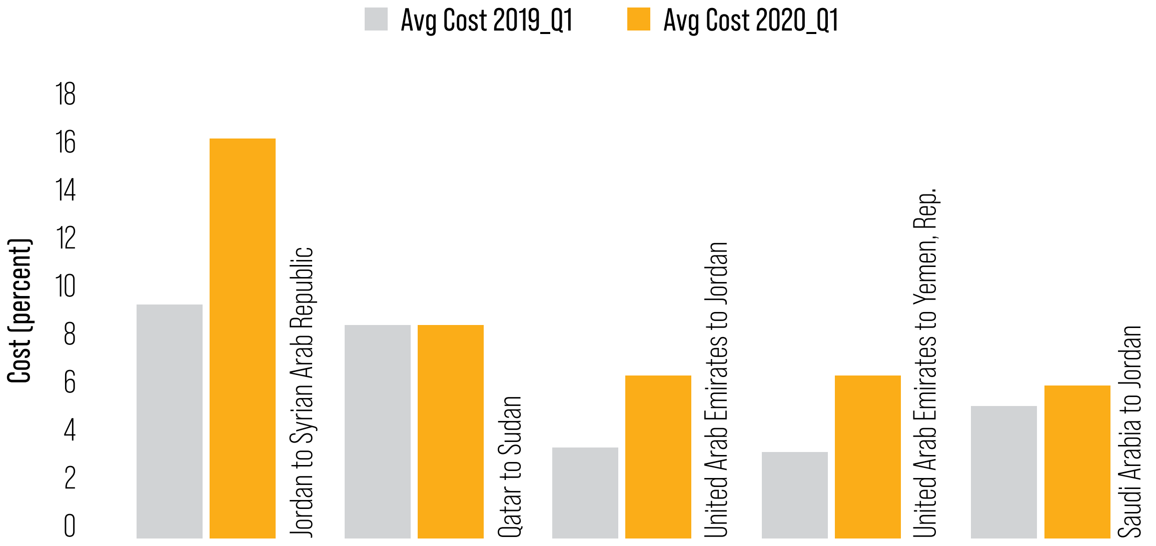
Source: UNDP calculations based on data from: The World Bank, Remittance Prices Worldwide database.

The average cost of sending USD 200 from high-income OECD countries to FCCs and middle-income oil-importing countries in the region as of Q1 2020 was 9.6 percent and 6.9 percent, respectively. For migrants sending USD 200 from oil-exporting countries – particularly from the six GCC countries – to FCCs in the region, the average remittance cost stood at 5.2 percent. The average cost was lower for remittance flows from the GCC countries to middle-income oil-importing countries, at 4.6 percent. The average remittance cost to send USD 200 from Jordan to Palestine and Syria stood at six percent and 16.3 percent, respectively. The average cost was much lower for remittance transfers from Jordan to Egypt, which stood at three percent – in line with the SDG target.[27]

Apart from official channels to transfer remittances, many households in the region use informal channels, such as the hawala system, that operate outside the

27 SDG target 10.c: by 2030, to reduce to less than three percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than five percent.

Figure 4.6 **Five highest-cost remittance corridors within the Arab States**



Source: UNDP calculations based on data from: The World Bank, Remittance Prices Worldwide database.

traditional banking system.[28] Households use informal channels for several reasons, including lower costs and ease of access – particularly for those without a bank account. In Jordan, for example, almost a third of households send remittances through informal channels while only 27 percent send their transfers through the banking system.[29] The use of informal channels for remittance transfers has negative fiscal implications for both source and destination countries. Remittance transfers through informal channels are not subject to taxes on income or services. The use of these channels can also entail a loss of earnings for the formal financial sector and hence in potential government income.

The impact of COVID-19 and low oil prices

Coupled with record low oil prices, the COVID-19 crisis is expected to impact the flow of remittances to countries in the region. World Bank estimates indicate that remittances to the region may fall by 19.6 percent in 2020.[30] The anticipated decline could have major ripple effects across the economies of remittance-receiving countries, as investment and consumption spending decrease. Countries that are among the largest recipients of remittances as a percentage of GDP are expected to take a greater hit.[31] Yemen, with an estimated annual remittance inflow of 12.6 percent of GDP in 2019, has seen the number of remittances drop by as much as 80 percent between January and April of this year, as reported in six governorates.[32] In Syria, remittance inflows from the GCC countries alone are estimated to have dropped by more than 50 percent reaching USD 2 million per day (around USD 730 million a year), down from USD 4.4 million per day in 2017 (USD 1.6 billion a year).[33] Projections from Egypt estimate that remittances will decline by 13.6 percent under a moderate scenario for FY 2020/2021.[34] The pre-COVID economic slowdown in Europe and the depreciation of the euro against the US dollar are expected to place additional strain on remittance flows from Europe to

28 According to the IMF, the hawala system is an informal channel for transferring funds from one location to another through service providers. '*Hawala*' means "transfer" or "wire" in Arabic.

29 Assaad, R. (ed.), *The Jordanian Labor Market in the New Millennium* (Oxford University Press, 2014).

30 The World Bank, *Covid-19 Crisis Through a Migration Lens, Migration and Development Brief 32, World Bank Group*, 2020. Note: The World Bank estimate for the decline in remittances for the region includes Iran.

31 The countries with estimated remittance inflows that ranged from five percent to 17 percent in 2019 include: Egypt, Jordan, Lebanon, Morocco, the State of Palestine, Tunisia and Yemen.

32 Oxfam, 2020, op. cit.

33 UN OCHA. Briefing to the Security Council on the humanitarian situation in Syria. 29 July 2020. https://reliefweb.int/sites/reliefweb.int/files/resources/20200729%20USG%20Statement%20to%20Security%20Council%20on%20Syria.pdf

34 Egyptian Center for Economic Studies, *Views on Crisis: Remittances from Egyptian Workers Abroad*, 2020. Under a moderate scenario, there is a demand shock (decline in external demand for labour through layoffs from receiving countries and/or the non-reception of new workers) and a slight supply shock (potential increase in Egyptians returning from abroad to the domestic labour market). American Chamber of Commerce in Egypt, *Impacts of COVID-19 Pandemic on Egypt's Economy*, March 2020.

the region.[35] Morocco and Tunisia will be particularly affected, with projected remittance declines of between 17 and 18 percent.[36]

For countries that are highly reliant on remittances to finance internal consumption, the drop in remittances in 2020 will amplify the highly negative effect on growth of the coronavirus outbreak. For instance, according to Moody's, a 20 percent drop in remittance inflows would directly lower GDP by about 2.5 percent in Lebanon and about two percent in Egypt and in Jordan, before taking into account any second-round effects. By lowering incomes and consumption, the fall in remittances will also weigh on investment.[37]

The projected decline in remittances for migrants' source countries could also have devastating implications for households that depend on it to cover basic needs and services such as food, housing, education and health care – particularly in countries with weak social protection systems. In Egypt, for example, rural poor households are expected to lose between 11.5 and 14.4 percent of their average income given the expected decline in remittances.[38] Urban poor households are expected to see their average incomes decline by between 9.7 and 11.5 percent.[39] Sharp reductions in remittances are also expected to hurt small businesses that serve the poor, and ultimately the broader local economy, as the poor reduce their consumption.

Mobility restrictions placed on remittance service providers and their agents during lockdown have hurt the ability of migrants to use their services to send money. This is a particular problem in countries that do not offer online remittance services or where migrants do not have access to digital services. Furthermore, some migrants do not have access to a bank account, legal identification, and/or other basic requirements for using digital services, thus impeding their ability to use or access these services. A key challenge that remittance service providers and their agents have faced is managing their liquidity, as volatile exchange rates and cashflow disruptions have impeded the rebalancing of their accounts.

When comparing the remittance costs from Q4 2019 to Q1 2020, it is observed that the average cost of remitting USD 200 from the oil-exporting countries (specifically the GCC countries) to FCCs decreased from 6.4 percent to 5.2 percent (Table 4.1). However, the average cost of remittances from Jordan to FCCs increased from 8.5 percent to 11.2 percent. This may be attributed to challenges faced by remittance service providers, including mobility issues related to lockdown, foreign exchange and access to cash.

Table 4.1 **Average remittance cost of sending USD 200 (%)**

Q4 2019

	Destination income group		
Source income group	**FCCs**	**OIMICs**	**OECs**
High income: OECD	9.60	6.74	10.14
OIMICs (Arab States)	8.54	3.25	
OECs (Arab States)	6.42	4.91	

Q1 2020

	Destination income group		
Source income group	**FCCs**	**OIMICs**	**OECs**
High income: OECD	9.61	6.88	10.03
OIMICs (Arab States)	11.19	3.03	
OECs (Arab States)	5.20	4.63	

Source: UNDP calculations based on data from *The World Bank, Remittance Prices Worldwide database.*

35 The World Bank, *Covid-19 Crisis Through a Migration Lens,* 2020, op. cit.

36 Ibid.

37 Moody's, "Lower remittances after coronavirus to hurt consumption, raise external risks in major recipient countries", 27 July 2020.

38 International Food Policy Research Institute (IFPRI), *Covid-19 and the Egyptian Economy: Estimating the impacts of expected reductions in tourism, Suez Canal revenues and remittances*, 2020.

39 Ibid.

Policy review

Labour market policies and social protection systems in most countries in the region exclude migrants, refugees and IDPs, leaving them highly vulnerable to external shocks. As the current situation shows, the dual crises have exacerbated the challenges that migrants and refugees face. To mitigate the immediate challenges faced by migrant workers, governments in the region – mainly in GCC countries – have introduced some immediate measures. The policy review reveals that eight countries (five GCC, two middle-income oil-importing, and one FCC) have introduced measures that mainly focus on easing residency/visa renewals for migrant workers and providing access to free healthcare – particularly testing and treatment for COVID-19 (Table 4.2). To ease the flow of remittances, only one country has taken early action. Jordan's Central Bank permitted a major remittance service provider to offer its service online for the first time, thus enabling migrants – even those without a bank account – to send money to their home countries.[40]

Countries with high refugee populations (such as Jordan and Lebanon) have taken some measures to include refugees in their response plans. For example, the government of Jordan has launched an initiative to ensure that refugees have continued access to national health services, including referring cases to quarantine sites and facilitating treatment. In Lebanon, the Ministry of Social Affairs unveiled a plan to prevent the spread of the virus in areas hosting refugees, including through awareness campaigns.[41] While refugees can access national health services in some countries, they are largely absent from national social protection systems. The policy review reveals that humanitarian actors have provided social protection support to refugees through cash transfers and in-kind assistance to mitigate the immediate impacts of the crises.

Table 4.2 **Migrant policy responses implemented in the region**

Measures	OECs	OIMICs	FCCs
Employment protection/ retention schemes	Qatar		
Access to healthcare (COVID-19 testing and treatment)	Bahrain, Oman, Saudi Arabia, United Arab Emirates	Jordan	Somalia
Utility waivers	Bahrain, Saudi Arabia		
Social assistance, including in-kind transfers	Kuwait, Oman	Jordan	
Waiver of fines for migrant workers with expired work permits and waiver of fees for visa renewals	Bahrain, Kuwait, Qatar, Saudi Arabia	Jordan, Tunisia	
Unemployment insurance		Jordan	
Enable the unbanked to transfer remittances through formal channels		Jordan	

Source: Data from R-UNSDG Social Protection Mapping, IMF and Reuters.[42]

40 Win, T.L., and B. Barkawi, "'Emergency' for millions as coronavirus severs remittance lifeline", Reuters, 1 May 2020.

41 OECD, *OECD Policy Responses to Coronavirus (COVID-19); COVID-19 crisis response in MENA countries,* updated 9 June 2020, http://www.oecd.org/coronavirus/policy-responses/covid-19-crisis-response-in-mena-countries-4b366396/#p-d1e1239.

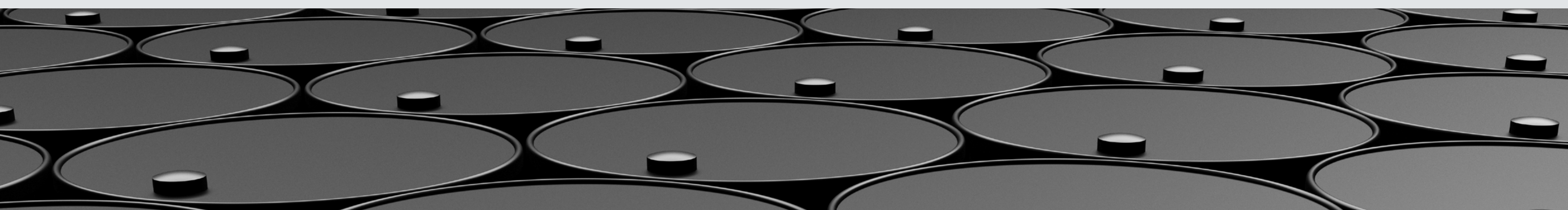
04

Policy Recommendations

While some countries in the region have taken immediate but limited measures to mitigate the social and economic impacts of Covid-19 and the oil crisis on migrants, much remains to be done to ensure medium- to long-term recovery. The following are recommendations for policy improvements to enhance government and stakeholder effectiveness and accelerate efforts to respond to the challenges faced by migrants and their families in the region.

Immediate term:

- Governments have the responsibility to provide access to health care services to migrants and displaced people without discrimination. Regulations, policies and administrative practices should ensure migrants and displaced people have timely and gender-sensitive access to health facilities, goods and services. These efforts should be backed by vigorous outreach campaigns aimed at disseminating information to migrants and displaced people.
- The pandemic crisis and its impact on oil prices has provided an opportunity for change to protect the rights of migrant workers. Across the region, COVID-19 is underlining the dangers of the unsanitary and overcrowded conditions endured by many migrant workers. Governments, the private sector and civil society should ensure that migrant workers have adequate and safe working and living conditions.
- Migrant workers and their families should be provided access to social protection, including social security and assistance, given the job losses and wage cuts arising from the dual crises. Social welfare schemes in remittance recipient countries must also be expanded to cover poor segments of the population who depend on remittances for their sustenance.
- Governments should provide monetary support to businesses (both formal and informal) in host countries that employ migrants to ensure that they are kept on the payroll.
- Remittance source and recipient countries could make provisions that recognize remittance service providers and their agents as essential



services, thus allowing them to operate in the face of lockdowns. Source countries of migrant remittances should make efforts to support remittance service providers with appropriate instruments to effectively manage their credit and liquidity risks and mitigate shocks to remittance flows.

- To keep the remittances industry afloat, remittance source and recipient countries should consider extending fiscal support to remittance service providers.
- The roles of local government and civil society should be enhanced by providing technical and financial support to municipalities and local authorities to ensure effective service delivery to migrants and displaced people.
- Conflicts in the region will further exacerbate the social and economic impacts of the pandemic, which will worsen the conditions of the most vulnerable migrants, IDPs and refugees. Regional stakeholders and the international community should renew their efforts to restore peace in the region and support the Secretary-General's appeal for an immediate ceasefire in all corners of the world "to focus together on the true fight of our lives".

Medium term:

- Countries with high remittance costs should aim to reduce the cost of remittance transfers to three percent or less by 2030 and eliminate remittance corridors with costs of higher than five percent, in keeping with the SDG 10.c target.
- Remittance source and recipient countries should expand the access of migrants and recipients to formal bank accounts at affordable costs to facilitate the use of formal channels for remittance transfers.
- Remittance source and recipient countries should enable remittance service providers, migrants, and recipients to leverage digital payment instruments for remittances and address any regulatory and infrastructure barriers. Mobile technologies, for instance, are known to significantly reduce the costs of remittance transfers. Source and recipient countries should also take steps to build the digital financial literacy of migrants in order to familiarize them with the use of digital financial services.
- To improve migrant access to digital remittance channels, remittance source and recipient countries should simplify customer due diligence for lower-risk accounts, allow remote account opening and enable access to appropriate identity documents.
- Banks in remittance source countries should ensure that remittance service providers have adequate anti-money-laundering and counter-financing-of-terrorism (AML/CFT) checks and processes in place to address these risks.