

Panel II: Financial Inclusion, Remittances and New Technology

I Will point out a number of actions that AFFORD have pushed or have been involved in to support financial inclusion, remittances and the deployment of new technology

1. During the first UK lockdown, we made representations for Money Transfer Organisations to be treated as an essential service, so they would be exempt from lockdown restrictions, remaining open during the lockdown. The covid lockdown laws were changed enabling those who prefer not to use online platforms to send money, to have the option of going into a MTO. An important element of financial inclusion is offering the option of choice for those still not tech savvy or who suffer tech exclusion.
2. The AU has accepted a report on how to implement its legacy project for an African Diaspora Investment Fund through an African Diaspora Finance Corporation (ADFC), AFFORD urges development partners to support the AU to make this a reality in 2021. ADFC can deploy and harness new technology to access and aggregate diaspora savings for investment in diverse sectors of the African social economy. ADFC proposes to use technology to make it easy for individual remitters and MTOs to also make contributions to a Diaspora Trust Fund, through normal remittance transactions.
3. Abake Adenle CEO and founder of Ajala Studios, a London-based start-up working on speech applications for under-resourced languages. Developed voice recognition app in Kinyaranda, Yoruba and other African languages. From a small £30,000 investment from AFFORD in the Rwanda Pilot project, Ajala spread the initiative to 10 other African countries. This a good demonstration of how a small investment in a diaspora lead business can support financial inclusion efforts.
4. AFFORD's 'RemitPlus™ Diaspora Finance Report (2011)', provided outlines for African Diaspora Bonds, Diaspora Mutual Fund, Diaspora SME Funds, and Diaspora Bank Accounts, all of which would rely on and harness new technology. In the African context, financial services businesses have made good progress on diaspora bank accounts – but there is still a lot that can be done in the area of diaspora bonds, mutual funds and SME funds. The ADFC can make progress in some of these areas
5. Finally, We are encouraged by some innovative schemes that using technology and developing inclusion models. Take the Swiss company BASE, which has developed a model which has been successfully pilot in Haiti and Bolivia and they are seeking to roll out to Africa. The model involves tailored renewable energy sources and creation of a self-sustaining business model that enables African migrant workers living and working in Europe, to direct part of their remittance payments towards access to renewable energy solutions for their communities or families at home. It includes a renewable energy technology enhancement by assessing the needs of the market

taking into account the ongoing water-energy-food nexus action with the aim of providing sustainable energy access (electricity/cooking) and/or creating improved health, economic wealth and jobs (productive use of energy/energy efficiency). The business model is built on remittances. Migrant workers living and working abroad, typically have a higher power purchase capacity, the ability to save and repay loans, and a strong interest in seeing their hard-earned remittance money used for something with long term tangible benefits for their families and communities. As in Haiti and Bolivia the technologies and business model deployed will be based on the local market and existing structures, to ensure that it is sustainable and able to continue delivering benefits well beyond the duration of the project.