

RESPONSE OF COMMITTEE CHAIRMAN
NIGERIA DIASPORA INVESTMENT TRUST FUND
INNUAGURATION CEREMONY – 08/27/2020

Your Excellency, Amb. Zubairu Dada, Hon. Minister of State, Ministry of Foreign Affairs,
Hon. Abike Dabiri-Erewa, Chairman/CEO, Nigerians In Diaspora Commission (NiDCOM),
Engr. Dr. Sule Yakubu Bassi, Secretary, NiDCOM,
Distinguished Committee Members,
Ladies & Gentlemen,

1. On behalf of the Committee, I wish to start by first thanking The Honorable Minister of State, His Excellency Amb. Zubairu Dada, for swearing us in, and also NiDCOM Chairman/CEO, Hon. Abike Dabiri-Erewa, for considering us worthy to serve our people and our country. It's an honor and a privilege.
2. The inauguration of this Ad-Hoc Committee, today, August 27th, 2020 marks the beginning of yet another important journey, and a key milestone in the economic development history of our country, under the administration and leadership of President Muhammadu Buhari, GCFR.
3. During the November 2018 official announcement of the Bill that created the Nigerian Diaspora Commission, Senator Ita Enang said, and I quote, ***"The Nigerian Diaspora Commission has the responsibility to coordinate and organize Nigerians in and from the Diaspora to contribute human capital and material resources, including their expertise, for the development of Nigeria and its constituent states."*** Unquote.
4. Nigerians, the world over, are known and respected for their dedication to higher education and learning, advanced skills, vitality, creativity, and entrepreneurship. Because of this, one has to be a chronic pessimist not to believe in the promise of Nigeria, a country which has the potentials to rise and become a major world economy and power. According to CNN and the Economist, this potential is unquestionable, that is if only Nigeria could harness and deploy its "...secret weapon," The Nigerian Diaspora.

5. It's in keeping with its establishment mandate, that NiDCOM has assembled and had this Ad-Hoc Committee sworn-in today. Our assignment is clear. It is to create a Road Map for the establishment of a Private Sector-Led Nigeria Diaspora Investment Trust Fund.
6. So, for the non-economist, they may ask why and how should a country harness its Diaspora resources? Numerous World Bank and United Nation studies have found that Diaspora remittances back to their home countries of origin contribute substantially to national development, and in some cases disproportionately so. According to the International Fund for Agricultural Development (IFAD), migrant remittances provide their countries of origin the following benefits: 1). Reduce Poverty; 2). Reduce Hunger; 3). Promote good health and well-being; 4). Improve the quality of education; 5). Help to provide clean water and sanitation; 6). Provide decent work and economic growth; and 7). Reduce inequality.
7. As it turns out, these benefits actually represent 7 out of the 17 Sustainable Development Agenda Goals of the United Nations for the period 2015-2030.
8. According to PriceWaterhouseCoopers, analysts estimate that approximately 30% of remittances back to countries of origin are dedicated to non-consumption investments, such as real estate, capital markets, new business ventures, etc. The other large chunk, 70%, goes to consumption spending.
9. In the case of our country, Nigeria, which is the 6th largest remitting country in the world, and second only to Egypt in Africa, Diaspora inflows exceeded \$25 billion, as at 2019, and these were well above those derived from crude oil exports, at \$18 Billion as at 2018. These inflows are projected to exceed \$29Billion in 2021, and \$34 billion by 2023.
10. So, clearly, with 30% of these inflows going into non-consumption investments, this would be a huge source of development capital for our country! Such volumes of inflows would not only reduce our dependence on Foreign borrowing, but would also improve our credit rating and lower our cost of borrowing in the international capital markets!
11. It is in light of all these possibilities that I believe, with the right government incentives, the right private sector partnerships, the right investment fund structure, and the proper management structure, funds inflows from the Nigerian Diaspora would not only be assured but could easily increase substantially. In fact, properly incentivised and managed, Diaspora homebound investment funds flows could displace crude oil flows

and foreign borrowings, combined, as our main source of foreign exchange for national development.

12. To quote Gilbert F. Houngbo, IFAD's 6th President, expressing his view on Global Remittances in 2019, I quote, ***“Governments, regulators, and the private sector all have an important role to play in leveraging the effects of these flows, and in so doing, helping nearly one billion people to reach their own sustainable development goals by 2030.”*** Unquote.
13. In closing, I want to assure the Nigerian Diaspora Commission, that this committee pledges to work very hard and diligently, to produce a solid report, in accordance with its mandate and within the set time frame given to us.
14. Lastly, I commend NiDCOM for this initiative and for assembling a superb team of seasoned professionals to carry out this national assignment.
15. And now, to my fellow committee members, let's rollup our sleeves and get to work!

Thank you all for listening.

Dr. Ali Garba