

## **GMG message in support of the International Day of Family Remittances, 16 June 2017**

Migrant remittances lift millions of families out of poverty across the world, as well as provide invaluable support to the communities where they live. More specifically, remittances contribute to the improvement of food security, education, health, well-being and housing for individual families, and have a positive impact on savings, investments, and job creation in their home communities. These funds also represent an important safety net in times of crisis and act as risk management tool, improving poor people's resilience to shocks.

According to the most recent estimates over 200 million migrant workers, half of whom are women, sent about US\$430 billion back to their families in developing countries during 2016. These annual flows represent over three times the global official development assistance (ODA), and, for most developing countries, surpass their foreign direct investment (FDI).

Over the past decade, the role played by remittances in the development of migrants' home countries has garnered strong global consensus, and the international community is increasingly committed to support the efforts of millions of migrants to achieving their family goals of better opportunities and a secure economic future. This commitment has been recently recognized in several instances.

A dedicated target of one of the Sustainable Development Goals (SDGs) aims at reducing to less than 3 per cent the transaction costs of migrant remittances and eliminating remittance corridors with costs higher than 5 per cent (SDG 10.c).

In 2015, the Addis Ababa Action Agenda (AAAA) committed to support adequate and affordable financial services for migrants and their families, and highlighted the need to reduce the average transaction cost of migrant remittances as provided in SDG 10.c. The Agenda also underlined the importance to facilitate new technologies, promote financial literacy and inclusion, and improve data collection, whilst stressing the importance of gender mainstreaming in all financial and economic policies (AAAA B 40).

The New York Declaration on Refugees and Migrants of 19 September 2016 (A/RES/71/1) endorsed the need to promote faster, cheaper and safer transfers of migrant remittances in both source and recipient countries, as well as the facilitation of interaction between the diaspora and their countries of origin.

Despite the vital importance of these flows both at household and community levels, several challenges still exist. High transaction costs, particularly in low-volume corridors, lack of transparency, and the difficulties in accessing formal remittance services, especially in rural areas and particularly for women who often have much lower rates of financial literacy, are some of the issues faced by remittance families.

In 2017, in his report to the UN Secretary General, Sir Peter Sutherland, former Special Representative of the Secretary-General on Migration, dedicated the ninth recommendation to improving remittance markets and financial inclusion (A/71/728), and called for a more concerted effort to forge operational partnerships among government policymakers and regulators, financial industry representatives and technology entrepreneurs in order to make it easier for migrants and their families to access financial services, foster competition in remittance markets, and stop equating remittances with money-laundering.

On the occasion of the International Day of Family Remittances, GMG members join the international community in advocating for the crucial role that migrants' remittances play in contributing to inclusive growth in countries of origin, transit and destination. The GMG supports efforts by governments, civil society and private sector towards lowering the cost of sending remittances, promoting an inclusive and enabling environment for remittance transfers, fostering financial inclusion, especially in remote rural areas, and incentivizing the investment of remittances in productive and business activities.

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The Global Migration Group (GMG) is an inter-agency group bringing together heads of agencies to promote the wider application of all relevant international and regional instruments and norms relating to migration, and to encourage the adoption of more coherent, comprehensive and better coordinated approaches to the issue of international migration. The GMG is particularly concerned with improving the overall effectiveness of its members and other stakeholders in capitalizing upon the opportunities and responding to the challenges presented by international migration. At present, the Group is comprised of 22 UN entities.