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## Update on the International Day of Family Remittances

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For: Information

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# Update on the International Day of Family Remittances

## I. Background

1. The International Day of Family Remittances (IDFR) was proclaimed by IFAD's Governing Council at its thirty-eighth session on 16 February 2015. The objective of the proclamation was to recognize and raise global awareness of the link between migration and development. It was also an acknowledgement of the fundamental contribution of migrant workers to the well-being of their families and communities of origin, and the importance of remittances to sustainable development, particularly in rural areas.
2. The purpose of this information note is to update the Executive Board on:
  - (a) Global developments in the realm of migration and development to which the IDFR is contributing, such as: the 2030 Agenda and its Sustainable Development Goals (SDGs), the Addis Ababa Action Agenda and the New York Declaration for Refugees and Migrants.
  - (b) IDFR's contribution to promoting recognition of the efforts of migrants and creating new synergies between remittances and specific development activities; and
  - (c) The status of the Governing Council's mandate to call upon the United Nations General Assembly to endorse the observance of this day.
3. Unprecedented numbers of migrants and refugees are moving across international borders, fleeing conflict, persecution, poverty and other life-threatening situations, or responding to labour and skill shortages to seek better opportunities elsewhere. In 2015, the number of international migrants worldwide – people residing in a country other than their country of birth – was the highest ever recorded, having reached 244 million (up from 232 million in 2013). New studies indicate that the large majority of international migrants – approximately 200 million – are economic migrants. As such, migration is a key contributor to – and consequence of – rural and structural transformation and must be incorporated into the development agendas of developed and developing countries. The current scale of displaced populations has broader implications for the social, economic, and political landscape, requiring a more robust and wide-ranging international response. The 2030 Agenda provides a universal development framework that can help place countries on a development pathway that ensures that migration is a choice and not a necessity.
4. The vast contribution that remittances can make to the achievement of the SDGs is clear: a projected US\$6.5 trillion in international remittances will be sent to developing countries between 2015 and 2030, involving over 1 billion senders and receivers. Indeed, the majority of economic migrants who have left their homes in search of better opportunities send remittances back to an estimated 800 million family members. Approximately 75 per cent of these flows go towards meeting immediate needs, but the remaining 25 per cent – over US\$100 billion each year – is available for other purposes, such as savings and investments. Ultimately, these flows help each migrant address the root causes of his/her decision to migrate.
5. Over the past decade, attention has focused primarily on the “sending side” of remittances, particularly from developed to developing countries. The global scale of this phenomenon is impressive: US\$429 billion in remittances were recorded in 2016 – more than three times the value of official development assistance – and some 40 per cent of these funds reached families in rural areas.
6. Beyond the focus on the aggregate flows of remittances, what matters most is not measured in millions or billions, but in the individual amounts of US\$200 or US\$300

sent home regularly and consistently. These amounts represent 60 per cent of total household income and, if leveraged, can effectively improve the living standards of migrants' communities of origin.

7. Thanks to the cumulative value of these small but regular remittances, many recipient families are able to reach their own SDGs – reduced poverty, better health and nutrition, educational opportunities, improved housing and sanitation, entrepreneurship, financial inclusion and reduced inequality. Moreover, they are better able to deal with the uncertainty in their lives by increasing their savings and building assets to ensure a more stable future.

## II. Developments since 2015

### A. Global developments on migration, remittances and development

8. Since 2015, the international community and the United Nations system have dramatically sharpened their focus on every aspect of the migration phenomenon. This holistic approach – ranging from human rights to security to labour mobility – reflects the United Nations' recognition of migrants as active agents of change for development and has placed their crucial contribution at the centre of global discussions and processes. This approach is also mirrored in the objectives of the IDFR and in the processes that will follow.
9. The Addis Ababa Action Agenda was adopted at the Third International Conference on Financing for Development (Addis Ababa, Ethiopia, 13-16 July 2015) and subsequently endorsed by the United Nations General Assembly in its resolution 69/313 of 27 July 2015, providing a foundation for implementing the 2030 Agenda.
10. Relevance to the IDFR. The Addis Ababa Action Agenda recognizes the positive contribution of migrants for inclusive growth and sustainable development in countries of origin, and transit and destination countries and makes a strong commitment to a series of actions to ensure that adequate and affordable financial services are available to migrants and their families in both home and host countries.<sup>1</sup>
11. Transforming our world: the 2030 Agenda for Sustainable Development. On 25 September 2015, United Nations General Assembly resolution 70/1, containing the 2030 Agenda for Sustainable Development, a plan of action for people, planet and prosperity for the next 15 years, entered into effect. The 2030 Agenda includes the 17 SDGs and 169 supporting targets.

Relevance to the IDFR. SDG 10.c commits, by 2030, to reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent. Migrant remittances, however, contribute directly and indirectly to several SDGs in addition to 10.c, as outlined in IFAD's Remittances, investments and the Sustainable Development Goals report.<sup>2</sup>

12. New York Declaration for Refugees and Migrants. On 19 September 2016, the United Nations General Assembly adopted resolution 71/1 containing the New York Declaration for Refugees and Migrants and launched a process of intergovernmental negotiations towards the adoption of two Global Compacts in 2018: (i) the Global Compact for Safe, Orderly and Regular Migration; and (ii) the Global Compact on Refugees.

<sup>1</sup> United Nations, Addis Ababa Action Agenda of the Third International Conference on Financing for Development (New York: United Nations, 2015), para. 40.

<sup>2</sup> Remittances, investments and the Sustainable Development Goals – Recommended actions. See [www.ifad.org/documents/10180/cdc84bb8-a1a0-4be5-8bf4-8040ec2cd992](http://www.ifad.org/documents/10180/cdc84bb8-a1a0-4be5-8bf4-8040ec2cd992).

13. The statement of the Secretary-General's Special Representative for International Migration at IFAD's Global Forum on Remittances, Investment and Development (GFRID), held at the United Nations headquarters in 2017, highlighted the importance of remittances for the SDGs: "according to the New York Declaration for Refugees and Migration, the Global Migration Compact should be guided by the 2030 Agenda. By facilitating financial inclusion, remittances expand opportunities for recipients. In short, I think it's fair to say that remittances allow families to reach their own SDGs".

Relevance to the IDFR. The international community acknowledges the positive contribution of migrants to sustainable and inclusive development, including the remittances they send to their families back home. Through its work on migration, remittances and development in rural areas, the IDFR and the GFRID, IFAD is actively contributing to the intergovernmental negotiations towards the adoption of the Global Compact for Migration, and some of its main objectives, i.e.:

- (i) The need to address the drivers of migration, including through strengthened efforts in development, poverty eradication and conflict prevention and resolution;
  - (ii) The contribution made by migrants to sustainable development and the complex interrelationship between migration and development; and
  - (iii) Remittances as an important source of private capital and their contribution to development, and the promotion of faster, cheaper and safer transfers of remittances through legal channels in both source and recipient countries, including through a reduction in transaction costs.
14. IFAD is also closely involved in this process through its contribution to thematic session 4 – one of a series in support of the Global Compact for Migration – which addresses the contributions of migrants and diasporas to all dimensions of sustainable development, including remittances and portability of earned benefits.

## B. IDFR celebrations

15. The IDFR was celebrated for the first time on 16 June 2015, at the opening ceremony of IFAD's fourth Global Forum on Remittances and Development. The Forum, co-hosted by the European Commission and the World Bank, took place in conjunction with the universal exposition EXPO Milano 2015: Feeding the Planet, Energy for Life. The patron of this first celebration was Her Majesty Queen Máxima of the Netherlands, in her capacity as the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development.
16. During the celebration, IFAD received significant official endorsements from the private sector, international organizations and civil society partners. Since 2015, many of them have committed to lower transaction costs, and even transferred remittances at zero fee on 16 June, to mark the day.
17. The IDFR was celebrated on 16 June 2017 at the United Nations Headquarters in New York, in the context of IFAD's fifth GFRID, jointly organized with the World Bank and the United Nations Department for Economic and Social Affairs. The celebration saw the participation of the President of IFAD, the Secretary-General's Special Representative for International Migration, the two Co-Chairs of the Global Compact for Migration – Mexico and Switzerland, along with representatives of numerous Member States, private and public sector entities, and civil society. This marking of the IDFR was seen as an important contribution towards the adoption of the Global Compact for Migration in 2018.<sup>3</sup>

<sup>3</sup> Global Forum on Remittances, Investment and Development 2017: Recommendations. See [www.ifad.org/documents/10180/565d6a5d-1036-4fa4-9e5b-11fa771fdc47](http://www.ifad.org/documents/10180/565d6a5d-1036-4fa4-9e5b-11fa771fdc47).

## C. Cross-sector recognition

18. Since 2015, the IDFR has received much encouragement and support from both the public and private sectors, including development organizations. Each year IFAD renews its call for endorsement to further raise awareness and involve more stakeholders to take action. The response in 2017 has been formidable.

(a) From the United Nations:

- (i) The IDFR was mentioned in the United Nations General Assembly resolution 71/237 on International Migration and Development, in paragraph 18: "Notes the adoption of resolution 189/XXXVIII by the Governing Council of the International Fund for Agricultural Development, on 16 February 2015, in which the Governing Council proclaimed June 16 as the International Day of Family Remittances and focused attention on the receiving end of family remittances and the need to capitalize on their potential to further help meet the economic, social and environmental challenges confronting developing countries, particularly in rural areas."
- (ii) The IDFR was also mentioned in the United Nations Secretary-General's Report on International Migration and Development A/71/296, in paragraph 44: "In 2015, the 176 States members of the Governing Council of IFAD unanimously proclaimed June 16 the International Day of Family Remittances. The Day aims to recognize the fundamental contribution of earnings by migrant workers to their families and communities back home and to the sustainable development of their countries of origin."
- (iii) The IDFR has also received extensive support from 22 United Nations organizations within the Global Migration Group, of which IFAD became member in early 2017.

(b) Endorsements received from the private sector:

- (i) Over 90 money transfer operators, representing 85 per cent of the market, either through the International Association of Money Transfer Networks or individually.
- (ii) GSM Association, involving over 800 mobile operators worldwide, and leading individual companies like Vodafone.
- (iii) The World Savings and Retail Banking Institute, grouping over 6,000 savings banks in more than 80 countries.
- (iv) The Emerging Payments Association, with more than 100 members around the world.

## III. Next steps

### A. Endorsement by the United Nations General Assembly

19. IFAD's Governing Council, as stated in the resolution establishing the IDFR, called upon the United Nations General Assembly to formally endorse and universally recognize the IDFR. To this end, IFAD is currently working with Member States to propose a resolution endorsing the IDFR to the General Assembly, in 2018.

### B. Global Forum on Remittances, Investment and Development

20. At the request of Bank Negara Malaysia (the Central Bank of Malaysia), IFAD will co-host the first in a series of regional forums aimed at exploring opportunities and challenges in the Asia and the Pacific region, in line with the 2030 Agenda and the Global Compact for Migration process. The 2018 GFRID: Asia-Pacific will take place in Kuala Lumpur from 8 to 10 May 2018, in collaboration with the World Bank.

21. The 2018 Global Forum is expected to lead to the creation of a multi-stakeholder platform on remittances, investment and development, to build regional ownership, and to provide continuity to the previous achievements, with the ultimate goal of feeding the dialogue on remittances, investment and development from a regional perspective and scale up current successful initiatives.
22. The Global Forum will be replicated in other regions, so that a forum with a regional focus will be organized every two years with the support of a local host, as in the case of the Global Forum on Migration and Development, whose organization is led by a different member country every year.