



Investing in rural people



**International Day
of Family Remittances**

16 JUNE



Welcome to the celebration of the first International Day of Family Remittances.

Currently, there are almost 250 million international migrants worldwide living outside the country they call home. Throughout civilization, people have always been on the move, seeking better opportunities for themselves and their families – it is part of the human condition. But the scale of migration from rural to urban areas, and across national borders in the 21st century, is unprecedented. Indeed, it has been accurately characterized as “the human face of globalization”.

But no matter how many people leave home, many more remain behind. It is estimated that the money sent back by migrant workers to their relatives – remittances – supports another 750 million people worldwide. Adding senders and receivers together, remittances directly touch the lives of one in every seven people on Earth.

A significant majority of migrants send money home, typically US\$200 or US\$300, several times a year. While these amounts may appear to be relatively small, they are often 50 per cent or more of their families’ income back home. Adding together all the billions of transactions involved, remittances are expected to reach US\$440 billion in 2015, more than three times the official development assistance from all sources.

Fifteen years ago, remittances were literally unaccounted for because migrant workers and their families “didn’t count”. This has changed dramatically, as remittances have now become an important part of the development agenda for governments and

international organizations working around the globe to lower transfer costs, promote financial inclusion, and maximize the impact of these resources for the benefit of individual families and the communities where they live. It is within our capacity to make every hard-earned dollar, euro, pound, ruble, yen, dinar or naira sent home “count”.

These flows already represent a critical lifeline for millions of households, helping families raise their living standards above subsistence and vulnerability levels, as the extra income goes toward improving health, education and housing, and starting or expanding businesses. But remittances have the potential to “count even more”.

It is indeed at the local level that remittances can be enhanced by providing more options and greater economic opportunities for families on the receiving end back home.

At IFAD, we believe that remittances “count the most” in the small rural towns and villages of developing countries around the world. Here the most important value is not measured by millions or billions, but by the individual remittance that a father or mother, son or daughter, sister or brother sends home regularly as a demonstration of devotion and commitment to the future.



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On this first International Day of Family Remittances, and all succeeding celebrations, IFAD invites all interested institutions, organizations and individuals from the public and private sectors, as well as civil society, to join together to help reach our ultimate goal of making migration for future generations more of a choice than a necessity.

IFAD's Resolution 189/XXXVIII

Proclamation of an International Day of Family Remittances

The Governing Council,

Recalling the Declaration of the High-level Dialogue on International Migration and Development, unanimously adopted by the General Assembly and Member States on 3-4 October 2013,

Recalling Resolution 55/93 adopted by the General Assembly, proclaiming 18 December as International Migrants Day, which calls for the protection of their human rights,

Welcoming the recommendation, unanimously endorsed by representatives of the public and private sectors and civil society during IFAD's Global Forum on Remittances, held in Bangkok on 20-23 May 2013, to declare an International Day of Family Remittances,

Considering that in many developing countries, international remittances constitute an important source of income to poor families, projected to exceed US\$500 billion annually from 2016 onward,

Noting that the transformative impact remittances have on access to education, food, health and housing is most apparent in communities of the developing world, particularly in rural areas where poverty rates are highest,

Recognizing the critical contributions of migrants in supporting their families living in fragile states and during times of crisis,

Recognizing the work done by Member States, the United Nations system and the role of civil society organizations in promoting the development impact of family remittances,

Recognizing the role of the private sector in developing cost-effective and accessible financial transfer services,
Noting that families, as basic units of social life, are major agents of sustainable development at all levels of society and that their contribution to that process is crucial for its success,
Stressing that South-South remittances can represent an important element for international cooperation among developing countries, in their collective pursuit of economic growth and sustainable development,
Mindful that millions of families in rural areas are also supported by domestic remittances sent by family members typically living in urban locations,
Proclaims 16 June to be the International Day of Family Remittances,

- (a) **Invites** all governments, private-sector entities, civil society representatives and inter-governmental and non-governmental organizations to undertake special efforts in observance of this Day,
- (b) **Focuses** 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,
- (c) **Encourages** the private sector to facilitate the sending of remittances and to link these flows to a range of financial services and products for migrants and their families,
- (d) **Invites** civil society organizations to bring forward initiatives based on synergies and partnerships with international organizations, governments and the private sector, that enhance the development impact of remittances in communities of origin,
- (e) **Calls upon** the United Nations General Assembly to endorse the observance of this Day.



Celebrating the Day

Proclaiming an International Day of Family Remittances represents an invaluable opportunity not only to recognize the efforts of migrants globally, but also to strengthen current partnerships and create new synergies among sectors to promote the development impact of remittances worldwide. More specifically:

- (a) **Public-private partnerships** to create a more favourable regulatory and market environment for remittance flows, particularly reaching the “last mile” of rural communities through financial access and inclusion;
- (b) **Private-sector initiatives** to contribute to increased competition, lower transaction costs and provide innovative financial products to meet the needs of low-income families; and
- (c) **Civil society collaboration** to identify a broader range of economic opportunities and share knowledge resulting in more options to improve the living standards of remittance families.

Opportunities for development

Remittance flows have a substantial positive impact and contribute significantly to several key development priorities through new partnerships, improved policies and scaled-up innovations.

Financial inclusion: remittance families would benefit from improved access to tailored products and services, such as savings, credit, investment opportunities, financial training and outreach to rural communities.

International and domestic payment systems: strengthening national and regional financial infrastructure would help reach underserved markets, increase competition and enable electronic payments and new technologies to be introduced.

Food security: migrant capital and remittances savings could be invested into agriculture and value chains to support local markets, create employment and ultimately improve food security.

South-South flows: knowledge and integrating markets and payment systems are a means to expand trade and spark higher economic growth at lower transaction costs.

Fragile states: remittances provide not only a lifeline to receiving families and communities in times of need, but also the seeds of greater opportunity towards recovery and stability.

Gender: women represent the vast majority of microfinance clients, and remittances can provide the resources to expand successful family enterprises and to promote local economic activities.

Youth: remittances can create more opportunities – through targeted education and training programmes, leading to the creation of entrepreneurial activities and employment – for the next generation to remain home and contribute to their local communities.

www.ifad.org/remittances/idfr
www.familyremittances.org

IFAD invests in rural people, empowering them to reduce poverty, increase food security, improve nutrition and strengthen resilience. Since 1978, we have provided nearly US\$16.6 billion in grants and low-interest loans to projects that have reached about 445 million people. IFAD is an international financial institution and a specialized United Nations agency based in Rome – the UN's food and agriculture hub.



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