FIRST DRAFTING SESSION ON THE THEME
OF INTERNATIONAL REMITTANCES AS PART OF THE
PREPARATORY PROCESS FOR THE FINAL DOCUMENT OF THE
THIRD INTERNATIONAL CONFERENCE ON FINANCING FOR
DEVELOPMENT

STATEMENT FOR GENERAL DISCUSSION

29 January 2015

CHECK AGAINST DELIVERY
Distinguished Co-Facilitators,

Italy aligns itself with the statement delivered by the EU and its Member States.

Italy would like to briefly highlight an area which is becoming increasingly important in financing for development and that deserves further exploration: the link between migration and development. Remittances dramatically increased over the past decade; they are likely to have important developmental effects in countries where they represent a sizeable share of capital inflows. Migrants sent $414 billion to developing countries alone in 2013—a number projected to cross the half-trillion mark by 2016. This is almost triple the amount of overseas development assistance. Remittances go directly to the people who know how to use them best.

Not only. In origin countries, migration supports the balance of payments, making it easier to pay for critical imports, access capital markets, and reduce interest rates on sovereign debt. These flows are far more reliable than other funding sources. When the global financial crisis hit, FDI in developing countries plunged 89%, while remittances dipped just 5%; today, they are growing by 9% annually. A decade ago, migrants paid an average of nearly 15% to intermediaries to transfer their money home.

Today, that number is under 8%. In conclusion, distinguished Co-Facilitators, Italy believes that on the road to Addis we should try to highlight best practices in reducing the cost of remittances transfer and thus reflect on how we can ensure a more efficient use of these funds which should be complementary to ODA.

Thank you.