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Good afternoon, Ladies and Gentlemen.

The European Union has a longstanding commitment on remittances. Since 2005, in its Communication on "Migration and Development: Some concrete orientations", the European Commission identified two main policy areas on remittances from migrants to their country of origin: firstly, making transfers cheaper, faster and safer, and secondly, strengthening their impact in terms of development in the receiving country.

Why this commitment from Europe? First because the EU recognizes the many studies that have demonstrated the important role of remittances in terms micro and macro planning in developing countries. Second because the existing data on remittances from migrants living in the EU to their home countries demonstrate the importance of these financial transfers.

According to EUROSTAT data updated in early 2011 on the basis of balance of payments of EU member states, the remittances of migrant workers residing in the EU reached €30.3 billion for 2009. This amount, which covers both intra European and non European countries (the latter representing 73% of total flows to and including developing countries) obviously does not take into account transfers made informally that we are not able to measure.

This amount of €30.3 billion is to be compared with the figure for 2008 which was €32.6 billion. Down 7%, the first decrease after a long period of steady increase (2005-2008), probably related to the international financial and economic crisis.

Among the EU Member States the largest remittance flows recorded in 2009 were: Spain (€7.1 billion or 22% of total remittances sent from migrants EU27), Italy (€6.8 billion or 21% of total), Germany (€3 billion or 9% of total), France (€2.8 billion or 9% of total) and the Netherlands (€1.5 billion or 5% of total). Again, the comparison with 2008 data shows that the largest declines have affected Spain, France and Italy.

However, despite this relative decline in transfers in 2009, the trend in the longer term is the steady increase of the amount each year and this reinforces the belief of the European Union, given the 20 million migrants the EU hosts from non-EU countries, it has a role to play in the field.

Regarding the costs of remittances and their development in recent years, there is no consolidated data on a European scale. However the average cost of sending money have declined since 2008, from 10.92% to 8.95% in the third quarter of 2010 for France and from 10.03% at 7.87% for Italy.

Although the factors explaining these statistics are many and complex - number of migrants in the territory, gradual consolidation in the collection of statistics, impact of initiatives taken at European level - the EU can already welcome progress in several areas.

What are the achievements in early 2011 with regard to promoting low-cost, fast and safe remittances?

More complete information

Regarding statistics, the EU Member States have strengthened their data collection in the balance of payments including both flows sent through banks and through transfer operators. The consolidated data from EUROSTAT are more accurate than before, even if further progress is possible. As part of its annual report on Financing for Development, the European Commission also produces information on the initiatives implemented in the field of financial transfers of migrants across the EU.

A number of EU Member States have also set up observatories on cost comparison of remittances (United Kingdom, France, the Netherlands, Germany, Italy ...) or supported studies on certain corridors. At EU level, the European Commission has funded the migration profiles and projects like the Observatory on migration (one initiative of the African-EU Migration, Mobility and Employment Partnership) or the African Institute for Financial transfers from migrants, which should eventually allow refining the available data including those on remittances.

A harmonized legal framework and a source of greater transparency in the markets

The European Union has adopted in 2007 the Directive on Payment Services (Payment Services Directive) which provided the legal basis of a single European market for payments, with a view to promote competition and strengthen transparency in the market. This directive will get an external evaluation in 2011/2012 but has already yielded results in terms of opening the market to new operators (131 new transfer operators have been licensed). Although the obligations they create so far only concern intra-EU transfers, some EU Member States have already chosen to go to law and to extend its field among operators, one of whose players are located outside the EU and are in currencies other than the euro or other European currencies. This should facilitate the access of migrants to formal financial services.

The directive on electronic money, which was adopted in 2009, will also have a positive impact on the facilitation of remittances from migrants, as from April 2011 electronic money institutions (such as telecom providers, or companies providing prepaid cards) may conduct other business activities including payment services such as financial transfers; though again the coverage is only intra EU to date.

The technical framework

In recent years as a donor the European Commission has also funded projects implemented by partner organizations that promote the use of new technologies to provide remittance inexpensive, readily available and competitive, opening up economic opportunities in developing countries. As a concrete example, and without being exhaustive, it has financially supported the Multi-Donor Fund of the International Fund for Agricultural Development (IFAD), which offered, through call for proposals, co-financing for innovative projects which some relating to new technologies as a factor of financial inclusion in rural areas. Some EU Member States also support programs that promote access to financial services via new technologies.

Access to financial services

Facilitate remittances from migrants and make them less costly should be accompanied by an effort to attract migrants and their families receiving these funds to use formal channels. Remittances from migrants and access to financial services are inseparable. The European Commission promotes initiatives to improve access to banking and financial services in developing countries, focusing on the possible role of microfinance institutions, as well as appropriate accompanying measures (information activities, etc.).

Finally in **facilitating the so-called "productive" contribution of remittances to developing countries of origin of migrants**, the European approach is based on respect for the private nature of remittances, and hence the response to expectations of the migrants who wish to save and invest in local economic development. As a concrete example, the European Commission co-finances a program of UNDP, one of whose components is again facilitating financial transfers of migrants and that includes many projects in support of entrepreneurship.

Beyond these initiatives, the EU also promotes work with Diasporas. For example, the European Commission supports the establishment of a platform for African Diaspora in Europe. And many EU Member States have programs dedicated to supporting Diasporas, like the Netherlands and Germany.

These achievements are the witness of the work across the EU and its cooperation programs. But much remains to be done in consolidating data including at European level of banking services for migrants and their families in the country (dual banking), strengthening the financial capacities of migrants (financial literacy), and market regulation of the EU and the receiving countries.

In the Stockholm Program on Justice, Immigration and Asylum, adopted in 2009, the European Council asked the European Commission to make proposals before 2012 to make transfers safer and cheaper and to enhance their local development potential. We will also assess the feasibility of creating a European portal on remittances from migrants. Among the commitments made in the context of policy coherence for development (migration being one of the five priority themes of the work program in this area), is to study the legislation so that it does not contain provisions that prevent the effective use legal methods of delivery. Finally, among the next steps, the European Commission intends, as part of a communication expected in autumn 2011 on the Global Approach to Migration, to prepare a working paper on migration and development, which will include the proposals.

I thank you for your attention.