

JOINT CONFERENCE ON REMITTANCES

12-13 September 2005
ADB, Manila, Philippines

Closing Remarks by:

Mr. Kyo Naka
Acting Resident Representative
United Nations Development Programme, Manila

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Honored Guests, Distinguished Colleagues, Ladies and Gentlemen

Good Afternoon to you all,

First allow me to join Mr. Takeo Shikado to express sincerest congratulation to all participants for the success of this conference. I am very delighted to address and deliver the closing remarks of this conference on remittances----a very important and significant issue for many developing countries worldwide. The theme of this conference is most timely “Remittances and Poverty Reduction: Learning from Regional Experiences and Perspectives”. Indeed, it is time that the phenomenon of global labor migration be seen from the larger perspective of development in the deploying countries. I am therefore happy for this opportunity for the UN to share its own concern and interest in transforming overseas remittances into a powerful tool for development.

This inter-regional conference, co-sponsored by ADB, IDB/MIF, and UNDP and facilitated by UNDP Special Unit for South-South Cooperation,

joined by experts of different fields, in order to share best practices and experience in the area of remittance, to enhance the services available to overseas workers in order to ensure greater ease and reliability of remittances, and to provide formal services so that such funds can be effectively used to reduce poverty and enhance development.... is paramount in reaching the Millennium Development Goals (MDGs).

As the MDGs aim to reduce human poverty, improve health and education, and establish a global partnership for development, conferences on remittances such as this can play and will play an important part in securing the MDGs.

Overseas remittances represent the fastest growing and most stable form of capital flows to developing countries, estimated at US \$200 billion annually. This flow of capital being the capital flows now larger than Foreign Direct Investment (FDI), and representing an amount of funds larger than development assistance given by donor countries must be effectively used to aim at poverty reduction and development — as emphasized over the past two days of the conference.

As we know, overseas remittances are utilized by individuals and their families for daily sustenance and livelihood. The sums of monies sent back are generally used for Food, Housing, Clothing, Education, and Health and Nutrition, effectively raising the general welfare of the receiving households and with possible spillover to extended families and into the community.

On the other hand, if these sums of monies are effectively serviced, these can provide a foundation to the overall development and poverty reduction of receiving countries. Establishing formal systems of transferring remittances will fortify benefits to senders and recipients. These benign effects—as pointed out by our distinguished previous speakers —represent themselves via institutions that provide opportunities to save, borrow, buy, and invest.

By Effectively Increasing Household Assets... Nationwide Growth and Economic Development Can Take Place.

For this reason, we must stand fast in our unified vision of providing and innovating formal institutions, which will increase the ease and reduce costs of remittances. As has been pointed out, decreasing transaction costs by a mere 5% will increase remittances by US\$3.5 billion. Incorporated with formal networks that ensure greater investment and savings will prove to be a driving force in poverty reduction and overall development.

Formal systems also provide a greater sense of security and reduce criminal activities by establishing transparency. This transparency reduces negative impacts of money laundering and other criminal activities such as funding terrorism.

As we have heard in the past two days from the studies and experiences of countries with populations who are overseas migrant workers, the potential of overseas remittances for development is

enormous. The challenge is how to tap these resources for development. On another hand, deploying countries need to look more deeply at the social impact, on children, families, communities and the country as a whole. The price that deploying countries have to pay must not outweigh the economic gains of deploying its human capital abroad.

Our combined overall goals are to reduce poverty and help facilitate development in the world's poorest countries. If we continue to work together and share our skills and knowledge as we have done over the past two days, these goals will be accomplished.

Ladies and gentlemen, as we close this two-day conference, let us reflect on the challenge on making the sacrifices of overseas workers meaningful for their children, families, communities and their country. Let us reflect on policies and mechanisms that highlight the soul and sacrifice of every overseas worker, and also policies and mechanisms that enable the uplifting of quality of life and sustaining this quality for generations to come.

I look forward to our continued partnership. As an immediate follow-up, UNDP via Special Unit for South-South Cooperation is sponsoring a round table in 10 October 2005 in New York, inviting senior executives of UN agencies and IFIs to take stock of rich discussions of this conference and highlight the importance of remittances.

Thank you and a pleasant afternoon to you all.