

NATIONAL REMITTANCE PLAN 2015 FRANCE

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Background

France is a major remittance-sending country, especially towards Africa, and remittance flows have been steadily increasing in the last years.

According to Banque de France, remittance flows originating in France amounted to 9.4 billion € in 2014, increasing by more than 17% in five years (8.0 billion € in 2010). More than one third of all remittances originating in France are sent to three Northern Africa countries (Morocco, Algeria and Tunisia), while other significant corridors are Spain and Portugal (both more than 1.0 billion € in 2014), as well as Vietnam, China, Poland, Senegal, Lebanon, Sri Lanka, Turkey, Cote d'Ivoire and India (100-300 million € in 2014).

The average cost of remittance transfers from France has decreased in the past years, cut by more than 30% since 2009 (as measured by envoiedargent.fr, the French price comparison website). According to the World Bank, the cost of remittances originating in France (7.22% in Q2/2015) is now inferior to the global average.

Remittances play a significant part in reducing poverty and fostering sustainable development and growth in the migrants' countries of origin. The data mentioned above only covers formal transfers – in many corridors, especially those towards the least developed countries, a large share of transfers are informal, evidencing the weakness (or lack thereof) of access to financial services. Hence, **reducing their cost to 5% and improving migrants' access to a wide range of financial services are crucial challenges for years to come.**

2014 Call to Action on Remittances

“France has commissioned a study to increase its knowledge and monitoring of remittances. France supports the multi-donor trust fund “Migration and Development” of the African Development Bank (AfDB) and supports transparency and competition initiatives through price comparison websites. France is associated with the World Bank project “Greenback 2.0 Montreuil” which analyses migrant behaviour in relation to remittances. The results of the project will be available by the end of 2014 which will form the basis of an action plan targeting migrants and service providers in France.”

Most of the components of last year's call to action are still ongoing:

- The study commissioned by France on remittances sent to Maghreb and Sub-saharan Africa has laid a consistent ground for future policy on remittances.
- The AfDB-hosted multi-donor trust fund “Migration and Development” (M&D), mostly funded by France, looks for new ways of supporting its remittance-fostering agenda.

- A restitution workshop took place in Montreuil last October as part of the Greenback 2.0 project, allowing the World Bank to present the results of a study carried out in Montreuil on money transfer practices, and giving national, local, civil society organisations and migrant stakeholders the opportunity to voice a potential way-forward for an action plan on remittances.

France's 2015 country plan for reducing remittance transfer costs presented below is envisioned as a continuation of its reply to last year's call to action in the years to come.

2015 Country plan for reducing remittance transfer costs

The French strategy for reducing the price of remittances from the diaspora established in France is composed of three workstreams, focusing on:

- **the facilitation of remittance flows:** this workstream is directly aimed at reducing costs, by enhancing competition, furthering legislative and regulatory efforts to improve financial inclusion, and looking for innovative ways to foster financial literacy (actions 1a, 3a and 3b).
- **the enhancement of remittance flows:** optimizing the use of remittances towards more sustainable, growth-fostering and innovative activities is also part of the strategy, as it leads to a cheaper and more efficient financing of the economies of the migrants' countries of origin (actions 2a and 2b).
- **the assessment of remittance flows:** improving our knowledge on remittance flows is crucial in order to tailor measures to the migrants' real needs (action 3c).

NB: For consistency with other G20 remittance plans, the following actions were placed under headings common to G20 members. However, most of the actions presented below are cross-cutting and could be included under other headings.

1. Increase remittance market competitiveness

- Fostering the emergence of inclusive linked bank accounts:** in 2014, the Parliament adopted a law allowing the commercialization, in France, of financial products and services by banks located in partner countries. The recent implementing decree has set the conditions for such arrangements (consumer protection, regulation of credit institutions). A few banks have already begun the approval process, which is based on an agreement between supervising authorities from each country. Making sure eligible banks take full advantage of the scheme is a short-term priority in order to be able to assess its effectiveness and efficiency.

2. Improve Financial System Infrastructure and Pursue Policies Conducive to Harnessing Emerging Technologies

- a. **Supporting diasporas' productive investment in their countries of origin:** in order to promote the use of remittances towards growth-inducing activities by migrants, the French Ministry of Foreign Affairs and International Development is funding the French Development Agency in order to set up a support program aimed at improving access to credit banking and creation of enterprises for migrant entrepreneurs in Morocco, Mali, Cameroun and Senegal. France will present the first results of this program at the Global Forum on Migrations and Development (Istanbul, October 2015).
- b. **Focusing the Migration and Development Trust Fund on local development and technical assistance:** the latest calls for projects have focused on innovative money transfer solutions; for 2015 and beyond, France advocates building ambitious partnerships between African countries and the fund, directly allotting money to local governments in order to support wide-ranging activities and policies aimed at guaranteeing a better access to financial products and a more efficient use of remittances.

3. Improve Transparency and Consumer Protection of Remittance Transfers

- a. **Widening the scope of the French price comparison website "envoirdargent.fr":** launched in 2007, this World Bank-certified platform, aimed at migrants, compares the prices and services offered by 18 banks and money transfer operators across 26 corridors, on a declarative basis. Extending the number of members on the website and increasing the level of information available to the public are among the planned actions for the coming months. Increasing the number of corridors on the website and developing a mobile version of the website are examples of longer-term perspectives.
- b. **Launching the second phase of the Greenback 2.0 initiative in Montreuil:** the Greenback project aims at improving the efficiency and transparency of money transfer services for migrants and tailoring them to the migrants' needs. In its second phase, the project will look for the reinforcement of information and education on money transfers, especially through Internet or mobile services (notably the World Bank mobile app *Pick Remit*) as well as activities designed for migrants and other workshops between migrants, civil society organizations and financial institutions. France has also contributed to a new fund supporting innovative local initiatives on remittances and financial literacy (two calls for projects are to be launched in 2015).
- c. **Pushing reflection on improving the exhaustiveness of knowledge on remittances:** the recourse to a mystery shopper on the Envoi d'Argent website has revealed that the accuracy of reported data on the website has improved in the last months, with still room for progress on specific issues. Work will be carried out with banks and money transfer operators in the coming months to improve the exhaustiveness and quality

of reporting and to identify the remaining caveats. Furthermore, in the longer run, France will also look for ways to improve access to detailed data on bank or MTO-level remittance volumes.

Monitoring of Outcomes

In order to monitor the success of its plan on an annual basis, France has chosen to adopt a series of action-specific indicators and a single overall quantitative indicator. This list is not limitative, as other complementary significant indicators might be considered relevant at the time of review.

Action/Output	Main monitoring indicator
WORKSTREAM 1: FACILITATION	
<i>Expected outcomes: enhanced competition, regulatory environment conducive to financial inclusion, better financial literacy</i>	
Widening the scope of the French price comparison website (action 3a)	<i>Number of partner institutions</i>
Fostering the emergence of inclusive linked bank account (action 1a)	<i>Number of countries and banks involved in the scheme</i>
Launching the second phase of Greenback 2.0 (action 3b)	<i>Initiatives launched as part of the second phase of Greenback 2.0</i>
WORKSTREAM 2: ENHANCEMENT	
<i>Expected outcomes: Remittance flows directed towards more development and growth inducing activities, cheaper financing for development</i>	
Focusing the M&D TF on local development and technical assistance (action 2b)	<i>Share of M&D-funded activities devoted to local development and technical assistance</i>
Supporting diasporas' productive investment in their countries of origin (action 2a)	<i>Amount of disbursements within AFD support programs</i>
WORKSTREAM 3: ASSESSMENT	
<i>Expected outcomes: ability to tailor measures of the migrants' real needs, clearer picture of the remittance market</i>	
Pushing reflection on improving exhaustiveness of knowledge on remittances (action 3c)	<i>Price gap between mystery shopper and Envoi d'argent</i>
⇒ OVERALL	
<i>Expected outcome: decrease in the average price of sending remittances from France, down to the global 5% average price target</i>	
	<i>Growth of the average price of remittances, as measured both by World Bank and Envoi d'argent</i>