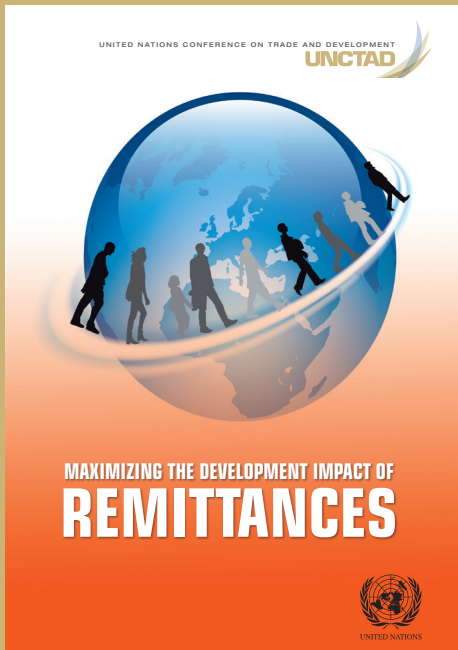




# Maximizing the Development Impact of Remittances



Remittances flows are becoming an increasingly salient issue in the international debate on migration and development. Remittances are perceived as one of the key benefits that migration bring to originating countries. Remittances are private flows of resources mostly intended for direct consumption and household support. There is solid evidence that remittances can and have assisted many developing countries and least developed countries (LDCs) in maintaining BOP stability, ensuring the availability of hard currency, improving countries' credit worthiness for external borrowing and increasing internal aggregated demand.

The potential of remittances does not end there. Remittances are seen today under a totally different light as they can become a solid resource base for leveraging human development, financial inclusion, and investment in a productive capacity. Realizing the potential of remittances for development is not an easy task. Senders and recipients, as owners of these resources, have their own priorities and usually dispose of only a small share of these resources once basic needs have been addressed.

Important challenges still exist in originating and destination countries in order to improve accessibility, affordability and safety of remittances transfers. Also, an absence of products and services designed to specifically respond to migrant needs, promote savings and incentivize entrepreneurial activities is hindering the potential that remittances have for asset building and investment.

Furthermore, an accumulation of new restrictions on temporary movement of people and difficulties in protecting and enforcing migrant's rights are becoming significant stumbling blocks for remittances growth.

The present publication seeks to gather main experiences and proposals made by policy makers, delegates, experts, intergovernmental organisations and civil society representatives during the 2011 UNCTAD Single Year Expert meeting on "Maximizing the development impact of remittances". It is also a tool for consolidating state of the art knowledge on remittances trends, proving new thinking on the role that remittances play in development, and enabling stakeholders in better designing comprehensive policy and institutional frameworks in the intersection between migration, remittances, financial services and labour mobility issues.

