



G20 GERMANY 2017
HAMBURG

G20 National Remittance Plan

- France



GPFI

Global Partnership
for Financial Inclusion



COUNTRY PLANS FOR REDUCING REMITTANCE TRANSFER COSTS FRANCE

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 almost 10 billion € in 2016, increasing by more than 25% since 2010. More than 40% 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 (together accounting for more than 1.3 billion € in 2016), as well as Senegal, Madagascar, Vietnam, Mali, China, Poland, Turkey, Italy, Haiti, United States of America (100-350 million € in total in 2016).

As attested by the World Bank, the average cost of remittance transfers from France has decreased in the past years, and has been cut by 40% since 2012.

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 even lack) 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.**

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.”

France still supports the Migration and Development Trust Fund. France and its implementing partner, the African Development Bank, funded several projects, notably in Ivory Coast, Senegal, Benin, Burkina Faso, Morocco and Cameroon, which aim at improving knowledge on migrants' remittances to Africa, supporting the development of innovative financial products, reforms of regulatory frameworks to improve the conditions of remittances and supporting migrants' productive investments in countries of origin. In the framework of the Migration and Development Trust Fund, a study on opportunities and risks of digitalization of remittances (notably through mobile phones) in the Franc zone is being currently carried out.

To encourage transparency and competition, France has launched a new version of the website “envoirdargent.fr”, including a mobile version, which was certified by the World Bank in 2013.



France is currently having a more strategic long-term review in order to better understand both the needs and the behaviour of the users of the website, and hence be able to fine-tune “envoirdargent.fr”.

Since 2014, remittances flows originating from France has increased by 8%, according to Banque de France, with four countries (Morocco, Algeria, Portugal and Tunisia) receiving more than 50% of these remittances. According to the World Bank, costs have also decreased from Q4 2014 to Q4 2016 by 35%.

2017 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 work streams, focusing on:

- **The facilitation of remittance flows:** this work stream 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).
- **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 and reinforces the potential of development of these countries (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

- a. **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 implementing decree has set the conditions for such arrangements (consumer protection, regulation of credit institutions). To date, one bank has received approval and several others have begun the approval process, which is based on an agreement between supervising authorities from both countries. Making sure eligible banks take full advantage of the scheme is a priority in the short-term 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, France is supporting the MEETAfrica project, coordinated by Expertise France and in partnership with three European technical operators. The objective of the project is to support African entrepreneurs, researchers or professionals from Morocco, Algeria, Tunisia, Cameroon, Senegal and Mali who graduated from French or German universities in the creation of a business in their country of origin. The business should have with a strong technological character or carrying innovative solutions in the agricultural, industrial or services sector. Another objective is to strengthen the capacities of partner countries to technically support innovative businesses creation. In its second phase, France aims at enlarging the scope of the project by inviting other European countries and other countries of origin to join the programme.

Also, through projects co-financed with the European Union Emergency Trust Fund for Africa, the French Development Agency helps local banks develop financial products dedicated to migrants. These projects aim at facilitating migrants' investments in their countries of origin, in Mali, Senegal, Cameroun and Tunisia with technical and financial support.

- b. **Focusing the Migration and Development Trust Fund on local development and technical assistance:** 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. France is currently launching a study with the Trust Fund to better understand opportunities and risks of digitalization of remittances. First results of the study will be available in 2018.

3. IMPROVE TRANSPARENCY AND CONSUMER PROTECTION OF REMITTANCE TRANSFERS.

- a. **Widening the scope of the French price comparison website "envoidargent.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. France has launched in 2016 a new version of the website including a mobile version. Perspectives for the website include increasing the number of corridors on it and extending the number of members.
- b. **Further improving our knowledge on remittances:** France is launching an evaluation aiming at understanding both the needs and the behaviour of the users of the website "envoidargent.fr". This study will help improve the knowledge on remittances and to identify remaining caveats.