



UPU | UNIVERSAL  
POSTAL  
UNION

## IOM – 18<sup>th</sup> Executive Council

### Message from the Universal Postal Union

Mr. Chairman,

Mr. Director General,

Excellences,

Ladies and gentlemen,

On behalf of Mr. Bishar Hussein, Director General of the Universal Postal Union, it is my pleasure to convey our congratulations to Mr. William Swing and to the International Organization for Migration for their leadership in service of migrants, governments and international partners.

As you know, the issue of migration and development is at the heart of international development frameworks and in particular the Sustainable Development Goals agenda for 2030. The UPU as the UN specialized agency for the postal sector is fully involved in the implementation of these objectives and in particular through the promotion of partnerships with other international organizations which help ensure efficiency in the delivery and the maximum positive impact of our initiatives aimed at supporting the SDGs.

Excellencies,

Ladies and gentlemen,

Migrant remittances have a direct impact on development and have proven to be more resilient to economic crises than foreign direct investment or economic aid. Remittances are also directly related to the wellbeing and economic opportunities of migrants' families in the country of origin. Our partnership with the IOM aims primarily at fostering efforts toward the reduction of costs for migrant fund transfers. The 2030 development agenda has set a clear target for the international community that is "By 2030, to reduce to less than 3 per cent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 per cent".

What can the postal network bring to bear in achieving this target?

According to the World Bank, post offices are the world's cheapest providers of remittance services. Posts have already reached the 5X5 objective (5% cost in 5 years) with an average cost of about 4%. In sub-Saharan Africa alone, if all remittances were channelled through post offices at that cost, migrants and their families could save up to 3.2 billion USD a year. 1 billion people – or 19% of the world's adults – hold a current or savings account with a Post, which makes the Posts the second most important contributor to financial inclusion worldwide after banks. Indeed Posts have extensive, government-backed networks that reach across countries into both urban and remote rural areas. They provide numerous services – including financial services – to customers of all income levels; they often distribute government payments, such as pensions or social support; and their public, egalitarian mission makes their services affordable and accessible to all segments of society. In many countries in Europe and elsewhere, Posts are often the only financial institutions providing access to formal financial services for migrants and refugees.

Through our partnership, both our organizations are building on their respective strengths and expertise to provide migrants and their families with concrete responses to the challenges they face in accessing financial systems be it domestic and or international. With our first joint project, we have equipped the post offices in Burundi with the necessary digital technology to develop specific postal remittance products that are cheaper and more secure. We are building partnerships between the Post and private sector operators to reduce costs for migrants from Burundi. We are also focussing on financial education programmes for migrants and their families. We are currently I discussion with the IOM on replicating this kind of partnership in other African countries and to extend other services to migrants and their families, such as access to local products through easy export solutions, access to administrative information, and facilitate administrative processes or the access to official documents.

We at the UPU are looking forward to continue working with the IOM to the benefit of migrants, their families and their social and economic well-being.

Thanks you very much for your attention.

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