

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

BRAZIL

**REMITTANCES AND TRAINING FOR BRAZILIAN MIGRANTS AND
THEIR BENEFICIARIES IN BRAZIL**

(BR-M1032)

DONORS MEMORANDUM

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- ◆ By-laws of Caixa Econômica Federal
- ◆ CESI Minutes

ABBREVIATIONS

CAIXA	Caixa Econômica Federal
CC	Comité Consultivo [Consultative Committee]
CESI	Committee on Environment and Social Impact
CP	Coordenador do Programa [Program Coordinator]
EMPRETEC	SME entrepreneurship program of the United Nations Conference on Trade and Development (UNCTAD)
GEOR	Gestão Estratégica Orientada para Resultados [Results-based strategic management]
MIF	Multilateral Investment Fund
PCR	Project completion report
PEU	Program executing unit
SEBRAE	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas [Brazilian Microenterprise and Small Business Support Service]
SUINT	Superintendência de Negócios Internacionais [Superintendency of International Business]

REMITTANCES AND TRAINING FOR BRAZILIAN MIGRANTS AND THEIR BENEFICIARIES IN BRAZIL

(BR-M1032)

EXECUTIVE SUMMARY

Executing agency:	Caixa Econômica Federal (CAIXA)	
Beneficiaries:	The direct beneficiaries of the program are low-income families of migrants and their businesses in the state of Minas Gerais, Brazil.	
Objectives:	The program's general objective is to help expand the use of banking services by Brazilian migrants and their relatives and include them in Brazil's financial system, as well as raise their awareness and provide guidance in the area of entrepreneurship and contribute to their financial education and inclusion. The program's specific objective is to promote the development of productive activities in the state of Minas Gerais based on remittances sent by Brazilian migrants living in the United States.	
Description:	The program will pursue two parallel lines of action to ensure that: (i) Brazilian migrants in the United States with entrepreneurial capacity receive training through SEBRAE's online training system so that they return to Brazil with ideas of businesses to start with their savings; and (ii) remittance recipients in Brazil receive training to start or strengthen businesses, also using mechanisms available through SEBRAE. CAIXA will support both the migrants and their relatives with financial services tailored to their needs. The program will be structured in four components: (i) Information on the senders and recipients of remittances, and dissemination of the programs; (ii) Financial education and the development of financial products and services; (iii) Business training in Brazil; and (iv) Informational activities and dissemination of the model and its results. The program's activities are summarized below.	
Financing:	Modality	Nonreimbursable
	MIF Window III-A	US\$ 470,000 (45%)
	Local counterpart (CAIXA):	US\$ 462,560 (43%)
	Local counterpart (SEBRAE):	US\$ 132,000 (12%)
	Total:	US\$1,064,560 (100%)

Execution timetable:	Execution period: 36 months Disbursement period: 42 months
Special contractual clauses:	As conditions precedent to the first disbursement, the executing agency will demonstrate to the Bank's satisfaction that: (i) the agreement between CAIXA and SEBRAE-Nacional for the coordination of program execution has been signed and has entered into force; (ii) the program's Operating Regulations have entered into force; (iii) the program coordinator has been chosen; and (iv) the executing unit has been established and is being adequately staffed by CAIXA and by SEBRAE.
Exceptions to Bank policy:	None
Environmental and social review:	The Committee on Environment and Social Impact (CESI) reviewed this operation at its meeting of 10 March 2006 (CESI 10-06). It concluded that the program did not pose negative environmental risks and would have positive social impacts by supporting lower-income individuals in the participating countries. It found the environmental and social activities included in this program to be acceptable. Training activities cover environmental and social regulations in force in the country and provide support for enterprises to ensure that their businesses comply with those regulations (paragraph 2.11).
Coordination with other donors:	None

I. BACKGROUND AND JUSTIFICATION

A. Remittances to Brazil

- 1.1 In 2005, remittance flows in Latin America and the Caribbean totaled US\$53 billion, which was more than the combined total of foreign direct investment and official external assistance flows in the region for that year. Estimates put the number of individual transactions made each year at over 200 million, with 20 million families receiving between US\$200 and US\$300 per remittance. In Brazil, total remittances recorded in 2005 amounted to US\$6.411 billion, making it the second largest remittance recipient in the region. Of this total, an estimated US\$2.2 billion came from Japan, US\$2.7 billion from the United States, and US\$1.5 billion from Europe and the rest of the world. Recent studies and surveys conducted by the Bank show that some 1.3 million Brazilians currently receive an average of 10 remittances a year from relatives living abroad. Roughly 97% of such funds are received in the southeast and south of Brazil, mostly in the states of Minas Gerais (37%) and São Paulo (21%).
- 1.2 Nearly two thirds of all remittance transactions in 2005 (averaging US\$300 to US\$350 per remittance) were channeled through exchange bureaus and banks acting as remittance agents, i.e., without providing additional financial services to their customers. A disadvantage of this system is that while the funds are transferred swiftly and safely, their economic impact is not multiplied, and remittance flows are not leveraged to provide additional financial options to the recipients, such as savings accounts, checking accounts, and various forms of credit. Furthermore, the productive integration of the migrants' relatives in Brazil continues to be hindered by difficulties in productively leveraging the funds received, since they are not integrated into the formal financial system.
- 1.3 The dynamic of the migratory process has changed significantly in recent years, as Brazilian migrants in the United States (mostly living in the state of Massachusetts) have developed closer links with their communities of origin through emigrant associations, demonstrating a greater interest in participating in the local economy. The Dekasegui project financed by the Multilateral Investment Fund (MIF) is designed to address this issue. However, while many returning migrants have tried to invest the capital earned over the years in activities and businesses, they have mostly failed because of a lack of training, information, and business experience. In many cases this has resulted in the harsh reality of having to emigrate once again.

B. The Minas Gerais region

- 1.4 The Governador Valadares region of Minas Gerais, where the program will mainly be focused, has 30,000 migrants currently living in the state of Massachusetts. On average, Brazilian migrants stay in the United States for five years, before returning to Brazil to set up businesses with their savings.

- 1.5 This entrepreneurial potential that is characteristic of migrants returning to Brazil highlights the importance of the support provided by the Brazilian Microenterprise and Small Business Support Service (SEBRAE), which has been working for the sustainable development of small businesses since 1972. To this end, the institution promotes training courses, facilitates access to credit, stimulates cooperation between enterprises, organizes business fairs and business roundtables, and provides incentives for the development of activities that contribute to job creation.
- 1.6 Caixa Econômica Federal (CAIXA) has 13 branches and three banking service outlets in the program region. Although it could provide services to the families of migrants in the region, people still tend to deal with remittance companies, because CAIXA, like banks generally, is not in a position to deal with this new remittance product, and therefore does not offer services that are suited to migrants and their families.
- 1.7 Thanks to the 2003 launch of the program “Cuenta Caixa Aquí” [Caixa account here], over 2.2 million Brazilians who had no documentary evidence of their economic resources or residency have been able to open their first bank account (by the end of 2004). By late 2004, over US\$106 million in loans had been extended to these new clients, supporting small-scale business startups and providing solutions to financial problems at maximum interest rates of 2% per month—much lower than any other formal and/or informal source of funds and representing the only source of financing for this segment of the population. The “Cuenta Caixa Aquí” program won the “Prêmio Marketing Best de Responsabilidade Social” award in 2004.

C. Program rationale and focus

- 1.8 Banks such as CAIXA, which mostly serve low-income groups, have advantages in providing financial services to remittance recipients, as they are the main suppliers of savings and loan services for migrants. Nonetheless, to broaden remittance recipients’ access to banking services efficiently and competitively, the following strategies need to be adopted: (i) gather more information on opportunities for attracting remittances in the sending market and for accepting and using them in the receiving market; (ii) offer a remittance distribution service and/or establish strategic partnerships with banks or remittance agents in the sending countries to provide intermediation services in this process; and (iii) provide a technological platform for remittance distribution. These strategies, pursued with program support, would enable CAIXA to develop products providing secure money transfer (debit cards) and introducing savings mechanisms (bank books and deposits) and credit products linked to remittances (for home purchase and improvement, and for microenterprises). Moreover, complementary support from SEBRAE would also make it possible to offer training both for migrants and for CAIXA customers on aspects of entrepreneurship that encourage productive use of money. Accordingly, the program will pursue two parallel objectives: (i) to ensure that Brazilian migrants

in the United States with entrepreneurial capacity receive training through SEBRAE's online training system so that they return to Brazil with ideas of businesses to start with their savings; and (ii) to ensure that remittance recipients in Brazil receive training to start and strengthen businesses, also using mechanisms available through SEBRAE. CAIXA will support both the migrants and their relatives with financial services tailored to their needs.

D. Strategy of the MIF and the Bank

- 1.9 The program is consistent with the guidelines of the action plan of the MIF cluster "Remittances as a development tool" (MIF/GN-73), since its objectives include increasing the participation of formal financial institutions and developing new financial mechanisms to channel part of the migrant's capital into productive investments. This program addresses one of the MIF's objectives in supporting the mobilization of remittances, namely encouraging more productive impact for families and their communities.
- 1.10 As part of the MIF remittances cluster, this program: (i) promotes greater participation by financial institutions in remittance flows; (ii) expands the range of alternatives for the use of funds available to remittance recipients by integrating them into the formal financial system, and provides information and support for immigrants wishing to invest in Brazil; and (iii) it draws on successful features of other ongoing projects.

II. PROGRAM DESCRIPTION

A. Objectives

- 2.1 The program's general objective is to help expand the use of bank services by Brazilian migrants and their relatives and include them in Brazil's financial system, and to raise their awareness and provide guidance in the area of entrepreneurship. The specific objective is to further the development of productive activities in the state of Minas Gerais based on fund remittances sent by Brazilian migrants living in the United States.

B. Description and components

- 2.2 The program's target population comprises migrants in the United States and their relatives in Brazil who have entrepreneurial potential. Given that statistics show that Brazilian migrants return home every five years with their savings, it is important to provide training to them in the United States to ensure that they return to Brazil with business ideas they can implement and to make new financial products available to them. Concurrently, the relatives to whom they send remittances will receive training on entrepreneurship and have access to financial services that are tailored to their needs and support the development of their

businesses in Brazil. The program will broadly target 10,000 legal migrants and their families and will work more closely with 40% of them, who will take part in the business training activities offered under the program. Of this group of 4,000, at least 800 and their relatives who participate in all phases of the program are expected to successfully startup small businesses or microenterprises. Of this group of 800, 30 microenterprise and small business projects will be selected, which will receive support in the form of more intensive monitoring, with the expectation that at least 75% of them will show indicators of growth and will be sustainable. Four components are envisaged.

Component I. Information on the senders and recipients of remittances and dissemination of the programs (MIF: US\$73,000; Local: US\$88,000)

- 2.3 The objective of this component is to identify the target public both in the United States and in Minas Gerais, Brazil, and to prepare a database and raise awareness among potential beneficiaries—identified through surveys—of the opportunities represented by the proposed financial and business education programs.
- 2.4 The following activities are envisaged for the component: (i) analyze the socioeconomic profile of the migrant population in Massachusetts and their relatives in Minas Gerais, focusing specially on the Governador Valadares region; (ii) analyze needs and opportunities in terms of remittance services, financial education, and business training; (iii) define a baseline for this pilot program backed by the database, which will serve as an important benchmark for program evaluations (both midterm and final) and for the subsequent process of replicating results in other high-migration regions of Brazil and elsewhere; (iv) implement instruments to monitor program management; (v) design the technological structure and infrastructure needed to implement and maintain the contents of the program's technology platform, including the web portal for migrants, relatives and interested Brazilian entrepreneurs; (vi) strengthen program execution through publicity events, one in Governador Valadares and the other in Massachusetts, to be held during the first six months of execution; (vii) identify migrants with potential for entrepreneurial development, based on distance tests, using SEBRAE tools. Implementation of this phase will contribute to the initial selection and routing of potential entrepreneurs towards the subsequent activities of components II and III.
- 2.5 The main results of this component include: (i) a study made of the profile and needs of migrants in Massachusetts and their relatives in Minas Gerais; (ii) technology platform and program web portal containing up-to-date information from CAIXA and SEBRAE, both operating; and (iii) at least 4,000 members of the target population in Brazil and abroad have taken a self-diagnostic test and shown interest in participating in the program.

Component II. Financial education and development of financial products and services (MIF: US\$152,500; Local: US\$217,500)

- 2.6 The CAIXA and SEBRAE strategy for the migrant population aims to improve the local quality of life, by introducing this population group to banking services, financial education, and business training, thereby helping to sustain and generate new jobs and income. This component calls for activities related to financial education and the supply of packages of financial products and services, for which CAIXA will be responsible.
- 2.7 The following activities are envisaged: (i) market analysis to evaluate new modalities of support for migrants and/or their relatives, and to evaluate savings and loan products suited to the program's target public, to achieve long-term financial goals; (ii) development of financial education programs in Brazil that include contents and concepts of life, aspiration, cooperation, determination and teamwork; (iii) development of strategies involving financial products and services adapted to the profile of remittance recipients, to maximize the economic impact of the funds sent home; (iv) encouragement and support for the migrant's return and socioeconomic reintegration into his or her community of origin, through support provided by the sociocultural organizations of Brazilian communities in the United States; (v) development of marketing plans and preparation of promotional material suited to the target public, including image definition and a communication strategy; (vi) implementation of financial education programs in Governador Valadares and border municípios, as well as awareness raising and financial guidance in Massachusetts; (vii) implementation of strategies involving financial products and services that make it possible to extend business credit to recipient families; and (viii) promotion, through the web portal, of financial education and new financial products and services, and publicity campaigns aimed at the target public. CAIXA will finance costs incurred in the United States for this component.
- 2.8 The key results expected from this component are as follows: (i) at least 6,000 members of the target public will participate in two awareness-raising and financial guidance events in the United States and Minas Gerais; (ii) at least 2,000 of the 6,000 beneficiaries will receive packages of financial services from CAIXA; and (iii) CAIXA will establish a network to serve its migrant clients through partners in the United States for the purpose of sending remittances to Brazil.

Component III. Business training in Brazil and for migrants (MIF: US\$134,000; Local: US\$103,000)

- 2.9 This component aims specifically to establish and promote entrepreneurial activities for Brazilians working in Massachusetts, who wish to set up their own businesses on returning to Brazil. Its activities will include business training and the selection of 30 new enterprises to be funded and supported with more specific technical assistance. The activities envisaged will mainly be under the responsibility of

SEBRAE, in coordination with the joint strategy for financial inclusion defined with CAIXA—financial education and business training.

- 2.10 The main activities in this component are as follows: (i) adaptation and/or development of SEBRAE training programs according to the needs of the target group; (ii) development of an integrated program of training, funding and intensive support for migrants' business activities, including modules on compliance with applicable environmental regulations in the country; (iii) distance business orientation and training over the Internet; (iv) introduction and instructor-led training activities, such as seminars based on the EMPRETEC methodology (the UNCTAD entrepreneur development program) for 100 potential entrepreneurs, including the preparation of business plans; (v) selection of 30 projects on the basis of eligibility criteria to be defined by CAIXA and SEBRAE, in conjunction with MIF criteria on support for microenterprises and small businesses, and compliance with environmental and social regulations; and (vi) monitoring and supervision of the selected business projects using the GEOR (strategic results-based management) methodology adopted by SEBRAE, which includes quantitative and qualitative performance indicators.
- 2.11 The following criteria, among others, will be taken into account when selecting the 30 business projects: (i) results obtained in the self-diagnostic and training modules implemented within the program, particularly financial education and EMPRETEC; (ii) the capital available to support the businesses or productive projects, which will be mobilized with the support of the new financial products developed by CAIXA; (iii) characteristics of the enterprise, including attributes such as innovation and value added; (iv) aspects that contribute to sustainable development in the Governador Valadares region and surrounding area; (v) avoidance of gender or racial discrimination; and (vi) compliance with applicable environmental and social regulations in Brazil. Participation in EMPRETEC will enable entrepreneurs to enhance their business plans; and these will be complemented, following selection, by an individualized plan of activities for business growth, including specific technical assistance and training actions.
- 2.12 Consultants will be hired to provide technical assistance in projects to be funded by CAIXA. They will be responsible for making the projects viable and providing support over a period of at least six months after implementation of the entrepreneurs' individual projects has ended.
- 2.13 As a result of component III, it is expected that by the end of the program: (i) at least 5,000 members of the target public will be participating in SEBRAE business training programs; (ii) 800 new firms will have been established with program support; and (iii) 30 selected enterprises will have been funded by CAIXA and will be receiving support for their sustainable growth.

Component IV. Informational activities and dissemination of the model and its results (MIF: US\$20,000; Local: US\$30,000)

- 2.14 This component is intended to systemize experience gained from the program and the dissemination of its results. The following activities are therefore envisaged: (i) systemization of experiences, with a view to including them in publications as entrepreneurship success stories and best financial practices, for dissemination to other migrant groups in other regions that receive and send remittances; and (ii) three regional seminars for dissemination and exchange of technical assistance to discuss experiences at the end of the program, one of these to be held in the United States.
- 2.15 As a result of component IV, it is expected that by the end of the program: (i) there will be an opportunity to replicate the program nationwide; and (ii) the initiative can be adapted to other states in the United States and to other countries that send remittances.

III. COST AND FINANCING

A. Cost

- 3.1 The program's total budget is US\$1,064,560 (100%), of which the MIF will contribute US\$470,000 (45%) on a nonreimbursable basis. CAIXA will contribute US\$462,560 (43%) as local counterpart, with a minimum of 46% in cash. The contribution to be made by SEBRAE Nacional will be US\$132,000 (12%), with 33% in cash, to be used mainly to finance component III activities to provide training to migrants via Internet and to their relatives in Brazil who are interested in starting up businesses. The CAIXA in-kind contribution will mainly cover the implementation of component II, which supports efforts to raise the awareness of migrants in the United States, and program administration expenses. SEBRAE will also bear the cost of its own technical and administrative staff. MIF funds will mainly be used to finance market studies in the remittance sending and receiving markets, the development of new products, the adaptation and development of training courses for relatives of migrants in Brazil and migrants who return, and the dissemination of program results.

Table 1: Program Budget (in US dollars)					
Description	MIF	CAIXA	SEBRAE	Total	%
1. Component I	73,000	69,000	19,000	161,000	15.1
2. Component II	152,000	217,500	-	370,000	34.8
3. Component III	134,000	5,000	98,000	237,000	22.3
4. Component IV	20,000	15,000	15,000	50,000	4.7
5. Program administration	-	156,060	-	156,060	14.7
6. Evaluation and audit	45,000	-	-	45,000	4.2
7. Monitoring of remittances cluster	15,000	-	-	15,000	1.4
Contingencies	30,500	-	-	30,500	2.9
Total	470,000	462,560	132,000	1,064,560	100%
%	44%	44%	12%	100%	

- 3.2 A sum of US\$15,000 for MIF cluster monitoring will be managed by the Bank for activities related to the group of projects identified in the action plan for the MIF cluster “Remittances as a Development Tool,” as described in document MIF/GN-73. This amount will be deducted from the contribution as from the effective date of the Technical Cooperation Letter of Agreement for this program, without requiring a disbursement request from the executing agency.
- 3.3 Program sustainability will be achieved to the extent that enterprises become self-sustaining with program support and thus have a demonstration effect on other migrants and entrepreneurs in the Minas Gerais region. Beneficiaries are also expected to use CAIXA services, provided the rates charged for mobilizing remittances are competitive with those offered by traditional remittance agencies.

IV. EXECUTING AGENCY AND MECHANISM

A. Executing agency

- 4.1 The executing agency for this program is Caixa Econômica Federal (CAIXA). CAIXA is a public-sector bank which acts as the main agent of the Brazilian government’s social policies. It operates through 17,000 service points nationwide, serving 170 million Brazilians. CAIXA, which was established in 1861 and became a State-owned financial institution in 1969, is attached to the Ministry of Finance and headquartered in Brasilia. It is regulated and supervised by the Central Bank of Brazil.
- 4.2 In prioritizing the housing, basic sanitation, infrastructure, and financial services sectors, CAIXA plays a key role in promoting urban development and social justice

in Brazil, helping to raise living standards particularly among low-income groups. Notwithstanding its commitment to social matters, CAIXA is a competitive and profitable financial institution. Its growing success has enabled it to invest in the sustainable development of Brazilian cities by promoting banking services among lower-income population groups. In 2004, CAIXA had over 32 million accounts and current assets of US\$65 billion.

B. Execution mechanism

- 4.3 The Office of the Superintendent of International Businesses (SUINT), within CAIXA, will be accountable to the Bank for program execution, together with the Gerência Leste de Minas [Eastern Minas Division] and the office that will be opened in the United States. SEBRAE Nacional and SEBRAE Minas Gerais will participate as executing agencies for component III, while SEBRAE will coordinate the Individual Service Unit in Brasilia, interacting with the office in Governador Valadares.
- 4.4 SUINT and SEBRAE will establish a work group to act as a program management committee, with functions including: (i) preparation and updating of the work plan, budget and semiannual progress reports; (ii) program monitoring and evaluation; (iii) identification, preselection and support for project proposals from entrepreneurs to be funded by CAIXA; (iv) institutional coordination of initiatives to promote the program; (v) review of budget execution and approval of reallocations; (vi) approval of any modifications to the Operating Regulations; (vii) approval of the execution reports sent to the Bank; and (viii) coordination of promotion and dissemination activities.
- 4.5 A Program Executing Unit (PEU) will be set up by a group of professionals to fulfill the following functions: program coordinator, at the national manager level of CAIXA; technical-administrative assistant, at the planning manager level of CAIXA; financial assistant, at the operational manager level of CAIXA; and two local development agents drawn from the market manager level of CAIXA, one in eastern Minas and the other in the CAIXA office in the United States. Coordination functions include: (i) coordination and supervision of consulting and training services; (ii) implementation of strategies for financial products and services; (iii) disbursement requests; (iv) technical and administrative supervision of execution of the entire program; (v) monitoring and fulfillment of the performance indicators set out in the logical framework (Annex I); and (vi) the functions of work group secretariat. Further details and terms of reference for program staff are included in the Operating Regulations.

C. Program readiness

- 4.6 CAIXA has been developing products that are adaptable to the needs of Brazilian migrants' families. To supplement its partnerships with banks in the United States,

it will be opening an office there to serve migrants from Minas Gerais. In addition, lessons learned from the training programs developed earlier by SEBRAE for the Dekasegui project will be applied to this program. Among other things, the system of training over the Internet has been tested and shown itself to be a useful tool as a distance education program.

D. Execution and disbursement periods

- 4.7 The proposed program will be executed over a 36-month period, with disbursements extending over 42 months. In keeping with the program's estimated execution needs, a revolving fund will be established of up to 10% of the MIF contribution, to be managed in a separate account.

E. Procurement and contracting

- 4.8 **Procurement of goods and consulting services.** The procedures to be followed by CAIXA in procuring goods to be funded by the program will adhere to the relevant Bank procedures set out in the Policies for the Selection and Contracting of Consultants Financed by the Bank (document GN-2350-4). For contracts in amounts below US\$20,000, selection and procurement processes will be subject to post review by the Bank, except for the first three cases which will undergo prior review. CAIXA will prepare a detailed contracting plan for approval by the Bank. The procurement plan is contained in Annex IV.

V. MONITORING AND EVALUATION

A. Monitoring

- 5.1 The Bank's Country Office in Brazil will be responsible for supervision and oversight activities, monitoring of compliance with contractual clauses, processing disbursement requests and receiving audited financial statements. CAIXA will compile and analyze relevant data for continuous monitoring of the indicators contained in the program's logical framework (Annex I). It will also submit semiannual status reports, both on activities financed by the MIF and those supported by itself and SEBRAE, pursuant to the Bank's standard information requirements. These reports will be used to monitor the program and prepare the completion report, in accordance with Bank procedures.

B. Evaluations

- 5.2 The Bank will use funds earmarked for evaluation and audit to hire two consulting services for the program's midterm and final evaluations. The midterm evaluation will be performed when at least 50% of MIF funds have been disbursed or 18 months into program execution, whichever occurs first. It will verify the fulfillment of activities, with the logical framework indicators as reference, as well

as the use of resources, delivery of products and services, and achievement of objectives in terms of their impact on the beneficiaries and other stakeholders.

- 5.3 The midterm review will focus on: (i) degree of fulfillment of programmed activities; (ii) performance of local development agents in Minas Gerais and the United States, and that of consultants and instructors, in relation to the efficiency and quality of the services provided to the beneficiaries; (iii) the effectiveness of the actions undertaken in terms of financial education, the financial products and services supplied, entrepreneurship training, and the establishment of new enterprises for migrants; and (iv) satisfaction among beneficiary families. Based on external evaluations and semiannual progress reports, the Country Office in Brazil, supported by CAIXA and SEBRAE, will determine whether the program should continue, or be suspended or cancelled. The final evaluation will focus on: (i) the sustainability of the program; (ii) the growth in strategies to introduce financial products and services; (iii) the types of firms established; (iv) the types of firms and associations benefited; and (v) the development impact, particularly access to the financial products and services offered, and the creation of value-added enterprises.

VI. PROGRAM BENEFITS AND RISKS

- 6.1 **Program benefits.** The program will make it possible to broaden the access of remittance recipients in Brazil to banking services, through CAIXA's efforts to develop financial products tailored to their needs. In the long run, the program aims to channel the funds sent by migrants through the formal financial system, thereby allowing greater opportunities for saving and investment in Brazil and reactivating the local economy in Minas Gerais, in the case of this program. Migrants and their relatives will also have access to business development opportunities, allowing them to maximize the productive use of these resources.
- 6.2 **Beneficiaries.** The direct beneficiaries of the program are low-income families of migrants and their businesses in the state of Minas Gerais, Brazil. Most of these beneficiaries use the financial services provided by CAIXA and will thus be able to channel their remittances through this institution. Other beneficiaries will be migrants that use CAIXA and SEBRAE products and training services. The target population consists of the universe of migrants in the United States and their relatives in Brazil, involving an estimated 10,000 legal migrants. The program will work more closely with 40% of them, as potential participants in its information and training activities. Lastly, support will be provided to a group of 800 individuals with considerable interest in establishing and building small businesses and microenterprises, in other words, those with greater entrepreneurial capacity. Within this group, 30 small entrepreneurs will be more closely monitored. (Small businesses will be defined according to the range employed by SEBRAE.)

- 6.3 **Risks.** The program is subject to two potential risks relating to: (i) the trend of the remittances market and generation of profit margins; and (ii) the possibility of developing sustainable enterprises. The first risk concerns a sharp drop in the price of sending funds through traditional remittance agencies, which will make it hard for CAIXA to attract clients. This risk is mitigated by the support provided by the program to develop new financial products, both savings and loans, adapted to customers' needs. The second risk relates to the chances of the supported enterprises not being able to maintain their operations over time after the initial program support has been received. SEBRAE monitoring and support programs are expected to adapt gradually to meet the specific needs of these businesses.

VII. SOCIAL AND ENVIRONMENTAL ANALYSIS

- 7.1 At its meeting of 10 March 2006 (CESI 10-06), the Committee on Environment and Social Impact (CESI) reviewed this operation and concluded that it does not involve negative environmental risks but would have positive social impacts by supporting low-income individuals in the participating countries. It found the environmental and social activities included in this program to be acceptable. Training activities cover environmental and social regulations in force in the country and provide support for enterprises to ensure their business proposals comply with those regulations (paragraph 2.11).

**REMITTANCES AND TRAINING FOR BRAZILIAN MIGRANTS AND THEIR BENEFICIARIES IN BRAZIL
(BR-M1032)**

LOGICAL FRAMEWORK MATRIX

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
GOAL			
To contribute to the inclusion of Brazilian migrants and their relatives in the Brazilian financial system (expansion of the use of banking services), together with awareness raising and business guidance.	<p>Three years after the end of the project:</p> <ol style="list-style-type: none"> In the program area, at least 50% of the target public are using banking accounts. At least 30% of the target public are using financial products. 	<ol style="list-style-type: none"> Statistics obtained from the monitoring of program beneficiaries in relation to the baseline. Number of accounts opened. Project Completion Report (PCR) and final review. 	The macroeconomic scenario does not change significantly.
PURPOSE			
To promote the development of productive activities, use of banking services and access to credit for migrants and for remittance recipients in the state of Minas Gerais through remittances sent by Brazilian migrants living in the United States.	<p>By the end of the program:</p> <ul style="list-style-type: none"> At least one package of financial products and services customized for Brazilian migrants being offered by CAIXA successfully on the market. At least 70% of families directly benefited by the program report a positive level of satisfaction in relation to the assistance received. At least 800 migrants and families that participated in all phases of the program have successfully started their own enterprises. Among the 30 selected projects that implemented enterprises, at least 75% display satisfactory performance indicators and favorable sustainability prospects. 	<ol style="list-style-type: none"> Semiannual project report prepared by the Project Executing Unit. Midterm and final project evaluation reports. Reference data from the program baseline. Reports of the program management oversight and monitoring systems. Project Performance Monitoring Report (PPMR) and PCR (IDB internal control). Monitoring system for 30 selected projects. 	<ol style="list-style-type: none"> Beneficiaries continue to participate actively in the program and use the instruments and techniques learned. Technical support continues from CAIXA, SEBRAE, and other entities currently supporting local productive initiatives in Brazil. Access to credit and financing continues to be available.

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
COMPONENTS			
1. Information on the senders and recipients of remittances, and dissemination of the programs	<p>After six months' execution:</p> <p>1.1 Study conducted on the profile and needs of migrants living in Massachusetts and their families in Minas Gerais.</p> <p>1.2 Project baseline defined</p> <p>1.3 Program execution structure in Brazil and in the United States implemented and operating.</p> <p>1.4 Management, monitoring and control instruments implemented.</p> <p>1.5 Design of the technological structure defined on the basis of the study and availability of information from CAIXA and SEBRAE.</p> <p>After 18 months' execution:</p> <p>1.6 Web portal for Brazilian entrepreneurs and migrants adapted and in operation.</p> <p>1.7 Of the program's target public (10,000 migrants in Massachusetts), at least one third have shown interest in participating, and have taken the self-diagnostic test over the Internet (SEBRAE product).</p> <p>After 36 months' execution:</p> <p>1.8 Of the program's target public, at least 4,000 have shown interest in participating in the program and took the self-diagnostic test over the Internet (SEBRAE product).</p>	<p>1. Semiannual project reports prepared by the executing agency.</p> <p>2. Agreements between CAIXA and SEBRAE and coexecuting agencies.</p> <p>3. PPMR and PCR (IDB internal control).</p> <p>4. Midterm and final evaluations prepared by external consultants.</p> <p>5. Informative products of communication campaigns.</p> <p>6. Statistical count of hits on the web portal.</p> <p>7. Statistical record of self-diagnostic tests implemented.</p>	<p>1. The trend for direct beneficiaries to use the financial products and services and to become entrepreneurs is maintained.</p> <p>2. Availability of qualified and motivated staff to organize the program in the United States and in Minas Gerais.</p>

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
2. Financial education and development of financial products and services	<p>After 12 months' execution:</p> <p>2.1 Of the target public, at least 500 have participated in the awareness-raising and financial guidance process in the United States.</p> <p>2.2 Of the target public, at least 250 have participated in financial education activities in Minas Gerais.</p> <p>2.3 Of the target public, at least 250 have subscribed to financial packages.</p> <p>2.4 At least one package of financial products customized for Brazilian migrants has been launched on the market by CAIXA.</p> <p>After 24 months' execution:</p> <p>2.5 Of the target public, at least 2,000 have participated in the process of awareness-raising and financial guidance in the United States.</p> <p>2.6 Of the target public, at least 1,250 have participated in financial education activities in Minas Gerais.</p> <p>2.7 Of the target public, at least 1,000 beneficiaries have subscribed to financial packages.</p> <p>By the end of the program:</p> <p>2.8 Of the target public, at least 6,000 have participated in awareness-raising and financial guidance events in the United States and Minas Gerais.</p> <p>2.9 Of the target public, at least 2,000 beneficiaries have subscribed to financial packages.</p>	<p>1. Database of studies and evaluations prepared.</p> <p>2. Teaching materials prepared for the courses.</p> <p>3. Evaluations of course results.</p> <p>4. Packages of financial products prepared.</p> <p>5. Record of demand for financial products.</p> <p>6. Semiannual project reports prepared by the executing agency.</p> <p>7. Midterm and final evaluations.</p> <p>8. PPMR and PCR.</p>	<p>1. Levels of precision of the studies and evaluations.</p> <p>2. Adaptation of contents to training needs.</p> <p>3. Instructors selected with profile appropriate to their function.</p> <p>4. Adaptation of financial packages to beneficiaries' needs.</p>

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	2.10 CAIXA will have established a service network through partnerships in the United States for fund remittances to Brazil.		
3. Business training in Brazil for migrants	<p>After 12 months' execution:</p> <p>3.1 With program support, at least 500 of the target public have participated in SEBRAE sequential training programs.</p> <p>3.2 A methodology has been implemented to select the projects of greatest potential and impact, for an ongoing program of support for enterprise growth.</p> <p>3.3 Project management control and monitoring implemented (GEOR).</p> <p>After 24 months' execution:</p> <p>3.4 With program support, at least 2,000 of the target public have participated in SEBRAE sequential training programs.</p> <p>3.5 With program support, the establishment of 400 new enterprises has started.</p> <p>By the end of the program:</p> <p>3.6 Of the target public, at least 5,000 have participated in SEBRAE sequential training programs.</p> <p>3.7 With program support, the establishment of 800 enterprises has started.</p> <p>3.6 A total of 30 enterprises have been selected, received direct technical assistance and financing, and are being monitored by CAIXA / SEBRAE.</p>	<p>1. Semiannual project reports prepared by the executing agency.</p> <p>2. Reports of the SEBRAE monitoring system (GEOR) for 30 selected projects.</p> <p>3. Evaluation of the trainees' satisfaction with the program.</p> <p>4. Reports of consultants-instructors of training and instruction courses.</p> <p>5. Business plans prepared.</p> <p>7. Survey of families' satisfaction with the technical assistance provided by the project.</p> <p>8. Midterm and final evaluations.</p> <p>9. PPMR and PCR.</p>	<p>1. Beneficiaries maintain their commitment to participate in the program.</p> <p>2. Beneficiaries of the training and instruction program are willing to spend economic and/or financial resources in return for services received.</p> <p>3. Availability of consultants-instructors to operate in Minas Gerais and in the United States.</p> <p>4. Timely procurement of technical assistance to support the 30 selected projects.</p> <p>5. The 30 enterprises created are willing to pay for the financial services received, using the credit line modalities made available by CAIXA.</p>

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
4. Informational activities and dissemination of the model and its results	<p>After 24 months' execution:</p> <p>4.1 At least one regional seminar has been held for dissemination and exchange of technical and financial assistance.</p> <p>By the end of the program:</p> <p>4.2 At least three regional seminars have been held for dissemination and exchange of technical and financial assistance.</p>	<ol style="list-style-type: none"> 1. Semiannual project reports prepared by the executing agency. 2. Methodology and results of actions to promote financial inclusion, entrepreneurship and technical assistance included in the publications "Casos de Sucesso" [Success stories] - SEBRAE and "Melhores Práticas" [Best practices] - CAIXA. 3. Evaluation of satisfaction among the target public covered by the selected projects. 4. Consultants' reports. 5. Midterm and final evaluations. 6. PPMR and PCR. 	<ol style="list-style-type: none"> 1. Interest and capacity of other regions and countries in replicating the model(s) developed.
ACTIVITIES			
1. Component I. Information on the senders and recipients of remittances, and dissemination of the programs. <ul style="list-style-type: none"> Preparation of the study on the Brazilian migrant population in Massachusetts and their relatives in Minas Gerais. Analysis of needs and opportunities in remittance services, business training and financial education. Definition of baseline of program data. 	<p>Up to two months into execution:</p> <ul style="list-style-type: none"> Consulting services have been hired to start the survey on the profile and needs of migrants in Massachusetts and their relatives in Minas Gerais. <p>Before the third month:</p> <ul style="list-style-type: none"> Training undertaken to align the program work teams in Brazil and in the United States. A program dissemination event has been held in Governador Valadares, Minas Gerais. 	<ol style="list-style-type: none"> 1. Semiannual project reports prepared by the executing agency. 2. Records of meetings. 3. Web portal operational 4. Survey on the profile and needs of beneficiaries. 	<ol style="list-style-type: none"> 1. The trend of target beneficiaries to subscribe to the financial products and services offered and to become entrepreneurs is maintained. 2. Qualified and motivated staff is available to work with beneficiaries in Governador Valadares and in the United States.

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<ul style="list-style-type: none"> ▪ Implementation of a management, monitoring and control system for program activities and results. ▪ Design of the technological structure and infrastructure needed for the web portal for Brazilian migrants and entrepreneurs. ▪ Development of program structuring and dissemination (launch and maintenance). ▪ Mechanism for identifying migrants with business development potential. 	<p>Before the sixth month:</p> <ul style="list-style-type: none"> ▪ At least one awareness raising and mobilization action undertaken in the United States and in Governador Valadares. ▪ Survey concluded to identify the profile and needs of migrants in Massachusetts and their relatives in Minas Gerais. <p>Up to 12 months into execution:</p> <ul style="list-style-type: none"> ▪ Web portal developed. ▪ Initial dissemination materials prepared and distributed in Governador Valadares and in the United States (Massachusetts). ▪ Dissemination among the target public of the results of the survey on the profile and needs of migrants and their relatives. ▪ At least three more awareness-raising and mobilization actions held in the United States and in Governador Valadares. <p>By the end of the program:</p> <p>An average of one awareness-raising and mobilization action has been held every six months in the United States and in Governador Valadares.</p>		

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>2. Component II. Financial education and development of financial products and services.</p> <ul style="list-style-type: none"> Market study for new ideas and evaluation of financial products. Development of financial education programs. Development of strategies for financial products and services. Development of support for reintegration. Development of marketing plans and preparation of promotional documentation. Implementation of the financial education program. Implementation of strategies with financial products. Promotion of financial education and new financial products and services through the web portal and publicity campaigns. 	<p>Up to four months into execution:</p> <ul style="list-style-type: none"> Market study for new ideas and evaluation of financial products undertaken by CAIXA with consultancy support. <p>After six months' execution:</p> <ul style="list-style-type: none"> Consulting services hired to prepare, under CAIXA supervision, financial education programs and packages of financial products and services. <p>After eight months' execution:</p> <ul style="list-style-type: none"> Teaching materials prepared by consultants-instructors. Strategies with financial products and services developed. Promotional materials designed, produced and disseminated. <p>After 12 months' execution:</p> <ul style="list-style-type: none"> Financial education program modules regularly carried out. CAIXA has launched strategies for financial products and services developed/adjusted to the needs of the target public. <p>By the end of the program:</p> <ul style="list-style-type: none"> Basic orientation courses held for economic reintegration. Information campaigns implemented in Brazil and the United States. 	<ol style="list-style-type: none"> Database of studies and evaluations prepared. Teaching materials prepared for the courses. Evaluations of the results of training events. Packages of financial products prepared. Record of demand for financial products. Semiannual project reports prepared by the executing agency. 	<ol style="list-style-type: none"> Adaptation of contents to training needs. Instructors with profile suited to their function selected. Adaptation of strategies with financial products and services suited to beneficiaries' needs.

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>3. Component III: Business training in Brazil for migrants.</p> <ul style="list-style-type: none"> Adaptation and development of SEBRAE training programs. Development of a training, financing and monitoring plan for the business activities of migrants. Business guidance and distance training over the Internet. Implementation and holding of instructor-led training. Selection of projects. Monitoring and support for the entrepreneurs-projects selected. 	<p>After nine months' execution:</p> <ul style="list-style-type: none"> SEBRAE products and tools have been identified and, where necessary, adapted for business training among beneficiaries. A multiagency plan for training, financing and support has been designed to serve the business needs of the target public. <p>After 12 months' execution:</p> <ul style="list-style-type: none"> Of the target public identified, at least 500 have received business guidance services or SEBRAE training/instruction programs reflecting the objectives of the program. Through transparent and public eligibility criteria, the selection process has begun to reach a total of 30 projects for financing and support by CAIXA and SEBRAE. <p>After 24 months' execution</p> <ul style="list-style-type: none"> Business guidance and training/instruction actions continue, with at least 2,000 migrants and their relatives having participated. <p>By the end of program execution:</p> <ul style="list-style-type: none"> Of the target public, a total of 5,000 beneficiaries have received individual services and business culture and business training programs provided by SEBRAE. 	<ol style="list-style-type: none"> Semiannual project reports prepared by the executing agency. Reports produced by the SEBRAE monitoring system (GEOR) for 30 selected projects. Evaluation of satisfaction among program trainees. Reports of consultants-instructors on training and instruction activities. Business plans prepared. Midterm and final evaluations. PPMR and PCR. 	<ol style="list-style-type: none"> Entrepreneurs maintain their commitment to participate in the program. Beneficiaries of the entrepreneurship training program are willing to spend economic and/or financial resources in return for services received. Availability of consultants-instructors to operate in Minas Gerais and in the United States. Timely procurement of technical assistance to provide services to the 30 selected projects. The 30 enterprises created are willing to pay for the financial services received using the credit line modality offered by CAIXA.

SUMMARY OF OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>4. Component IV - Informational activities and dissemination of the model and its results.</p> <ul style="list-style-type: none"> ▪ Systemization of experience ▪ Three regional seminars to disseminate the model and exchange technical assistance. 	<p>By the end of the program:</p> <ul style="list-style-type: none"> ▪ Program results systemized and disseminated through CAIXA and SEBRAE communication vehicles and through beneficiaries in Brazil and the United States. 	<ol style="list-style-type: none"> 1. Semiannual project reports prepared by the executing agency. 2. Publications such as “Casos de Sucesso” [Success stories] - SEBRAE, “Melhores Práticas” [Best practices] - CAIXA and media in the beneficiary community. 3. Midterm and final evaluations. 4. PPMR and PCR. 	<ol style="list-style-type: none"> 1. Possibility of replicating the model tested by the program in other regions and countries.

Detailed Budget

Activities		Unit	Unit value	Quantity	TOTAL (US\$)	Total (US\$)					Total	%
						MIF	Counterpart				Counterpart	
							SEBRAE		CAIXA		CAIXA	
						Financial	Economic	Financial	Economic	SEBRAE		
Component I: Information on the senders and recipients of remittances and dissemination of the programs												
Study on Brazilian migrants in Massachusetts and their relatives in Minas Gerais	Research in Brazil-Minas Gerais (profile of families and needs)	1	30,000	1	30,000	30,000		-	-	-	2.8%	
	Research in USA - Massachusetts (profile of migrants and needs)	1	25,000	1	25,000			-	25,000	25,000	2.3%	
Analysis of needs and opportunities in remittance services, business training, and financial education	Analysis of the results of surveys vis-à-vis CAIXA services	1	8,000	1	8,000	-		-	8,000	8,000	0.8%	
	Analysis of the results of surveys vis-à-vis SEBRAE services	1	4,000	1	4,000	-		4,000	-	4,000	0.4%	
	Ad hoc consultant (lump sum)	1	3,000	1	3,000	3,000		-	-	-	0.3%	
Definition of baseline, program information	Consultant	1	10,000	1	10,000	10,000				-	0.9%	
Implementation of the system for monitoring activities and results	Monthly measurement and maintenance of monitoring system	1	500	36	18,000	18,000				-	1.7%	
Design of technological structure for web portal for Brazilian migrants and entrepreneurs	Platform	1	5,000	1	5,000			-	5,000	5,000	0.5%	
	Website (development or adaptation)	1	6,000	1	6,000			-	6,000	6,000	0.6%	
	Website (maintenance)	1	500	36	18,000			-	18,000	18,000	1.7%	
Development of program structuring and dissemination (launch and maintenance)	Launch event in Brazil - Minas Gerais	1	8,000	1	8,000	6,000	-		2,000	2,000	0.8%	
	Launch event in United States - Massachusetts	1	16,000	1	16,000	6,000	5,000		5,000	10,000	1.5%	
Mechanism for identifying migrants with business development potential (self-diagnostic, SEBRAE and others)	Complete self-diagnostic distance test	1	5,000	1	5,000	-	5,000		-	5,000	0.5%	
	Reviser of distance tests	1	2,000	1	2,000	-	2,000		-	2,000	0.2%	
	Other mechanisms for identifying entrepreneurship potential	1	3,000	1	3,000	-	3,000		-	3,000	0.3%	
SUBTOTAL COMPONENT I					161,000	73,000	15,000	4,000	32,000	37,000	88,000	15.1%

Detailed Budget

Component II: Financial education programs and development of financial products and services												
Market study for new ideas and evaluation of financial products	Evaluation of market and CAIXA financial products	1	8,000	1	8,000	-		-		8,000	8,000	0.8%
	Ad hoc consultant (lump sum)	1	5,000	1	5,000	5,000		-		-	-	0.5%
Development of financial education programs	Design and details of financial education programs	1	15,000	1	15,000	-		-		15,000	15,000	1.4%
	Ad hoc consultant (lump sum)	1	6,000	1	6,000	6,000					-	0.6%
	Preparation of material	1	15,000	1	15,000	7,500		-	7,500	-	7,500	1.4%
Development of strategies for financial products	Design and details of strategies for financial products	1	15,000	1	15,000	-		-		15,000	15,000	1.4%
	Ad hoc consultant (lump sum)	1	6,000	1	6,000	6,000		-		-	-	0.6%
Support for reintegration (using resources provided by local organizations with a social and cultural focus)	Basic orientation courses	3	1,000	4	12,000	-		-	6,000	6,000	12,000	1.1%
	Assistant (part-time) to assist with reintegration - Governador Valadares	1	500	36	18,000	18,000		-		-	-	1.7%
Development of marketing plans and preparation of promotional documentation	Image and design of marketing and dissemination	1	10,000	1	10,000	10,000		-		-	-	0.9%
	Preparation of materials	1	15,000	1	15,000	-		-	15,000		15,000	1.4%
	Information campaign in the United States	1	30,000	1	30,000	-		-	30,000		30,000	2.8%
	Information campaign in Brazil-Minas Gerais	1	20,000	1	20,000	20,000		-			-	1.9%
Implementation of financial education programs	Preparation of materials	1	15,000	1	15,000	15,000		-		-	-	1.4%
	Training events in Brazil	1	3,000	30	90,000	55,000		-	35,000	-	35,000	8.5%
	Training events in United States	1	5,000	10	50,000			-	50,000	-	50,000	4.7%
Implementation of strategies with financial products	Consulting services to review strategies	1	5,000	2	10,000	10,000		-		-	-	0.9%
Promotion of financial education and new financial services and products, through the web portal and publicity campaigns	Promotion through the web portal	1	500	24	12,000	-		-		12,000	12,000	1.1%
	Publicity campaigns	1	9,000	2	18,000	-		-	18,000		18,000	1.7%
SUBTOTAL COMPONENT II					370,000	152,500	-	-	161,500	56,000	217,500	34.8%

Detailed Budget

Component III: Business training in Brazil for migrants												
Adaptation and development of SEBRAE training programs	Consultant for adaptation and/or development of training products	100	40	1	4,000		4,000			0	4,000	0.4%
	Consultant to refresh instructors on new contents	100	40	1	4,000	4,000		-		0	-	0.4%
Development of a plan for training, financing and monitoring of migrants' business activities	Manager to develop training, financing, and monitoring plan (SEBRAE Minas Gerais)	30	1,000	1	30,000			30,000		0	30,000	2.8%
Distance business guidance	Distance guidance and training services over the Internet	1	8,000	3	24,000	-		24,000		0	24,000	2.3%
Instructor-led training courses	Training courses in Brazil	1	5,000	15	75,000	45,000		30,000		0	30,000	7.0%
	Awareness-raising events in the United States	1	3,000	10	30,000	30,000				0	0	2.8%
Project selection	Implementation of the EMPRETEC methodology and enterprise formation	1	350	100	35,000	20,000	10,000		5,000		15,000	3.3%
Monitoring and support for selected entrepreneurs-projects	Ad hoc and thematic consultants for support/technical assistance and financing by CAIXA (<i>lump sum</i>)	1	350	100	35,000	35,000		-		0	0	3.3%
SUBTOTAL COMPONENT III					237,000	134,000	14,000	84,000	5,000	0	103,000	22.3%
Component IV. Informational activities and dissemination of the model and its results												
Systemization of experience	Partial publication of results	1	20,000	1	20,000	10,000	5,000	-	5,000	-	10,000	1.9%
Three regional seminars for dissemination and exchange of technical assistance	Part of investments for two events in Brazil and one in United States to present results	1	30,000	1	30,000	10,000	10,000	-	10,000	-	20,000	2.8%
SUBTOTAL COMPONENT IV					50,000	20,000	15,000	-	15,000	-	30,000	4.7%
Project administration and management												
PEU structuring and operation	Project coordination	1	2,400	36	86,400	-				86,400	86,400	8.1%
	Technical-administrative assistant	1	620	36	22,320	-		-		22,320	22,320	2.1%
	Financial assistant	1	315	36	11,340	-		-		11,340	11,340	1.1%
	Equipment, communications and others	1	1,000	36	36,000	-		-		36,000	36,000	3.4%
SUBTOTAL ADMINISTRATION AND MANAGEMENT					156,060	-	-	-	-	156,060	156,060	14.7%
Monitoring and evaluation (M&E)												
Monitoring and evaluation (M&E)	MIF cluster	1	15,000	1	15,000	15,000		-		-	-	1.4%
	Evaluations (midterm and final)	1	15,000	2	30,000	30,000		-		-	-	2.8%
	Annual audits	1	5,000	3	15,000	15,000		-		-	-	1.4%
Subtotal M&E					60,000	60,000	-	-	-	-	-	5.6%
Contingencies (approximately 6% cont. MIF)					30,500	30,500		-		-	-	2.9%
GENERAL TOTAL					1,064,560	470,000	44,000	88,000	213,500	249,060		100.0%

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(BR-M1032)**

RELATED PROJECTS AND MIF PORTFOLIO IN BRAZIL



A. Similar or related MIF projects




Project number and approval date	Project name, executing agency, and amount	Date of signature / Original disbursement period and extensions in months	Amount disbursed	Comments
EQU/MS-7425-BR 16 May 2001	Remittance fund for entrepreneurs: Fondo Dekassegui Banco Sudameris de Investimento (BSI) US\$5 million	28 January 2002 40 months	US\$1,730,260 (35%)	Normal project development. The model for providing assistance to migrants has been restructured to make it more compatible with the process of launching and monitoring productive operations.



B. Similar or related Bank projects

None

C. Projects in the MIF Remittances Cluster

Project number and approval date	Project name, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/ME-8510-AR 19 November 2003	Expansion and strengthening of a financial institution FIE Gran Poder US\$390,640	27 March 2004 36 months	US\$46,903 (12%)	Conditions precedent have been fulfilled, and the first disbursement has been processed.
EQU/MS-7425-BR 16 May 2001	Remittance fund for entrepreneurs: Fondo Dekassegui Banco Sudameris de Inverimento (BSI) US\$5 million	28 January 2002 40 months	US\$1,730,260 (35%)	Normal project development. The model for providing assistance to migrants has been restructured to make it more compatible with the process of launching and monitoring productive operations.
ATN/ME-8455-DR 1 October 2003	Development of financial services for remittance recipients Asociación de Instituciones Rurales de Ahorro y Crédito (AIRAC) US\$840,000	28 November 2003 48 months	US\$84,000 (10%)	Currently red flagged. During the first year of the agreement, the Bank has not received any communication from the beneficiary, and execution of the project budget has been limited to remuneration of the project coordinator. LINK 
ATN/ME-7599-EC 19 September 2001	Support for microenterprises and Ecuadorian migrants Banco Solidario S.A. US\$2,200,000	16 November 2001 43 months	US\$153,790 (7%)	The project design set a target of 15,500 remittances: so far there have been 39,162. Savings of US\$1,457,000 have been generated, compared to a target of US\$864,900; and 2,156 remittance recipients have been brought into the banking system with savings accounts, surpassing the target of 961. LINK 

Project number and approval date	Project name, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/ME-7717 12 December 2001	Capitalization of remittances for local economic development Nacional Financiera US\$1,115,000	12 June 2002 36 months	US\$409,099 (36.69%)	Although the level of disbursements is low, the project has been operating efficiently thus far. The executing unit is working satisfactorily with government coordinators, and there is broad interest among migrant investors and private investors to undertake projects in their communities of origin. LINK 
MIF/AT-531 64/MS-DR 30 April 2003	Distribution channels for remittances Banco BHD US\$2,500,000	N/A N/A	US\$00	The project is in the process of fulfilling conditions precedent.
ATN/MT-7792-ME 20 February 2002	Strengthening institutions in the low-income savings and loan sector Banco del Ahorro Nacional y Servicios Financieros BANSEFI US\$3,500,000	22 February 2002 42 months	US\$1,519,490 (43.41 %)	Savings banks are interested in adapting their records and systems to fulfill the provisions of the new law. LINK 
ATN/ME-7834-ME 4 April 2002	Investment of remittances Fundación para la Productividad en el Campo, A.C. US\$460,000	24 June 2002 36 months	US\$236,344 (51.38%)	Migrant groups display interest in investing in their communities, so program support will make it possible to identify investment alternatives to consolidate those interests. The above explains the high rating of the assumptions. LINK 

Project number and approval date	Project name, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/ME-8379-NI 30 July 2003	Investment in Financiera Nicaragüense de Desarrollo (FINDE S.A.) Financiera Nicaragüense de Desarrollo S.A. (FINDESA) US\$1,750,000	30 March 2004 48 months	US\$25,000 (10.00%)	Conditions precedent have been fulfilled. Investment has been undertaken satisfactorily. The loan has been 50% reimbursed, and the technical assistance is going as planned.
ATN/ME-8674-PE 7 April 2004	Support for returning entrepreneurs Japanese Peruvian Association (APJ) US\$500,000	13 May 2004 42 months	US\$50,000 (10%)	The project has been delayed because the executing unit has not yet fulfilled all the conditions precedent. LINK 
ATN/ME-7886-ES 29 May 2002	Strengthening of financial services and remittances Federación de Asociaciones de Cooperativas de Ahorro y Crédito (FEDECACES) US\$1,500,000	16 July 2002 42 months	US\$331,464 (22.10%)	Some of the OD indicators have not been achieved or are not being recorded at the present time. Nonetheless, with international assistance, FEDECACES has taken the necessary actions and the indicators are expected to be fulfilled by the end of the program. LINK 
ATN/ME-8655-RG 10 March 2004	MIF-IFAD Partnership Facility for Rural Private Sector Dev-LAC Eligible executing agencies in beneficiary countries US\$4,000,000	N/A N/A	US\$00 (0%)	The first call for proposals has been made. The first round of proposals contains a US\$3 million project portfolio that will be submitted by short procedure within two months.

Project number and approval date	Project name, executing agency, and amount	Date of signature and disbursement period in months	Amount disbursed	Comments
ATN/ME-8695-RG 28 April 2004	Mobilization of remittances through microfinance institutions Fundación Centro Acción Microempresarial - Colombia (CAM) US\$824,770	23 July 2004 48 months	US\$82,477 (10%)	Conditions precedent have been fulfilled and the first disbursement has been processed.
PE-M1010 MIF/AT-621 17 November 2004	Enhance development impact of Peruvian workers' remittances from Japan Banco del Trabajo US\$7,200,000	April 2005 N/A	US\$00 (0%)	Signing is scheduled for the first week in April.
ATN/ME-8897-RG 13 October 2004	Financing microenterprises and small businesses through financial intermediaries ProCredit (ES), Fin ProCredit (NI), Sociedad Fin Ecuatorial (EC), Caja Los Andes (BO) US\$8,200,000	N/A N/A	US\$00 (0%)	The project is in the process of fulfilling conditions precedent.
GU-M1003 ATN/ME-9331-GU 3 August 2005	Enhance Development Impact of Workers' Remittances Bancafé US\$5,200,000	N/A N/A	US\$00 (0%)	The project is in the process of fulfilling conditions precedent.
RG-M1059 ATN/MT-9182-RG 27 April 2005	Improving Central Bank remittance reporting and procedures Centro de Estudios Monetarios Latinoamericanos US\$2,029,796	N/A N/A	US\$00 (0%)	The project is in the process of fulfilling conditions precedent.

D. MIF portfolio in Brazil

No.	Facility	Project No.	Approval No.	Project Name	MIF Amount	Disb. %	Approval Date
1	IIIa	BR-M1019	ATN/ME-8835-BR	Tourism Microenterprises Integration into the Formal Economy	US\$46,870	60%	13 August 2004
2	IIIa	BR-M1018	ATN/ME-8836-BR	Strengthening Management in Microcredit Institutions	US\$45,000	97%	16 August 2004
3	IIIa	BR-M1016	ATN/ME-8745-BR	Support for the Cooperative Credit System in Tocantins	US\$95,000	30%	1 June 2004
4	IIIa	BR-M1012	ATN/ME-8595-BR	Support to Community-based Microenterprises in Alagoas	US\$88,130	71%	4 December 2003
5	IIIa	BR-M1011	ATN/ME-8677-BR	Support for the Productive Chain of the Honey Industry in Piauí	US\$65,000	30%	13 April 2004
6	IIIa	BR-M1010	ATN/ME-8648-BR	Strengthening the Cleaner Production Center in Bahia	US\$68,000	34%	5 January 2004
7	IIIa	BR-M1009	ATN/ME-8699-BR	Competitiveness of the Productive Chain of the Rattan Sector	US\$89,500	41%	12 April 2004
8	IIIa	BR-M1008	ATN/ME-8645-BR	Implementation of Quality System in the Civil Construction Sector	US\$60,150	30%	5 January 2004
9	IIIa	BR-M1007	ATN/ME-8646-BR	Worker-Managed Microenterprise Network	US\$89,850	72%	5 January 2004
10	IIIa	BR-M1006	ATN/ME-8644-BR	Development of a Distribution System for Auto Replacement Parts	US\$77,050	100%	5 January 2004
11	IIIa	BR-M1005	ATN/ME-8698-BR	Microenterprise Development in the Agricultural Sector	US\$92,750	30%	12 April 2004
12	IIIa	BR-M1004	ATN/ME-8643-BR	Quality Enhancement through Human Resource Development	US\$95,000	59%	5 January 2004
13	IIIa	BR-M1003	ATN/ME-8647-BR	Virtual Incubator for Fruit-Processing Microenterprises	US\$27,700	30%	5 January 2004
14	IIIa	BR-M1002	ATN/ME-8631-BR	Basic Skills for the Entertainment Industry	US\$60,000	98%	19 February 2004
15	I	TC-9607071	ATN/MT-5531-BR	Concessions Program Transport Sector	US\$1,140,000	100%	23 April 1997
16	II	TC-9607097	ATN/MH-5738-BR	Basic Skills Certifications	US\$850,000	100%	29 October 1997
17	I	TC-9608037	ATN/MT-5949-BR	Supervision Closed Private Pension Funds	US\$1,200,000	100%	6 May 1998
18	I	TC-9709083	ATN/MT-5975-BR	Regulat.fram.priv.investment Irrigation	US\$1,400,000	86%	27 May 1998

No.	Facility	Project No.	Approval No.	Project Name	MIF Amount	Disb. %	Approval Date
19	IIIa	TC-9703499	ATN/ME-6001-BR	Technological Incubators St. Catarina	US\$3,500,000	100%	10 June 1998
20	I	TC-9607295	ATN/MT-6003-BR	Sanitation Concession Brazil-Goiás	US\$700,000	100%	10 June 1998
21	II	TC-9801459	ATN/MH-6050-BR	Credentialing System Tourism Industry	US\$2,500,000	100%	15 July 1998
22	IIIb, IIIa	TC-9803116 TC-9803108	EQU/MS-6099-BR ATN/ME-6100-BR	Development of Technological Bases for Small Enterprise	US\$8,250,000		12 August 1998
23	II	TC-9807156	ATN/MH-6211-BR	Job Skills Training of Urban Youth	US\$5,150,000	100%	30 October 1998
24	II	TC-9802035	ATN/MH-6375-BR	Support Consumer Protection: Public Sector	US\$834,000	100%	3 February 1999
25	I	TC-9802358	ATN/MT-6378-BR	Mediation and Arbitration Center	US\$1,599,400	98%	3 February 1999
26	IIIa, IIIb	TC-9904030 TC-9810476	ATN/ME-6536-BR EQU/MS-6535-BR	Technological Base Small Enterprises	US\$3,015,000		2 June 1999
27	I	TC-9607089	ATN/MT-6603-BR	Negotiation Strengthening & Mediation Labor Disputes	US\$841,000		4 August 1999
28	I	TC-9901028	ATN/MT-6697-BR	Renewable Energy Service Delivery	US\$2,250,000	16%	13 October 1999
29	I	TC-9702334	ATN/MT-6880-BR	Institutional Support for Competition Regulation	US\$500,000		26 January 2000
30	I	TC-9808182	ATN/MT-6982-BR	Private Health Plans Reglamentation	US\$1,550,000	100%	31 May 2000
31	II	TC-9904027	ATN/MH-6951-BR	Trade Unions Leadership Training	US\$1,534,000	100%	26 April 2000
32	II	TC-0006012	ATN/MH-7045-BR	Energy Sector Regulatory Training	US\$720,000		12 July 2000
33	IIIb	TC-0005044	EQU/MS-7065-BR	Technology-Based Enterprises	US\$3,300,000		26 July 2000
34	IIIb	TC-0008018	EQU/MS-7137-BR	MVP Technology Fund for Software Emerging Companies	US\$4,500,000		20 September 2000
35	IIIa	TC-0011041	ATN/ME-7332-BR	Technology Supporting Inovar Initiative	US\$1,122,000	59%	14 February 2001
36	IIIb	TC-0004002	EQU/MS-7425-BR	Remittance Fund for Entrepreneurs (Dekassegui Fund)	US\$5,000,000	35%	16 May 2001
37	IIIb, IIIa	TC-0009014 TC-0009012	EQU/MS-7427-BR ATN/ME-7426-BR	Northeast Brazil Small Business Fund	US\$6,750,000		16 May 2001
38	IIIa	TC-0101064	ATN/ME-7466-BR	Program Rio Informático	US\$860,000	92%	27 June 2001

No.	Facility	Project No.	Approval No.	Project Name	MIF Amount	Disb. %	Approval Date
39	IIIb, IIIa	TC-0109008 TC-0103043	EQU/MS-7620-BR ATN/ME-7619-BR	Investment Fund Emerging Technology Co.	US\$3,060,000		10 October 2001
40	IIIa	TC-0007028	ATN/ME-7626-BR	Develop New Agricultural Technology	US\$1,600,000	14%	10 October 2001
41	I	TC-0106034	ATN/MT-7887-BR	Modernization and Institutional Strengthening of Securities Exchange Commission	US\$2,000,000	10%	29 May 2002
42	IIIa	TC-0109005	ATN/ME-7927-BR	Program for the Development of Industrial Districts	US\$2,075,000	40%	26 June 2002
43	IIIa, IIIb	TC-0205011 TC-0205010	ATN/ME-7958-BR EQU/MS-7959-BR	Investment Fund for Emerging Technology-based Companies LatinTech Ventures	US\$4,060,000		24 July 2002
44	IIIa, IIIb	TC-0205013 TC-0205012	ATN/ME-7977-BR EQU/MS-7976-BR	Investment Fund for Emerging Technology-based Companies Rio Bravo Investech II	US\$3,060,000		7 August 2002
45	IIIa	TC-0111042	ATN/ME-8031-BR	Promotion of Socially Responsible Market Opportunities	US\$975,000	47%	25 September 2002
46	II	TC-0203001	ATN/MH-8032-BR	Sustainable Tourism Certification System	US\$1,675,000	41%	25 September 2002
47	II	TC-0206018	ATN/MH-8134-BR	Sustainable Microfinance Development	US\$925,000		11 December 2002
48	IIIa	TC-0201026	ATN/ME-8512-BR	Program to Promote Commercial Opportunities among Rural Small Producers	US\$1,125,000	10%	19 November 2003
49	IIIa, IIIb	TC-0207027	ATN/ME-8548-BR EQU/MS-8549-BR	Investment and Technical Cooperation for the Serra Gaucha Guarantee Corporation	US\$2,400,000		10 December 2003
50	I	BR-M1001	ATN/MT-8724-BR	Public-Private-Association (PPA) Minas Gerais	US\$675,000	16%	19 May 2004
51	IIIb, IIIa	BR-M1013	EQU/MS-8865-BR ATN/ME-8866-BR	Investment Fund for Competitive Technology-Based Companies CRP Venture	US\$3,775,000		22 September 2004
52	IIIa, IIIb	BR-M1014	ATN/ME-8948-BR EQU/MS-8947-BR	Investment Fund for Brazilian Companies DVC II	US\$4,075,000		17 November 2004
53	IIIb, IIIa	BR-M1022	0085/MS-BR ATN/ME-9001-BR	Expansion Financial Services Coverage to SMEs through Microfinance Ins. WWB	US\$690,000		8 December 2004
54	IIIa	BR-M1021	ATN/ME-9119-BR	Dekassegui Entrepreneurs	US\$1,550,000	10%	9 March 2005
55	IIIa	BR-M1015	ATN/ME-9183-BR	Competitiveness Support program for Software SMEs	US\$1,300,000	10%	27 April 2005

No.	Facility	Project No.	Approval No.	Project Name	MIF Amount	Disb. %	Approval Date
56	IIIa	BR-M1024	ATN/ME-9211-BR	Estrada Real - Network of Tourism SMEs Minas Gerais State	US\$1,701,740		25 May 2005
57	IIIa	BR-M1023	ATN/ME-9332-BR	Implementation of Corporate Social Responsibility Measures in SMEs	US\$1,345,000	10%	3 August 2005
58	IIIa, IIb	BR-M1031	ATN/ME-9540-BR EQU/MS-9539-BR	Novarum Seed Investment Fund	US\$2,060,000		30 November 2005
59	I	BR-M1026	ATN/MT-9587-BR	National Program for Institutional Development of Public-Private Partnerships	US\$2,480,000		14 December 2005
				Total MIF Amount	US\$102,672,140		