

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**REGIONAL**

**(MEXICO, DOMINICAN REPUBLIC, NICARAGUA, EL SALVADOR,  
GUATEMALA, AND ARGENTINA)**

**PROMOTING DIASPORA AND LOCAL SUPPORT FOR PRODUCTIVE  
INITIATIVES**

**(RG-M1069)**

**DONORS MEMORANDUM**

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Project Performance Monitoring Report (PPMR)

**ABBREVIATIONS**

CESI	Committee on Environment and Social Impact
FDPC	Rural Productivity Foundation [ <i>Fundación de Productividad en el Campo</i> ]
GDP	Gross Domestic Product
HIP	Hispanics in Philanthropy
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
MIF	Multilateral Investment Fund
NAFIN	National Finance [ <i>Nacional Financiera</i> ]
NGO	Non-governmental organization
US	United States of America

**REGIONAL: PROMOTING DIASPORA AND LOCAL SUPPORT FOR  
PRODUCTIVE INITIATIVES**

**(RG-M1069)**

**I. EXECUTIVE SUMMARY**

<b>Executing agency:</b>	Hispanics in Philanthropy (HIP)
<b>Beneficiaries:</b>	Direct and immediate beneficiaries of this Program include micro and smaller enterprises, and families and individuals in the participating communities that are expected to benefit from increased economic opportunities. Additional beneficiaries include non-governmental organizations (NGOs) and other eligible entities that operate as executing agencies for the grant initiatives supported by the Program.
<b>Amount and Source:</b>	Modality: Grant – Small Enterprise Development Facility (III-A) MIF: US\$ 3,285,000 Counterpart: <u>US\$ 4,060,000</u> Total: US\$ 7,325,000
<b>Terms:</b>	Commitment Period: <sup>1</sup> 48 months Execution Period: 60 months Disbursement Period: 66 months
<b>Objectives and Description:</b>	<p>The general objective of the Program is to improve the economic conditions of low-income communities in the region affected by migration. The purpose of the Program is to develop transnational linkages to foster local productive development among communities throughout the participating countries.</p> <p>To achieve these objectives, the Program will include the following three components: (i) Promotion and Local Capacity-Building for Productive Development; (ii) Grant Fund to Support Productive Community Initiatives; and (iii) Monitoring, Evaluation and Dissemination of the Results.</p>
<b>Environmental/ Social review:</b>	The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting CESI 41-05, held on October 7, 2005. The CESI recommended that specific activities be incorporated into the Program to strengthen the capacity of the executing agency related to environmental aspects (see paragraph 3.11). The CESI also recommended ethnic and cultural diversity criteria be included for targeting beneficiaries to promote social

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<sup>1</sup> For the projects to be supported in Component II: Grant Fund to Support Productive Community Initiatives.

inclusion and equality (see paragraph 3.7).

**Special  
contractual  
conditions:**

Prior to the first disbursement and, in addition to the Bank's standard contractual conditions, the executing agency will have appointed both Program Managers.

Prior to the first disbursement for Component II, the executing agency will have presented to the Bank: (i) the model Grant Agreement for the financing of projects charged to Component II in accordance with the terms and conditions agreed with the Bank; and (ii) the pipeline of eligible projects for the first six months of the Program agreed with the Bank. Further disbursements for Component II will be subject to the presentation of: (i) the pipeline of eligible projects for the following six months; and (ii) a report on the amount of resources committed, disbursed, and expended in projects financed in the Component.

**Relevant  
initiatives of other  
international  
entities:**

This Program shares some elements in common, but does not duplicate with the MIF-supported program with the International Fund for Agricultural Development – IFAD (see paragraph 2.15).

## II. BACKGROUND

### A. Remittances and transnational migration

- 2.1 Remittances are the resources that migrants abroad send home to their families and communities. Mainly low-income residents working in developed countries send these resources to their mostly low-income relatives in the Latin American and Caribbean region. In 2004, remittances to the region amounted to US\$45 billion, making these flows more important for the region's economic and social development than foreign direct investment, portfolio investment and net foreign assistance combined.<sup>2</sup>
- 2.2 Due to the significant resource flows, remittances and transnational<sup>3</sup> support appear to have a direct effect on development. In many ways, migrants have become an important resource for their communities of origin as a source of capital, knowledge, experience and ideas, which they can funnel to the community. Besides the financial resources, members of this demographic group are able to foster the development process in their communities of origin through their: (i) organizational skills; (ii) entrepreneurial skills; (iii) ability to assimilate technological change; (iv) self-administration capacity; and (v) capacity for economic integration.
- 2.3 Many migrant families and individuals remain interested in maintaining a connection to their home communities, beyond sending financial resources to family members. Through many small local efforts, migrant communities outside the region have organized themselves into groups—often referred to as hometown associations (HTAs)<sup>4</sup> that support both their communities where they currently reside and in their home countries by raising money for their communities of origin and undertaking other activities of common interest. “Collective remittances” of these HTAs are used for low-scale development activities as a form of economic aid in their homelands.<sup>5</sup>
- 2.4 Beyond covering necessities, income from remittances can permit individuals and families to devote resources to new productive activities such as a small retail kiosk, artisan work and other cottage industries, among many other opportunities. Nevertheless, many people who receive remittances lack the skills and training needed to put in place an income-generating opportunity.

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<sup>2</sup> Terry, D.F. and Wilson S.R. 2005. Beyond Small Change: Making Remittances Count. Inter-American Development Bank.

<sup>3</sup> In the context of this project, transnationalism refers to the dynamics of migrant cross-border engagements, encompassing a range of economic activities, including but not limited to the sending of financial remittances, the building of social networks and economic relationships.

<sup>4</sup> In this context, HTAs refer to numerous types of organizations including church groups, clubs and community associations – all with the common thread of their members consisting primarily of immigrants.

<sup>5</sup> Orozco, M. and Welle. K. 2005. *Hometown Associations and Development*. In: Merz, B. 2005. New Patterns for Mexico: Observations on Remittances, Philanthropic Giving, and Equitable Development. Harvard University Press.



## **B. Hispanics in Philanthropy**

- 2.5 In 1983, Hispanics in Philanthropy (HIP) was created as a transnational association of grant makers to promote stronger partnerships between organized philanthropy and Latino communities in the US. HIP accomplishes its mission in two ways: (i) HIP works with its member network of foundations, corporations and individuals to encourage greater philanthropic investments in Hispanic communities within and across borders; and (ii) HIP endeavors to increase the participation of Latinos in the field of philanthropy as board members, staff members of philanthropies, and donors, and to encourage and strengthen new voices in Latino communities.
- 2.6 HIP's interest in diaspora philanthropy dates back more than 10 years, when it began exploring philanthropic strategies to connect Latino communities in the US with the communities in the home countries that had been affected by migration. Increasingly, HIP's concern about people who "have feet in two places at the same time" is beginning to have resonance in the philanthropic world. As part of this, HIP created a Funders' Collaborative to support and strengthen Latino-led, Latino-serving nonprofits in the US and in Latin America and the Caribbean by providing capacity building grants as well as technical assistance. HIP is presently working in 13 sites in the US and in two sites in Latin America – Argentina and the Dominican Republic. As of January 2006, the Collaborative has raised almost US\$26 million from 139 funders and is providing support to some 340 non-profit organizations.
- 2.7 In the Dominican Republic, HIP launched the Collaborative through matching grants from the Falconbridge Foundation and the Levi Strauss Foundation, which were more than doubled by resources contributed by 11 local corporate funders. Following a similar model, a second site was launched in Argentina through a partnership with the Minetti and Telefónica Foundations, and a local university, the Universidad Católica de Córdoba. Both transnational sites have supported small grant projects (average amount of US\$15,000) primarily to help strengthen the capacity of local civil society organizations, although many of the projects focused on productive economic development such as small-scale artisan and vocational training projects. The Argentine site has concluded three rounds of grant-making, benefiting 47 nonprofit organizations in the province of Córdoba. The Dominican Republic site completed its second round of grant-making in August 2005, increasing the number of NGOs funded to 24. Through its work in Argentina and the Dominican Republic as well as its experience with the diaspora in the US, HIP has realized that an important opportunity exists to tap into the phenomenon of transnationalism for productive initiatives.

## **C. Remittances as an opportunity**

- 2.8 Within the region, communities are adversely affected by the exodus of their human capital, in the form of family members that migrate to other countries to seek better economic opportunities. But while migration poses problems across the region through the loss of workers, it also presents an opportunity in terms of utilizing the positive attributes of transnational groups in the form of financial resources, skills or market presented by the desire to maintain links or access to products from home

communities. Given the size and scope of remittances, much can still be done<sup>6</sup> to harness these resources in terms of providing recipients and senders more options for productive development, and sustainable projects that provide alternative sources of employment and income.

- 2.9 The MIF has played a leading role in the area of remittances, sponsoring conferences and leading studies to better understand and track this phenomenon, and has come to understand that migration and remittances pose an interesting opportunity for development in the region. Communities hard hit by the outflow of available workers also tend to be the ones with the highest inflow of remittances, both financial and non-financial. These resources could result in an opportunity for development of income-generating activities for individuals and families residing in these communities. An opportunity also exists for civil society to leverage development impact and support social and financial inclusion by developing innovative partnerships to promote training and local productive opportunities.<sup>7</sup>

#### **D. Proposed Program**

- 2.10 The aim of this Program is to forge new partnerships and support economic development through transnational links.<sup>8</sup> In this context, the Program will support a range of different options that generate income among individuals and groups within communities affected by migration flows. With the expanding amount of resources flowing to individuals and families in the region, this Program seeks to respond by creating options for people in the region interested in utilizing their money for productive economic development. To do so, the Program will provide grants to NGOs, foundations, associations and cooperatives and other entities that function as interlocutors with transnational groups, local individuals and families and private donors. This Program will include transnational groups from outside the region as well as intra-regional migration flows. In addition, this Program seeks to leverage the contributions made through hometown associations and cross-border remittances made by working people throughout the US to their communities of origin. As an additional source of resources, local philanthropic entities will also be incorporated into this effort as funders and partners in support of the local initiatives.
- 2.11 This Program intends to build upon the experiences and activities of HIP in the Dominican Republic and Argentina, especially in regards to collaborating with local partner institutions that offer an important on the ground presence. In addition to those two countries, this proposed Program will include Mexico, Nicaragua, El Salvador and Guatemala. These countries were identified and selected for several reasons: (i) level of remittance flows; (ii) readiness and interest among the diaspora communities located in HIP's US sites to collaborate in this initiative; (iii) level of interest among potential international and local funding and operational partners in

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<sup>6</sup> Mexico has ample experience in this area, through its 3 x 1 (three times one) program and other efforts to involve HTAs in local economic development.

<sup>7</sup> Orozco, M. And Wilson, S.R. 2005. *Making Migrant Remittances Count*. In: Terry, D.F. and Wilson S.R. 2005. *Beyond Small Change: Making Migrant Remittances Count*. Inter-American Development Bank.

<sup>8</sup> This program is to be considered part of the MIF Cluster "Remittances as a Development Tool" (MIF/GN-73).

each country; (iv) existence of qualified, experienced, reliable and trustworthy potential partners in each country; and (v) favorable international trade environment for many of the countries. Due to the size of Argentina and Mexico, the Program will focus in certain regions, including the province of Cordoba (and neighboring provinces) and the Bajio region, respectively.

- 2.12 An additional factor that contributed to the selection of these countries is the evident interest that exists in each in cultivating a culture of philanthropy among local businesses and helping to strengthen civil society networks. This is especially pertinent in the case of Argentina, which is not known for high levels of remittance flows. It is, however, recognized for having a strong network of civil society organizations and experiences with philanthropy among local businesses that will be the core funding strategy for the Argentine project. Moreover, through HIP's past efforts in the country, an institutional platform has been established that this Program can benefit from.
- 2.13 A potential challenge for HIP stems from finding ways to capitalize on existing connections between migrants and their home communities in order to create the transnational support for economic opportunities. However, HIP's network of over 300 Latino-led nonprofits in the US should help HIP capitalize on existing diaspora-home community linkages and has the potential of creating new connections. Rather than strictly focus on securing support from HTAs and other diaspora groups, this Program also intends to utilize various financial means and sources from other funders outside and within the region interested in productive initiatives, as a means to mitigate funding risks.
- 2.14 For the target countries,<sup>9</sup> the proposed Program is innovative for several reasons. On the one hand, this Program offers an important opportunity to position members of the diaspora as agents of development, tapping into their interest and knowledge of their communities of origin for productive initiatives. On the other hand, this project presents an interesting opportunity to further develop philanthropic activities in the participating countries, demonstrating the power of channeling resources towards productive initiatives in terms of long-term impacts in communities. Through this proposed strategic partnership with HIP, MIF can cost effectively and efficiently reach smaller projects.
- 2.15 This proposed Program shares some similar aspects to other MIF-supported projects in the area of remittances, though with some key differences. In 2004, MIF launched a line of activity with the International Fund for Agricultural Development – IFAD (MIF/GN-91) that has the objective to promote sustainable rural development by involving migrant communities. The MIF-IFAD Program is segmented into two types projects: (a) development of rural financial services; and (b) development of rural productive investment. The latter types of projects mobilize savings and capital for

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<sup>9</sup> As mentioned in a previous footnote, Mexico has experiences related to linking the diaspora for productive initiatives. Nevertheless, promoting local philanthropy is an aspect for which Mexico has less experience and thus it can benefit from the approach of this program.

productive investment, strengthening the income generating capacity of the rural poor. This is similar to this proposed Program with three important differences: (i) this Program will focus on smaller projects, expanding access for smaller NGOs to participate; (ii) it is not only focused on rural areas; and (iii) it also includes the development of local funding through entities interested in philanthropy.

- 2.16 MIF is also supporting two other projects in Mexico with some similarities and some important lessons learned. The MIF project with *Fundación de Productividad en el Campo* – FDPC (ATN/ME-7834-ME) seeks to promote productive activities of mostly agribusiness-related economic groups with primarily female workforces in the migration-affected rural areas in the states of Guerrero, Oaxaca, and Michoacán. The MIF project with *Nacional Financiera* – NAFIN (ATN/ME-7717-ME) focuses on identifying productive investments that will attract migrants’ capital to their communities of origin in the States of Zacatecas, Puebla and Guanajuato. One of the principal challenges of the project with NAFIN was attracting financial investors for the entrepreneurial plans emanating from the communities in the project. This proposed project differs from the first project in terms of geographic focus and from the second by focusing on small-scale community-based productive initiatives, rather than intending to secure emigrants as capital investors in potential local businesses. Moreover, this proposed project also seeks to develop local philanthropy as an alternative source of funding for productive initiatives, which was not contemplated in the previous projects.

### III. PROJECT OBJECTIVES AND COMPONENTS

#### A. Objectives

- 3.1 The general objective of the Program is to improve the economic condition of low-income communities in the region affected by migration. The purpose of the Program is to develop transnational linkages to foster local productive development among communities throughout the participating countries.
- 3.2 To achieve these objectives, the Program will include the following three components: (i) Promotion and Local Capacity-Building for Productive Development; (ii) Support to Productive Community Initiatives; and (iii) Monitoring, Evaluation and Dissemination of the results.

#### B. Components

##### **1. Component I: Promotion and Local Capacity-Building for Productive Development (MIF US\$ 43,275; HIP US\$ 34,875)**

- 3.3 The objective of this component is twofold: to promote the opportunities presented by this Program and to organize local partners and institutional platforms in each country. The promotional and outreach activities are intended to ensure that potential grantees, transnational and inter-regional organizations, home communities, and potential co-funders are aware of opportunities to support local productive development in the Program. Activities in this component will include: (i) a

symposium to announce the Program; (ii) exchanges between current grantees and potential grantees; (iii) diaspora meetings and other similar sessions; (iv) informative sessions to generate increased interest and opportunities for the Program; and (v) development of local sites and institutional partners for Program activities in additional countries.<sup>10</sup>

- 3.4 For the Program launch, HIP will invite representatives from key organizations throughout the participating countries as well as those outside those countries. Informational materials, articles, interviews, fact sheets and project profiles for HIP and other appropriate publications will be produced to inform constituents and promote the Program. HIP and Program staff will also participate in other events to increase awareness and support in the region for this Program. Specific efforts will be included to promote participation of minority groups or underserved populations such as people of African descent, youth, women and indigenous groups to ensure they are made aware of the opportunities presented by this Program.
- 3.5 Program activities in each of the six countries will be rolled out in phases. The first phase will focus on work with the local partners and fundraising (both locally and abroad with the diaspora and other interested entities). Local partners will be selected based on the following characteristics (i) interest and ability to provide local funds; (ii) proven ability to provide technical assistance to grantees; (iii) experience working with local community groups or NGOs; (iv) experience in the area of economic development, job training and income-generating activities and technical knowledge related to project activities; (v) proven ability to collaborate with public and/or private sector partners; and (vi) commitment to expanding local philanthropy. The second phase will be to undertake promotional activities in the country to generate interest among potential grantees under Component II (see paragraph 3.4). The final phase will be to initiate the competitive grant process under Component II through a call for proposals in the country, and in the cases of Argentina and Mexico, in the participating areas.

## **2. Component II: Grant Fund to Support to Productive Community Initiatives (MIF US\$ 1,920,000; HIP US\$ 1,920,000)**

- 3.6 The objective of this component is to support local economic development projects that incorporate transnational elements and assist low-income communities in the region. All projects financed through this component will focus on income-generating activities. Projects eligible for financing from the Program may include such activities as: direct support for micro and smaller enterprises; institutional or other support for cooperatives; support for community-based businesses or other organizations that might assist with developing the entrepreneurial capacities of their constituents (see operational manual in Annex V for more details).

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<sup>10</sup> Institutional platforms for Argentina, the Dominican Republic and Mexico have already been established (see paragraphs 2.6, 2.7, 2.11, 2.12 and 4.3).

- 3.7 Initiatives supported by this Program must relate directly and strategically to the transnational or inter-regional context. Such elements may include: (i) community groups in the participating countries that partner with diaspora organizations such as hometown associations, sports clubs, cultural clubs, local communities or other emigrant associations; (ii) small-scale producers and cottage industries that export to new markets, including diaspora markets; (iii) human capital investment, such as volunteerism, by diaspora organizations; (iv) remittance of financial resources, new skills, ideas or practices; and (v) initiatives in communities with significant out-migration. Within the Program goals of reaching low-income communities, priority will be given to projects submitted by NGOs or other eligible institutions serving minority or underserved populations such as people of African descent, youth, women and indigenous groups.
- 3.8 Grants will be made to nonprofit organizations that are legally based in the target countries including: local, regional or national organizations with a general experience in local economic development; foundations; business and local community associations; and technical/training institutions. A general call for proposals will be issued in each country periodically (see paragraph 3.5) and proposals will be reviewed on a competitive basis. Proposals will be evaluated by the executing agency and a committee composed of local country funding partners, based on technical merit and coverage of the Program objectives, and on the expected ability of the proponent organizations to sustain extend, and duplicate the project upon completion of the grant (see paragraphs 4.5– 4.8).
- 3.9 A total of at least 33 grants are expected by the Program. Grants will be awarded beginning in the first semester of the Program and thereafter on a periodic basis until the end of month 48 (“Commitment Period”) and all grant projects should conclude by month 60 of the Program. Grants will have a minimum duration of 12 months and a maximum duration of 36 months. The Fund will require local matching resources from the beneficiary entity of a minimum of 20% of the total cost. Projects would range in size from US\$50,000 to a maximum of US\$250,000 with an average project amount of US\$150,000. MIF would contribute on average 40% of the total amount per project and HIP would contribute 40% on average. MIF’s contribution would not exceed US\$100,000 for any given project. This funding range was arrived at based on an overview of HIP’s grant programs in the region and the overall absorptive capacity of NGOs with local economic development experience.

### **3. Component III: Monitoring, Evaluation and Dissemination of the Results (MIF US\$ 564,090; HIP US\$ 242,110)**

- 3.10 The objective of this component is two-fold: to monitor and evaluate the impact of the Program, and to disseminate the results. Publications and materials for dissemination will be produced and distributed, including articles, fact sheets and a video. These materials will be used in various forums, including conferences to be organized by the executing agency. Two international conferences are anticipated to disseminate results and lessons learned for grantees, diaspora organizations, policy-makers and other actors.

- 3.11 In addition, this component will include the development of a screening instrument and monitoring system that will encompass specific environmental and social indicators for each of the projects supported in Component II. For this, a consultant will be contracted to adapt the monitoring system already developed by HIP for its US operations to include specific environmental and social parameters as well as other indicators specific to the context in the region. Program and partner institution staff will then be trained in the use of environmental and social screening techniques and related indicators.
- 3.12 As part of the Program monitoring, grantee organizations are expected to attend two grantee workshops per year. During these workshops, grantees will receive technical assistance for institutional strengthening. These topics include strategic and business planning and financial literacy, among many others. The workshops will also serve as an opportunity to assess the progress with grantee projects and discuss project sustainability. Grantees will be required to submit written progress and financial reports on a biannual basis along with a final report due at the end of the funding period.

#### **IV. EXECUTING AGENCY AND EXECUTION MECHANISM**

##### **A. Executing Agency**

- 4.1 Hispanics in Philanthropy (HIP) will be the executing agency and will be responsible for counterpart resources and for administering the grants. HIP was founded in 1983 to promote stronger partnerships between organized philanthropy and Latino communities. HIP has more than 500 members representing corporate, public and private philanthropies and a current operating budget of over US\$2 million, with 18 full-time staff.

##### **B. Execution mechanism**

- 4.2 For the administration of the activities, four positions are anticipated. A part-time Transnational Director, two Program Managers (one manager will work full time on the project and the other part-time) and a full-time Program Assistant. The Transnational Director will be responsible for: identifying and securing local funders; hiring, training and managing consultants and staff; supervising development and execution of the overall program; and will function as primary interlocutor with the Bank and other partners. Each of the two Program managers will be responsible for: overseeing the activities in three of the six participating countries; manage grant-making rounds in their respective countries; develop additional outreach strategies that publicize the Program; provide support to the evaluation and documentation process; and manage overall communication and coordination at the sites with all the local partners and grantees. The two Program Managers and Program Assistant will report directly to the Transnational Director.
- 4.3 For each country, HIP will identify and collaborate with local institutional partners interested in providing financing and support to the activities of the Program. This approach has been utilized by HIP already in Argentina and the Dominican Republic

(see paragraphs 2.6, 2.7 and 2.11). In Argentina, *Fundación Minetti* and the *Universidad de Católica de Córdoba* will be the principal local institutional partners. In the Dominican Republic and in Mexico the *Fundación Falconbridge* and the *Fundación Comunitaria del Bajío* will be the respective lead organizations of an expected consortium of institutional partners in those countries. All of these partners have important on the ground experience in the countries and relevant economic development related experiences that will help assure effective project targeting. For the remaining three countries, institutional partners will be identified and confirmed in the early part of the Program (see paragraph 3.5 for criteria). More details regarding the roles and functions of the local institutional partners can be found below in paragraphs 4.5 - 4.8).

- 4.4 This gradual, country roll out approach will allow the executing agency time to develop relationships with the most appropriate partners in each remaining country as well as allow the Program to incorporate lessons learned from the initial three countries into the latter three.

**C. Productive community initiatives review and approval process**

- 4.5 A general call for proposals with established guidelines will be issued at least once each year during the Commitment Period and the MIF Office will assist in the development of these guidelines and the call for proposal. HIP staff and local partners will review the proposals and will use Program criteria to screen proposals. Two additional members of the HIP staff will review all proposals identified in this initial screening process.
- 4.6 HIP will send the MIF Office the pipeline of potential projects to be considered within the scope of this Program (for that round). This pipeline document will include the following information, among other requested details: (i) project title; (ii) general description of the proposed project objectives, activities and expected reach; (iii) total amount of financing for the proposed project along with an initial breakdown of resources from MIF, HIP and the proponent; (iv) expected duration of the proposed project; (v) expected benefits and risks; and (vi) brief description of the capacity of the proponent organization. The MIF Office, in turn, will share this list with in-country Bank staff so that they may evaluate the appropriateness of the proposed projects and proponents.
- 4.7 HIP staff and local partners will undertake field visits to those proposed projects that pass through the initial screening. After the field visit, HIP and local partners will either recommend or reject the proposed project. If the proposal is rejected, HIP will notify the proponent organization and the MIF Office. If the proposal is recommended, HIP will prepare the necessary documents for the project review process.
- 4.8 The HIP grant review package will include: (i) project description and budget (with a specific breakdown of items to be financed with MIF resources); (ii) expected benefits and risks; (iii) specific quantitative and qualitative indicators to assess progress and results; and (iv) details regarding the executing mechanism and



institutional partners. Final grant review packages will be sent to the MIF Office for review. In turn, the MIF Office will send written notice of approval to HIP for each project.

**D. Execution and disbursement periods.**

- 4.9 Execution and disbursement periods of 60 and 66 months, respectively, are anticipated. Two separate revolving funds will be set up for 10% of the MIF contribution, which will be disbursed and managed in separate sub-accounts. One revolving fund will be specific to the grants to be provided in Component II and the other will be used for all other Program related expenditures. The executing agency will submit semi-annual financial reports on the status of the revolving funds to the Bank. INT/RTC will be responsible for disbursements and basic supervision. Disbursements of grant funds and the purchase of goods and the contracting of services will be done in accordance with Bank and MIF procedures.
- 4.10 **Status of project preparation.** The design and budget planned in the Program have been prepared and agreed to with the executing agency. The draft operational manual has been prepared and is available in the technical files (Annex V) as well as the terms of reference for Program personnel and some of the key consultancies (see Annexes VII and VIII, respectively). Letters of commitment from partner organizations have been received from the *Fundacion Minetti* and *Universidad Catolica de Cordoba* in Argentina; *Fundacion Falconbridge* in the Dominican Republic; the *Fundacion Comunitaria del Bajio* and the William and Flora Hewlett Foundation in Mexico; and by an individual Nicaraguan donor, Luz Vega-Marquis (HIP board member and President of the Marguerite Casey Foundation) for the Program in Nicaragua. Additional counterpart resources have been confirmed from these and other sources, providing assurance that the Program will be able to commence implementation soon after approval.

## **V. COST AND FINANCING**

- 5.1 **Cost and financing.** The cost of the Program is estimated at US\$ 7,325,000. The MIF will contribute US\$ 3,285,000 on a non-reimbursable basis and HIP and the grantees will be responsible for providing US\$ 3,100,000 and US\$960,000, respectively as counterpart resources.
- 5.2 The amount equivalent to US\$45,000 will be used by the bank to carry out activities related to the Remittances project cluster specified in paragraph 7.2. This amount will be deducted from the amount of the contribution on the date the agreement for this operation enters into force, without a request for disbursement to the executing agency being necessary.

<b>Table 1. BUDGET BY ACTIVITIES (IN US\$)</b>					
<b>ACTIVITIES</b>	<b>MIF</b>	<b>HIP</b>	<b>LOCAL NGO<sup>11</sup></b>	<b>TOTAL</b>	<b>%</b>
I. Promotion and Local Capacity-Building for Productive Development	43,275	34,875	--	78,150	1.1
II. Grant Fund to Support to Productive Community Initiatives	1,920,000	1,920,000	960,000	4,800,000	65.8
III. Monitoring, Evaluation and Dissemination of the results	564,090	242,110	--	806,200	11.0
Administration	397,769	877,572	--	1,275,341	17.5
Evaluations	100,000	--	--	100,000	1.4
Financial Audits	62,500	--	--	62,500	0.9
Contingencies	152,366	25,443	--	177,809	2.4
<b>Subtotal</b>	<b>3,240,000</b>	<b>3,100,000</b>	<b>960,000</b>	<b>7,300,000</b>	<b>100</b>
Cluster Activities	45,000	--	--	45,000	
<b>TOTAL</b>	<b>3,285,000</b>	<b>3,100,000</b>	<b>960,000</b>	<b>7,345,000</b>	
<b>Percentage</b>	<b>45%</b>	<b>42%</b>	<b>13%</b>		

- 5.3 **Sustainability.** The sustainability of this initiative is at two distinct levels. First, at the level of individual projects, each one is to be selected according to criteria that include the expected sustainability of the proposed project. Therefore, on a stand-alone basis, each project will be structured to facilitate sustainability beyond the life of the grant support (e.g., cost-recovery mechanisms). Second, as a program, the expectation is that by demonstrating the benefits derived from supporting local economic development with transnational elements, increased interest will be generated among diaspora groups, thereby multiplying the existing support base for the region. As additional diaspora groups become involved with supporting their home countries, increased economic opportunities are expected to occur, thus sustaining activities similar to those of the Program. Moreover, by linking HIP's network of current and potential funders, these projects will access a wide range of new resources and contacts, thus helping to diversify the funding base for the future.

## **VI. BENEFITS AND RISKS**

### **A. Benefits**

- 6.1 The principal benefits of this Program will be increased economic opportunities for communities and individuals in the region, especially those adversely affected by the outflow of migration. This initiative expects to serve as a model to demonstrate how to link the flow of remittances (both financial and know-how) to local productive development efforts in the region through additional matching funds and technical expertise. In addition, the entire approach and strategy of the Program will serve to demonstrate elements that could be replicated.
- 6.2 On the one hand, the Program will demonstrate the power and capabilities of the diaspora in supporting development in their communities of origin. Diaspora groups

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<sup>11</sup> This includes local NGOs or other eligible entities to receive grant support in Component II.

such as HTAs, are intimately aware of the economic conditions that drive migration, and thus are well suited at finding alternative sources of livelihoods for those that remain in these communities. Similarly, this Program model will demonstrate the importance of partnering with local organizations as a means to have closer on the ground ties and knowledge. On the other hand, the Program intends to demonstrate the impact of collaborative partnerships that include local and transnational funders and other actors who seek to multiply the support provided by diaspora groups. Related to the latter, the Program is structured to facilitate the transfer of fund-raising skills and know-how from HIP to each of the local partners with the intent that these entities will be better able to tap into financial resources after the Program ends.

- 6.3 As such, a program of this nature is well-timed and consistent with a significant shift in the global development discourse in which migrants now play an increasingly important role, as evidenced by the level of remittances sent to their home communities. International organizations, governments, private companies, academia, philanthropic foundations and NGOs are currently in the process of identifying ways to capitalize on this new shifting migrant-led transnational development paradigm. This Program is expected to provide valuable insight and important lessons learned in this area.

## **B. Beneficiaries**

- 6.4 Direct and immediate beneficiaries of this Program include micro and smaller enterprises, and families and individuals in the participating communities that are expected to benefit from increased economic opportunities. Additional beneficiaries include non-governmental organizations (NGOs) and other eligible entities that operate as executing agencies for the grant initiatives.

## **C. Risks**

- 6.5 The following risks have been identified: (i) interest and demand of eligible institutions in the region to solicit resources may be less than expected. *Mitigant:* Through Component I, the Program includes resources for raising awareness and promoting this Program among institutions in the region. In addition, with the country roll out approach, Component III is also intended to help to assure interest among possible beneficiary entities by disseminating results throughout the duration of the Program, including the initial years; (ii) the institutional capacity of the executing agency to oversee the numerous grants included in Component II. *Mitigant:* The progressive roll out of grants in the Program to different countries is expected to permit the executing agency to first develop the local institutional platform before approving grants, providing assurance that the executing agency will not over extend its capacity.

# **VII. MONITORING AND EVALUATION**

- 7.1 **Monitoring.** The executing agency will prepare and submit to the Bank's INT/RTC, with copies to the MIF Office, project progress reports within thirty (30) days after the completion of each semester and a final report within 30 days from the final

disbursement. These reports will follow a format previously agreed with the INT/RTC and the MIF Office and will address project activities and finances, as well as results measured in terms of the indicators and benchmarks identified in the project's logical framework. INT/RTC and the MIF Office will utilize these reports to monitor project implementation progress and to prepare a Project Completion Report within three months of the last disbursement. For projects supported in Component II, the MIF/Bank may undertake periodic visits as part of its monitoring efforts.

- 7.2 Drawing on the budget item for cluster activities, the MIF Office will administer resources to cover the expenditures of cluster related activities such as workshops and the technical adviser costs. The technical advisor will offer assistance to executing agencies of the different projects in the cluster, and will also provide assistance in the area of monitoring and data collection for the MIF.
- 7.3 **Evaluations.** An intermediate and a final evaluation of the Program will be undertaken by external consultants contracted directly by the Bank with Program funds. The mid-term evaluation will be prepared 24 months after the commencement of Program implementation or when 16 grants in Component II have been approved. A final evaluation will be conducted three months after the end of project execution or when 95% of the Bank's contribution has been disbursed. For the mid-term evaluation, the consultant will consider, among other items: (i) total number of proposals with transnational elements received by HIP; and (ii) the overall quality of the proposals and whether adjustments in the guidelines need to be made. For the final evaluation, the consultant will take into account: (i) the economic opportunities generated as a result of the grants provided in Component II; and (ii) the exact role and function of diaspora communities within the grant projects supported by the Program. With its own financial resources distinct from the counterpart requirement, the executing agency has agreed to undertake an *ex post* evaluation of this Program one year after completion to measure the impact and assess the lessons learned. These results will be shared with the Bank.
- 7.4 During the Program's execution, the executing agency will compile supervision and project evaluation indicators. These indicators are set forth in the Logical Framework (see Annex I) and will be used by INT/RTC, the MIF Office and HIP to gauge the overall impact and to assess the results. HIP will provide access to all the information and documentation needed to conduct these evaluations.

### VIII. ENVIRONMENTAL AND SOCIAL IMPACTS

- 8.1 Given the nature of the proposed Program, adverse environmental impacts are not expected. The Program expects to have positive social impacts by assisting in the creation of employment opportunities among the benefiting communities. The guidelines utilized for Component II will include restrictions to ensure that project related activities do not result in deleterious environmental impacts nor adverse social consequences. Measures will also be taken to ensure that the productive development projects take into consideration the concerns and interests of the benefiting communities. The executing agency will be responsible for screening each project to make certain that it does not result in adverse social or environmental impacts.

- 8.2 The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting CESI 41-05, held on October 7, 2005. The CESI recommended that specific activities be incorporated into the Program to strengthen the capacity of the executing agency related to environmental aspects (see paragraph 3.11). The CESI also recommended ethnic and cultural diversity criteria be included for targeting beneficiaries to promote social inclusion and equality (see paragraph 3.6).

#### **IX. SPECIAL CONTRACTUAL CONDITIONS**

- 9.1 Prior to the first disbursement, in addition to the Bank's standard contractual conditions, the executing agency will have appointed both Program Managers.
- 9.2 Prior to the first disbursement for Component II, the executing agency will have presented to the Bank: (i) the model Grant Agreement for the financing of projects charged to Component II in accordance with the terms and conditions agreed to with the Bank; and (ii) the pipeline of eligible projects for the first six months of the Program agreed with the Bank. Further disbursements for Component II will be subject to the presentation of: (i) the pipeline of eligible projects for the following six months; and (ii) a report on the amount of resources committed, disbursed, and expended in projects financed in the Component.

**LOGICAL FRAMEWORK**  
**PROMOTING DIASPORA AND LOCAL SUPPORT FOR PRODUCTIVE INITIATIVES**  
**(RG-M1069)**

Narrative summary	Indicators	Means of verification	Assumptions
<b>GOAL</b>			
To foster local economic development among low-income communities throughout the region.	Two years after project completion, at least a 5% increase in economic development in the participating communities.	Local and/or national statistics.	Economic and political conditions remain stable.
<b>PURPOSE</b>			
To promote employment opportunities and income generation through support for projects with transnational elements.	<p>By program end:</p> <ul style="list-style-type: none"> <li>At least 3,000 jobs created, new community-based business established, micro and SMEs participating increase their performance (annual sales indicators), etc.</li> <li>At least 33 projects supported with alliances forged with community emigrants that have become involved with the development of their communities of origin by the end of program.</li> <li>At least US\$ 2.3 million raised from diaspora organizations/individuals and other foundations to support communities in the region.</li> </ul>	<p>Comparison between baseline data and data collected for each project.</p> <p>Mid-term and final program evaluations and individual project evaluations.</p> <p>Agreements with participating transnational and local donors, non-profits and diaspora groups signed.</p> <p>Means of verification should include: Project Performance Monitoring System (PPMR) Progress and final report by the EA Mid-term and final evaluation by external consultant Project Completion Report (PCR)</p>	The results of the program are effectively disseminated and the institutions and the established procedures are incorporated as activities in other national and local institutions that mobilize and commit resources.
<b>COMPONENTS</b>			
I. Promotion and awareness-raising for productive development support.	<p>By the end of the first year, a local program site committee and structure established in two countries.</p> <p>By the end of the second year, a local program site committee and structure established in three countries.</p>	<p>Signed agreements.</p> <p>Agreements with participating non-profits and diaspora groups signed.</p> <p>Published infopacks.</p> <p>Published fact sheets.</p>	The promotional and awareness sparks the expected interest and induces the institutions to take on similar initiatives.

Narrative summary	Indicators	Means of verification	Assumptions
	<p>By the end of the third year, a local program site committee and structure established in six countries.</p> <p>By the end of the program:</p> <ul style="list-style-type: none"> <li>• 1,200 people/organizations involved in the transfer of skills, volunteerism, capital, and technology, to the communities in the region. (Including HIP staff and consultants, existing local donors, future donors, grantees, academics and financial literacy experts in the D.R., Argentina, Mexico, El Salvador, Guatemala and Nicaragua over five years)</li> <li>• Some 2,000 different organizations made aware of the opportunities presented by this program by the end of year three (promotion and outreach activities include websites, published in local newspapers, existing newsletter emailed monthly to HIP's 450 members, etc.).</li> </ul>	<p>Event records (attendance sheets, agenda)</p> <p>Project Performance Monitoring System (PPMR)</p> <p>Progress and final report by the EA</p> <p>Mid and final evaluation by external consultant</p> <p>Inspections Visits</p> <p>Project Completion Report (PCR)</p>	
II. Productive community initiatives	<p>By the end of the first year t least eight grants with transnational elements approved.</p> <p>By the end of the second year, at least 18 grants with transnational elements approved.</p> <p>By the end of the third year, at least 30 grants with transnational elements approved.</p> <p>By the end of the fourth year , at least 33 grants with transnational elements approved.</p>	<p>Pipeline documents.</p> <p>Grant review packages.</p> <p>Minutes of the HIP/Local Site Committee decision-making meetings and Grants Review Committee.</p> <p>Project Performance Monitoring System (PPMR)</p> <p>Progress and final report by the EA</p> <p>Mid-term and final evaluation by external consultant</p> <p>Inspections Visits</p> <p>Project Completion Report (PCR)</p>	<p>Local and diapora organizations with sufficient resources exist adn are interested in contibuting the necessary financial resources.</p>

Narrative summary	Indicators	Means of verification	Assumptions
III. Monitoring, evaluation and dissemination of the results	<p>By the end of the program, each of the beneficiary entities will have institutionalized a monitoring for results scheme that will permit them to measure the achievements and milestones and to undertake the necessary adjustments during the implementation in order to maximize the effectiveness in the development of the projects.</p> <p>At least 20,000 individuals made aware of the results of the program by project end through the media, program website and other means.</p>	<p>Published and distributed reports.</p> <p>Event records (attendance sheets, handouts, etc.).</p> <p>Baseline and final evaluations completed and available.</p> <p>Project Performance Monitoring System (PPMR)</p> <p>Progress and final report by the EA</p> <p>Mid-term and final evaluation by external consultant</p> <p>Inspections Visits</p> <p>Project Completion Report (PCR)</p>	<p>The beneficiary organizations have the capability to generate the needed information and to assessing results in a timely manner.</p>
<b>ACTIVITIES</b>			
1.1 Produce informational and promotional material	<p>Informational material developed describing program, eligibility and application process at the end of month six. To be updated periodically through year four.</p> <p>“How-to” packet developed by the end of month eight.</p> <p>At least four fact sheets of projects developed annually.</p>	<p>For all Activities:</p> <p>Project Performance Monitoring System (PPMR)</p> <p>Progress and final report by the EA</p> <p>Mid and final evaluation by external consultant</p> <p>Inspections Visits</p> <p>Project Completion Report (PCR)</p> <p>Published manual.</p>	<p>For all activities:</p> <p>Diaspora groups and other organizations increase their involvement in the development of their communities of origin.</p> <p>There exists sufficient interest from diaspora groups and other organizations and local communities in the region for the program.</p> <p>Diaspora groups and other organizations that are made aware of project outcomes are interested in supporting similar local economic development projects.</p> <p>There exists sufficient number of non-profits that have adequate infrastructure and capacity to implement and complete project outcomes.</p>
1.2 Organize three symposia to announce the program.	At least 100 people attend each symposium.	Event records (attendance sheets, handouts, agendas, etc.).	



Narrative summary	Indicators	Means of verification	Assumptions
1.3 Participate in transnational community events	Participation of program and/or HIP staff in at least 12 different events organized by others.	Event records.	
2.1 Call for proposals advertised	Internet announcement on HIP's website with link to Bank/MIF website for call of proposals.	Event records (attendance sheets, handouts, agendas, etc.).	
2.2 Receipt of grant proposals	Twice each year through year four, 60 proposals with transnational elements received.	HIP's database and records.	
2.3 Screening of proposals	At least 60 proposals reviewed yearly.	HIP records. Pipeline document prepared by HIP for MIF.	
2.4 Field visits to review proponent organizations and projects.	At least 20 field visits conducted each year of possible transnational projects.	Progress Reports	
2.5 Final approval	At least 33 grant review packages sent for review to the MIF Office by the end of year four.	Grant review package including project description, and budget with breakdown of resources to be financed with MIF/Bank resources.	
3.1 Development of a systematic monitoring tool for tracking progress of grantees	On-line monitoring system that includes environmental and social indicators developed.	Program monitoring system available and functioning.	
3.2 Project monitoring	Site visits of all approved projects at least once during the grant cycle.	Program monitoring system.	
3.3 Periodic grantee workshops	By the end of the first year, at least four national workshops with grantees in two countries completed.  By the end of the second year, at least ten workshops with grantees in three countries completed.  By the end of the third year, at least 22 workshops with grantees in six countries	Event records (attendance sheets, handouts, agendas, etc.).	

Narrative summary	Indicators	Means of verification	Assumptions
	<p>completed.</p> <p>By the end of the fourth year, at least 34 workshops with grantees in six countries completed.</p> <p>By the end of the fifth year, at least 46 workshops with grantees in six countries completed.</p> <p>By the end of the second year, one regional workshop for at least 18 program grantee organizations completed.</p> <p>By the end of the fourth year, one regional workshop for at least 18 program grantee organizations completed.</p>		
3.4 Evaluate results and impact of the Projects	<p>Baseline evaluations conducted and completed for each of the 33 projects.</p> <p>Detailed evaluations conducted and completed for 16 of the 33 projects.</p>	<p>Baseline evaluations available.</p> <p>Detailed evaluations available.</p>	
3.5 Produce evaluation publications and other dissemination materials	<p>Publish at least one article, two fact sheets, and two project profiles in year two through four of Program implementation to disseminate project evaluation results and lessons learned.</p>	<p>Publications available.</p>	
3.6 Events to disseminate results and lessons learned	<p>At least two regional conferences for grantees, diaspora, funders and policy makers in year five of the program.</p> <p>One conference organized in Washington to present a final report for 200 people from the US, Canada, Europe and Japan, including representatives of HIP, MIF/IDB, academic leaders, diaspora leaders, grantees, government officials and other donors.</p>	<p>Event records (attendance sheets, handouts, agendas, etc.).</p>	

**BUDGET SUMMARY**  
**PROMOTING DIASPORA AND LOCAL SUPPORT FOR PRODUCTIVE INITIATIVES**  
**(RG-M1069)**

Activities	GRANTEES	MIF	HIP		TOTAL
			Cash (new)	In kind (existing)	
<b>Component I: Promotion and awareness-raising for productive development support</b>		<b>\$ 43,275</b>	<b>\$ 34,875</b>	<b>\$ -</b>	<b>\$ 78,150</b>
1.1 Produce and distribute informational material (Consultant)		\$ 16,500	\$ -	\$ -	\$ 16,500
1.2 Organize events to announce the Program		\$ 26,775	\$ 17,475	\$ -	\$ 44,250
1.3 Participate in transnational community events (HIP staff)		\$ -	\$ 17,400	\$ -	\$ 17,400
<b>Component II: Productive community initiatives</b>	<b>\$ 960,000</b>	<b>\$ 1,920,000</b>	<b>\$ 1,920,000</b>	<b>\$ -</b>	<b>\$ 4,800,000</b>
2.1 Productive initiatives (average total size is US\$150,000)	\$960,000	\$ 1,920,000	\$ 1,920,000	\$ -	\$ 4,800,000
<b>Component III: Monitoring, Evaluation and Dissemination of the Results</b>		<b>\$ 564,090</b>	<b>\$ 242,110</b>	<b>\$ -</b>	<b>\$ 806,200</b>
3.1 Development of a systematic monitoring tool for tracking progress of grantees		\$ 45,000	\$ -	\$ -	\$ 45,000
3.2 Project monitoring		\$ 195,790	\$ 159,510	\$ -	\$ 355,300
3.3 Periodic grantee workshops		\$ 63,800	\$ 72,500	\$ -	\$ 136,300
3.4 Evaluate results and impact of the Projects ( Consultants)		\$ 162,500	\$ -	\$ -	\$ 162,500
3.5 Produce evaluation publications and other dissemination materials (Consultants)		\$ 70,000	\$ -	\$ -	\$ 70,000
3.6 Events to disseminate results and lessons learned		\$ 27,000	\$ 10,100	\$ -	\$ 37,100
<b>Program administration</b>		<b>\$ 397,769</b>	<b>\$ 103,244</b>	<b>\$ 774,328</b>	<b>\$ 1,275,341</b>
4.1 Personnel		\$ 397,769	\$ 103,244	\$ 704,428	\$ 1,205,441
4.2 Infrastructure		\$ -	\$ -	\$ 69,900	\$ 69,900
<b>Program evaluations</b>		<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>
<b>Program financial audits</b>		<b>\$ 62,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 62,500</b>
<b>Contingencies</b>		<b>\$ 152,366</b>	<b>\$ 25,443</b>		<b>\$ 177,809</b>
					-
<b>Sub-total</b>	<b>\$960,000</b>	<b>\$ 3,240,000</b>	<b>\$ 2,325,672</b>	<b>\$ 774,328</b>	<b>\$ 7,300,000</b>
<b>Cluster Activities</b>		<b>\$ 45,000</b>			<b>\$ 45,000</b>
<b>TOTAL</b>	<b>\$960,000</b>	<b>\$ 3,285,000</b>	<b>\$ 2,325,672</b>	<b>\$ 774,328</b>	<b>\$ 7,345,000</b>

**PROMOTING DIASPORA AND LOCAL SUPPORT FOR PRODUCTIVE INITIATIVES  
(RG-M1069)**

**A. Similar or related MIF projects**

None.

**B. Similar or related Bank projects**

<b>Project number/ date of approval</b>	<b>Title of project, executing agency and amount</b>	<b>Date of signing and original period of disbursement in months</b>	<b>Percentage disbursed</b>	<b>Comments</b>
ATN/SF-9305-BO  21-Jul-05	Expansion of Rural Credit Backed by Collateral Substitutes  Centro de Investigación y Desarrollo  US\$1,057,000	06-Oct-05  42 months	0%	In the process of fulfillment of conditions precedent
ATN/NF-9330-CR  06-Sep-05	Technological Modernization of Small Machine and Industrial Maintenance Shops  Asociación de Propietarios de Talleres  US\$425,000	Signature pending  36 months	0%	Signature of the project is pending.
ATN/SF-9494-EC  10-Nov-05	Consolidation of Village Banking Programs for Women Microentrepreneurs  Unión Católica de Apoyo al Desarrollo  US\$800,000	Signature pending  36 months	0%	Signature of the project is pending.
ATN/SF-9346-ES  8-Aug-05	Incorporation of Young People at Risk into the Productive Chain for Competitive Handcrafts  Asociación Movimiento de Jóvenes Encuentristas (MOJE)  US\$260,000	06-Oct-05  30 months	0%	In the process of fulfillment of conditions precedent

Project number/ date of approval	Title of project, executing agency and amount	Date of signing and original period of disbursement in months	Percentage disbursed	Comments
SP/SF-05-19-ES  19-Dec-2005	Public-private Partnerships for Local Economic Development in El Salvador  Fundación Nacional para el Desarrollo (FUNDE) US\$360,000	Signature pending  42 months	0%	Signature of the project is pending.
SP/SF-05-21-GU  19-Dec-2005	Mechanism to Deepen Rural Microfinance Intermediation  Fundación para el Desarrollo Empresarial US\$580,000	Signature pending	0%	Signature of the project is pending.

**C. MIF projects related to the same sector or beneficiaries**

Project number/ date of approval	Title of project, executing agency and amount	Date of signing and original period of disbursement in months	Percentage disbursed	Comments
<u>64/MS-DR</u>  30-Apr-03	Distribution Channels for Remittances  US\$2.5 million	14-Jun-05  18 months	60%	The program is helping credit unions and microfinance institutions operating in low-income rural areas of Latin America and Caribbean to provide money transfer services more efficiently, so as to reduce remittance costs. It will also support nongovernmental organizations and foundations that provide business development services in rural areas.

**D. MIF remittances cluster projects**

Project number / date of approval	Title of project executing agency and amount	Date of signing and original period of disbursement in months	Percentage disbursed	Comments
<a href="#"><u>ATN/ME-8695-RG</u></a> 28-Apr-04	Mobilization of Remittances through Microfinance Institutions Centro Acción Microempresarial, Colombia US\$824,770	23-Jul-04 42 months	26%	Classified as S/P. Work on project activities began recently. Active participation by beneficiary institutions in project preparation and startup indicates that execution will be satisfactory, the assumptions will hold, and the development objectives will be met.
<a href="#"><u>ATN/ME-8455-DR</u></a> 1-Oct-03	Financial and Business Services for Remittance Recipients Asociación de Instituciones Rurales de Ahorro y Crédito US\$840,000	28-Nov-03 42 months	19%	Classified as S/P. Having overcome the execution problems encountered in the first year of the operation, the beneficiary is proceeding with project execution as scheduled in close coordination with the Country Office.
<a href="#"><u>64/MS-DR</u></a> 30-Apr-03	Distribution Channels for Remittances US\$2.5 million	14-Jun-05 18 months	60%	The program is helping credit unions and microfinance institutions operating in low-income rural areas of Latin America and Caribbean to provide money transfer services more efficiently, so as to reduce remittance costs. It will also support nongovernmental organizations and foundations that provide business development services in rural areas.
<a href="#"><u>ATN/ME-8655-RG</u></a> 10-Mar-04	Line of Activity. MIF-IFAD Partnership Facility for Rural Private Sector Development in LAC Inter-American Development Bank US\$4 million	26-Apr-04		
<a href="#"><u>ATN/ME-7717-ME</u></a> 12-Dec-01	Capitalization of Remittances for Local Economic Development Nacional Financiera S.N.C. US\$1,115,000	12-Jun-02 36 months	55%	Classified as S/P. The project is proceeding efficiently at this time, after making substantial headway in the planning and performance of activities that had fallen behind due to problems early in the project. The project executing unit is working effectively with coordinators within the government, and there is significant interest on the part of migrant investors and private investors in executing projects in their home communities.

Project number / date of approval	Title of project executing agency and amount	Date of signing and original period of disbursement in months	Percentage disbursed	Comments
<a href="#"><u>ATN/MT-7792-ME</u></a> 20-Feb-02	Strengthening Institutions in the Low-income Savings and Loan Sector  Banco del Ahorro Nacional y Servicios Financieros (BANSEFI)  US\$3.5 million	22-Feb-02  42 months  12 months	47%	Classified as S/P. The executing agency is the main driving force promoting compliance with the new law by participating institutions in the low-income savings and loan sector. So far it has promoted an extension of the deadline until 31 December 2005 for sector institutions well on their way to compliance with the new rules to complete their transformation process as the new law requires.
<a href="#"><u>ATN/ME-7834-ME</u></a> 4-Apr-02	Investment of Remittances  Fundación para la Productividad en el Campo  US\$460,000	24-Jun-02  36 months  12 months	70%	Classified as S/P. Performance indicators are currently mixed, varying with the specific nature of each and the conditions and response encountered with each group and investment idea. In all cases the time variable was modified by rescheduling. Accordingly, the first indicator target corresponding to project stage one has been met with 43 production-oriented projects/business groups identified and more being identified, to serve as a basis for the other indicators and program components.
<a href="#"><u>ATN/ME-8945-PE</u></a> 17-Nov-04	MiCasita - The First Full-service Mortgage Finance Company in Peru  MiCasita Compañía Hipotecaria  US\$70,000	Signature pending	0%	

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION MIF/DE-\_\_\_/05

Regional. Nonreimbursable Technical Cooperation ATN/ME-\_\_\_\_-RG  
Promoting Diaspora and Local Support for Productive Initiatives

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with Hispanics in Philanthropy (HIP), and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT-\_\_\_ with respect to technical cooperation to promote diaspora and local support for productive initiatives.
2. That up to the amount of US\$3,285,000 or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the technical cooperation resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.

LEGIII/RG-670907-06  
RG-M1069