

PILOT PROGRAM FOR THE INVESTMENT OF REMITTANCES FOR RURAL DEVELOPMENT IN MIGRANTS' HOME ECONOMIES

(TC-01-08-01-7-ME)

EXECUTIVE SUMMARY

Executing agency:	Fundación para la Productividad en el Campo, A.C. [Foundation for Rural Productivity] (FPC)
Beneficiaries:	The program beneficiaries live in rural communities affected by high levels of migration in the states of Michoacán, Oaxaca, and Guerrero. The direct beneficiaries are producers in those communities—primarily women—who are heads of household when the spouse migrates and who form economic groups for starting up business activities.
Objective and description:	<p>The general objective is to help increase revenues and job opportunities in the rural communities affected by high migration, by promoting and supporting the business activities of groups of producers established primarily by women in the states of Michoacán, Oaxaca, and Guerrero. The specific objective is to establish a model for the productive use of remittances through interaction between producers in the communities of origin and migrating entrepreneurs, by improving the business skills of groups of producers needed to turnout and market agricultural and microindustrial products, providing access to markets and information, and facilitating access to financing leveraged by the capital contributed by the migrants abroad.</p> <p>Mexico has experienced a significant problem of migration to the United States, California in particular. Thousands of people move to the region in search of jobs and improved personal and family incomes. Many migrants who have succeeded in establishing themselves in the United States have set up so-called Hometown Associations that are very interested in financing and supporting their communities in Mexico. Based on the ties connecting remitting communities and specific destination points in remittance-receiving societies, the program will leverage remittances for productive investments, incorporating them into the economic development of source communities of migrant labor.</p>

Amount and source:	MIF (Facility III-A)	US\$460,000
	Local counterpart:	<u>US\$460,000</u>
	Total:	US\$920,000
Execution timetable:	Execution period:	30 months
	Disbursement period:	36 months
Special contractual clauses:	Prior to disbursing the funds for the activities under components 2 and 3, the executing agency will present evidence to the Bank that: (a) the program implementation manual has been approved by the executing agency and has been cleared by FIRA (paragraph 4.9); and (b) the steering committee has been set up (as described in paragraphs 4.4 to 4.7).	
Exceptions to Bank policy:	See Procurement.	
Procurement:	An exception to the requirement for international competitive bidding for the contracting of consultants is being requested, in order to allow for the direct contracting of the University of California at Los Angeles (UCLA) to perform the activities in component 4, which is justified on the basis of the technical and institutional comparative advantages described in chapter VIII. The contracting of other goods and services will be carried out in accordance with the Bank's procedures and rules.	
Environmental and social review:	The program was reviewed and approved by the Committee on Environment and Social Impact on 5 October 2001 (TRG 38-01) and incorporates the recommendations made at the meeting (paragraph 6.3).	