

**SIXTH COORDINATION MEETING ON  
INTERNATIONAL MIGRATION**

Population Division

Department of Economic and Social Affairs

United Nations Secretariat

New York, 26-27 November 2007

**BRIEF ON ACTIVITIES AND PROGRAMS ON MIGRATION,  
DEVELOPMENT AND REMITTANCES\***

*The Inter-American Development Bank*

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\*The views expressed in the paper do not imply the expression of any opinion on the part of the United Nations Secretariat.

The Inter-American Development Bank:  
Brief on Activities and Programs on Migration, Development and Remittances:  
*For background information to the United Nations  
Sixth Coordination Meeting on International Migration<sup>1</sup>*

This note was prepared on request of the United Nations Population Division to support preparation of the Sixth Coordination Meeting on International Migration to be held on November 26 and 27, 2007 at the United Nations in New York. As requested, it is intended to briefly summarize the principal activities of the Inter-American Development Bank (IDB) with respect to migration, development and remittances, in light of the advances of the 2006 High-level Dialogue and the 2007 Global Forum on Migration.

The Interamerican Development Bank has a strong mandate to support development and poverty reduction throughout the Latin American and Caribbean region. Under this mandate, the IDB supports member countries in social, labor and development programs as well as provides a range of research and technical activities related to migration, remittances, and development. In particular, under the Multilateral Investment Fund (MIF), a private sector grant facility of the IDB, the IDB has launched an extensive program to bring awareness to the economic and development role of remittances and led a major effort to reduce the cost of remittance transactions. This paper summarizes these activities principally in the areas of labor and economic development and remittances and provides a list of currently approved projects (both loan and grant/technical cooperation agreements) in support of the Sixth Coordination Meeting.

#### Overview/Social and Labor Market Development

While most every region in the world both sends and receives migrants, Latin America and the Caribbean has among the highest rate of outmigration in the world. On average, 1 out of every 1,000 persons leave their nation of origin in the region, compared to half that rate in North Africa (-.5) and 1/10<sup>th</sup> that rate (-.1) in South Asia (2000). While it is true that the United States continues to be the overwhelming target for Latin America's migrants, the often unreported "news" is the increasing diversity of the region's migration patterns both to other developed regions (e.g. Southern Europe, Japan) and within Latin America itself – Peruvians to Chile, Colombians to Venezuela, Nicaraguans to Costa Rica.

Under its poverty and development mandate is a cross-cutting feature in a range of social, labor and economic and policy initiatives and activities, most prominent being in documenting and addressing the role of remittances and migration as central to the region's development (see MIF below). The IDB's activities include: loan and grant operations, research, support to national surveys and censuses, and awareness-raising efforts (e.g. seminars, national campaigns). The accompanying annex lists the most directly relevant loan and technical cooperation (grant) agreements in execution. For example, the IDB has provided loan support to Mexico's 3 x 1 program, which multiplies 1 investment of migrants in their local communities by a multiple of 3 with matching federal, state and local contributions (ME-L1012, \$21 million).

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<sup>1</sup> This brief was prepared by Interamerican Development Bank staff, Jacqueline Mazza (SCL/SPH) and Robert Meins (MIF) with the assistance of Elba Luna (consultant) in support of the UN Meeting. It is not an official document of the IDB.

As featured in the 2006 High-level Dialogue and 2007 Global Forum, the IDB has given attention to particular social needs affecting migrating populations. This includes: initiatives to combat human trafficking and raise public awareness of cross-border trafficking; pilot programs to address the worst forms of child labor; regional development and poverty-targeting that include areas of high migrant populations; and improving access to education and health services to the poor. New initiatives in labor training are incorporating internal migrants as a target population. Under the Opportunities for the Majority Initiative announced in March of 2007, the IDB has given special attention to the need to increase civil registration (both birth and adult registration) to improve the access of the poor to services and insure the provision of basic citizenship rights throughout the region. In research, the IDB's 2008 report on Economic and Social Progress in Latin America highlights social exclusion (Outsiders? The Changing Patterns of Exclusion in Latin America and the Caribbean (Interamerican Development Bank, November 2007)), a key feature for migrant populations both inside and outside the region. In the areas of surveys, the IDB's MECOVI project and support to national census' has given extensive direct support to national institutions in the region to improve data collection and surveys both for policy design and impact evaluations.

#### Multilateral Investment Fund: Remittances and Development

Cross-border remittances sent by migrant workers have been part and parcel of migration across the globe. The contribution these flows made to recipient families, communities and nations, however, went largely unnoticed due to the fact that migrant workers existed largely outside the societal mainstream. In 1999, the Inter-American Development Bank's Multilateral Investment Fund (MIF) pioneered the mapping of remittance flows to Latin-America, exposing the central role migrant workers play in poverty alleviation and their potential impact on economic development. Since then, the MIF has played an important role in advocating the reduction of the price of remittance services. Over the past decade, these costs have decreased from 15% to a current average of about 5%, keeping a much larger share of hard-earned income in the hands of those who need it most.

The MIF continues to showcase these initiatives as its aims to leverage the development impact of remittances through innovative projects that address four main concerns: 1) the reduction of the cost of remitting; 2) the ease and accessibility of remittance transmission; 3) the mobilization of savings through formal financial institutions; and 4) productive investment.

Working together with the private sector, government agencies and non-governmental organizations, the MIF identifies novel approaches and new business concepts that can be replicated and scaled-up to enhance the effect of remittance flows. Through these initiatives, remittances go beyond simply lifting recipients out of poverty to granting the un- and underserved access to the tools to invest in their future (see Annex I).

## Annex I

Country	Project Name	Proj. Number	Amount
Argentina	<a href="#">Expansión y Fortalecimiento de una Institución Financiera FIE</a>	TC0305019	2,590,640
Bolivia	<a href="#">Desarrollo de Servicios para Mejorar el Acceso y Manejo de Remesas</a>	BO-M1006	291,610
Brasil	<a href="#">Remesas y Capacitación para Emigrantes Brasileños y sus Beneficiarios</a>	BR-M1032	470,000
Brasil	<a href="#">Fondo de Inversión - REIF</a>	TC0004002	4,374,000
Colombia	<a href="#">Canalizando remesas colectivas</a>	CO-M1023	
Ecuador	<a href="#">Apoyo a la Concesión de Hipotecas Transnacionales a Emigrantes Ecuatorianos</a>	EC-M1030	5,360,000
Ecuador	<a href="#">Canal de Distribución de Remesas para Pequeños Intermediarios Financieros</a>	EC-M1022	725,500
Ecuador	<a href="#">Financiamiento de Microempresas Ecuatorianas para una Línea de Crédito</a>	TC0105029	200,000
El Salvador	<a href="#">Remesas y Desarrollo Rural en El Salvador</a>	ES-M1002	366,000
El Salvador	<a href="#">Fortalecimiento de Servicios Financieros y Remesas</a>	TC0202014	2,300,000
Guatemala	<a href="#">"Más que Remesas"</a>	GU-M1004	198,000
Guatemala	<a href="#">Aumento del Aporte al Desarrollo Generado por las Remesas de los Trabajadores</a>	GU-M1003	5,200,000
Haití	Remesas colectivas e Inversión en la Provisión de Servicios	HA-T1059	141,000
Honduras	<a href="#">Fortalecimiento Institucional de Cooperativas de Ahorro y Crédito</a>	TC0206015	1,425,000
México	Proyecto Piloto 3x1 para Migrantes	ME-L1012	21,000,000
México	<a href="#">Remesas y Desarrollo Rural</a>	ME-M1015	209,000
México	<a href="#">Migración Internacional, Remesas e Impacto en Comunidades Rurales de Zacatecas</a>	ME-M1014	55,000
México	<a href="#">Inversión de Remesas</a>	TC0108017	460,000
México	<a href="#">Fortalecimiento del Sistema de Ahorro y Crédito Popular</a>	TC0109002	3,500,000
México	<a href="#">Capitalización de Remesas para Desarrollar la Economía Local</a>	TC0106003	1,115,000
Nicaragua	<a href="#">Inversión en Financiera Nicaragüense de Desarrollo (FINDE S.A.)</a>	TC0203015	1,750,000
Paraguay	<a href="#">Bancarización de Clientes Receptores de Remesas en Paraguay</a>	PR-M1003	222,000
Perú	<a href="#">Aumento Aporte al Desarrollo con Remesas Peruanos desde JP</a>	PE-M1010	7,200,000
Perú	<a href="#">Apoyo a los Empresarios que Retornan al País</a>	PE-M1006	500,000

República Dominicana	<a href="#">Remesas y Desarrollo Rural en República Dominicana</a>	DR-M1006	321,500
República Dominicana	<a href="#">Servicios Financieros para Receptores de Remesas</a>	TC0304042	840,000
República Dominicana	<a href="#">Canales de Distribución de Remesas</a>	DR-M0158	2,500,000
Regional	<a href="#">Apoyo a Iniciativas Productivas a través de la Diáspora y Entidades Locales</a>	RG-M1069	3,285,000
Regional	<a href="#">Corredores de Remesas de Inmigrantes</a>	RG-M1075	150,000
Regional	<a href="#">Aplicación de los Principios Generales para Mercados de Remesas</a>	RG-M1083	1,759,300
Regional	<a href="#">Mejora de la Información y Procedimientos de Bancos Centrales en Área de Remesas</a>	RG-M1059	1,306,884
Regional	<a href="#">Movilización de Remesas a través de Entidades Microfinancieras</a>	RG-M1003	824,770
Regional	<a href="#">Línea Actividad Asociación FOMIN-FIDA para Sector Privado Rural</a>	RG-M1019	300,000
Regional	<a href="#">Abriendo el mercado de remesas regionales a las instituciones de microfinanzas</a>	RG-M-1110	460,000
Total		34 proyectos	71,400,204