



International Link and Services for Local Economic Development Agencies
for a fair, human, sustainable and inclusive development

ILS LEDA NOTEBOOK N°1 LED AND MIGRATION

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Description

1. Summary
2. The Approach
3. Migration and LED
4. Best Practices
5. How to make it in practice

I. SUMMARY

This notebook focus on the importance of local economic development on supporting migrants initiatives aimed at either contributing to local development of the areas of origin, or facilitating their return.

The major part of this notebook refers and it is extracted by the “Handbook Migration and Development (**M&D**), of the Joint Migration and Development Initiative (JMDI), whereas some practices refer to the ART initiative and ILS LEDA experience.

The basic concept is migration an integral part of global and local development..

Migrants can contribute to the development of the areas of origin in many ways: through collective engagement in advocacy campaigns or in the improvement of local services and infrastructures.; in the realisation of projects; in the support other practitioners to implement projects on their behalf, in the direct engagement in development processes or by returning to their regions of origin,. The support could be either in capital or human resources or in facilitating relationships, and can be addressed to improve various aspects of the local economy, such as businesses, infrastructure, finance, regulatory framework, economic services, and labor market.

Nevertheless the effectiveness and sustainability of any “external” actions is maximized at local level, if it is linked to the Local Economic Development processes undertaken in the origin region.

The contribution of migrants when embedded in this framework can be more effective, because an intervention in anyone of the abovementioned components is supported by the other ones, and it provides effectiveness and sustainability.

One of the important conditions that can make all this working is a good local business service system, that could integrate support to enterprises with all the other components needed for creating a favorable environment for business creation and growth: innovation, marketing, infrastructure, labor market, regulatory framework.

In the case of migrants, such structure shall also deliver services for favoring their contribution and support to the locality of their origin: information about opportunities, market analysis, accompaniment to the right investment or project proposals, co-financing, monitoring and control.

Services can also be provided for linking the local production to the resident country markets benefitting both the local producers and commercial businesses abroad, or for realizing Business-to- Businesses initiatives.

From the case studies the main indications for LED joint initiatives with migrants regard governance, strategic framework, financial tools, and business services.

II. THE APPROACH

[The major part of this chapter refer and it is extracted by the “Handbook Migration and Development (M&D)”, of the Joint Migration and Development Initiative (JMDI).¹

JMDI states migration is a complex phenomenon. For decades experts have been asking themselves whether and how the resources generated through human mobility affect development.

M&D as a field that considers migration an integral part of global and development. Larger global and national development contexts determine local development contexts, which in turn affect peoples’ aspirations and opportunities to migrate. At the same time, peoples’ aspirations and the opportunities available in the local contexts where they live determine how they can use the resources resulting from mobility for their own wellbeing, and for that of their communities and nations (de Haas 2010).

In sum, there is a growing recognition of the reciprocal relationship between human mobility and development. This acknowledgement goes along with efforts, on behalf of policymakers, to make room for small-scale actors to contribute actively to M&D interventions.

Human mobility generates a number of ‘capitals’. These are the main resources, or assets, that migrants contribute in M&D: social, financial, human and cultural capital. In these ways migrants can (and do) contribute significantly also to their host countries, and can positively affect their development.

On the other side migration is in the majority of the cases a “forced” choice due the lack of the minimum living condition in the country of origin (poverty, persecution, wars, disasters), and often perceived as a temporary condition hoping and waiting for return.

The other side of the coin is, in fact, the reduction of the above-mentioned choices, improving the living conditions of the countries where this phenomenon is largely above a natural migration to better opportunities.

Migrant can contribute to development in many forms.

The most common form is the remittances send for helping relatives to improve the satisfaction of basic needs, or improving their living

A further common step is to investing in real estate, either for assuring a place where to live when and if they think to return before or later, or for their families, or as second house for vacations.

Less common, but increasing and certainly more effective to the development of the areas of origin is investing remittances in local businesses.

Other forms of contribution are

- Collective engagement, through migrant associations, in advocacy campaigns or in the improvement of local services and infrastructures.
- Realisation of own projects or support other practitioners to implement projects on their behalf.

- The direct engagement in development processes or by returning to their regions of origin, or through at a distance support (i.e. participating in virtual conferences). This professional support to development actions could be voluntary- or professional, cost-free or subject to compensation.

Remittances constitute a supplementary source of household income that allows basic necessities to be afforded, or customary events to be enjoyed (i.e. religious festivals, town celebrations, anniversaries and other family related occasions).

Because they stimulate consumption, remittances could have multiplier effects in local economies.

However, it has also been argued that not all the members of a household benefit equally from remittances.

Remittances could lead to dependency relations between senders and recipients, produce income inequalities between migrant and non-migrant households, or even destabilize fragile economies.

Because remittances are private funds, influencing the choices of senders and recipients regarding transfer channels and remittances' utilization is the innovative challenge, that can significantly contribute to sustainable local development, and income generation.

There is small doubts the impact of migrant on economic development is higher when their financial or professional engagement is aimed at improving the economy of the area of origin. This economy is related to several aspects, such as:

- a) Businesses (goods and services)
- b) Infrastructure
- c) Finance
- d) Regulatory framework
- e) Economic services
- f) Labor market

Businesses

It is the major input to economic development

Business can be supported by migrants through:

- a) support to capital, towards individual or collective forms of investment; promoting the establishment of enterprises run by migrants and their families;
- b) professional support, either in the direct managing the enterprise, or for building capacity, or in mentoring the entrepreneur;
- c) channeling remittances either directly to specific enterprises or towards collective forms of investment; promoting the establishment of enterprises run by migrants and their families;

- d) relational support, through linking (business-to-business, or access to market) the country of origin businesses to the migrant resident country businesses (goods and services).

Infrastructure

It is a relevant support to economic development: without efficient and cheap energy, communication, water, roads, etc. economy is deprived of basic externalities. Migrants could support the infrastructure development through:

- a) financing specific projects;
- b) lobbying with financial international institutions or donors for channeling funds;
- c) supporting the communities of origin in elaborating attractive projects for the international institutions or donors.

Finance

New financial tools for migrant as specific target group can be supported through:

- a) collection of capital among migrants for establishing and/or co-financing new tools such as guarantee funds, micro-credit and saving schemes, and insurance policies;
- b) lobbying with financial international institutions or donors for channeling funds;
- c) professional support in the design and management of the fund;
- d) links with financial institutions in the resident country.

Regulatory framework

The absence of a regulatory framework for facilitating financing, creation, and operations of small and medium enterprises is a great constrain for the business success. Migrants could contribute to its improvement in the country of origin, through:

- a) providing (also indirectly and through the relations of the migrants with institutions of the resident country) links with international institutions for exchange of best practices;
- b) providing evidence about the realities where they operate to inform development and migration policies;
- c) financing the exchange of best practices.

Economic services

The smme's (small micro and medium enterprises) need a favorable environment where to born and prosper, that includes shared sustainable strategies where well embed the businesses, organization of value chains, support to businesses creation and operations, access to credit, access to markets, access to innovation, etc.) migrants could contribute to it, through:

- a) providing (also indirectly and through the relations of the migrants with institutions of the resident country) links with international institutions for exchange of best practices;
- b) financing the establishment of structures devoted to provide good business services;
- c) Financing the exchange of best practices.

Labor market

The labor market regulations tools provide the right skill at the right time and with reciprocal satisfaction of workers and entrepreneurs to businesses. Migrants could contribute to its improvement, through:

- a) professional support for improving technical and artisanal capacities;
- b) financing vocational training;
- c) financing educational campaigns;
- d) financing mechanisms for labor supply-demand;
- e) facilitating study tours and labor stages, and scholarships.

III. MIGRANTS AND LOCAL ECONOMIC DEVELOPMENT

In general it is proved at local level the economic process and development have more solid bases for its sustainability and growth, because:

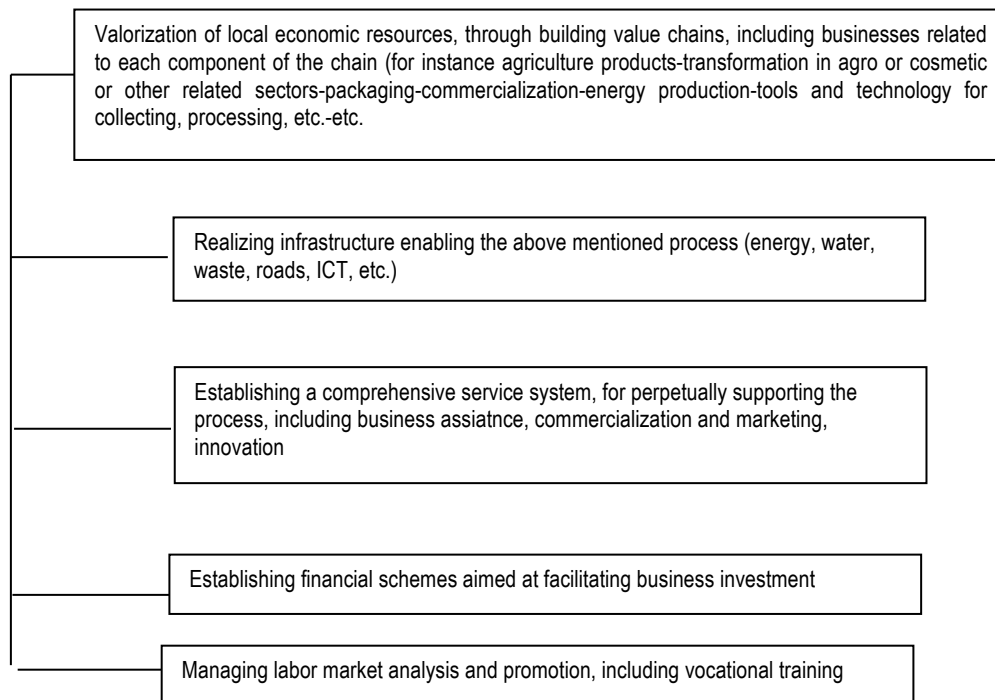
- 1) communities (intended as the union of public, private and social sector) have knowledge and practices to valorize their own potentialities (often in the primary, art and crafts, and tourism value chains), and this is the main development flywheel;
- 2) communities know better their needs and constraints to development, and it can optimize the intervention for overcoming them;
- 3) economic development needs a comprehensive complex intervention combining actions referred to different complementary aspects as mentioned in the previous paragraph, and this intervention can be optimized at local level, according to the cycle illustrated in the picture 1. The institutional, social, and financial sustainability of economic development strategies is assured at local level thanks to the *geographic, socio-economic, and cultural proximity* that enables sharing the strategies' elaboration and implementation, and the proactive commitment of the local actors;
- 4) the above mentioned strategies and intervention can more easily request correspondent national policies and programs, due to the lobbying capacity of a united community;
- 5) local communities, when jointly committed to pursue territorial development and population wellbeing, are a strong lobbyist for channeling external resources, with the advantage they will not be wasted or scattered in many small unsustainable projects, but on the contrary optimized through a puzzle built in a coherent way.

Nevertheless the effectiveness and sustainability of any "external" actions is maximized if it is linked to the Local Economic Development processes undertaken in the origin region.

The contribution of migrants when embedded in this framework can be more effective, because an intervention in anyone of the abovementioned components is supported by the other ones, and it provides effectiveness and sustainability.

Migrants actions towards their country of origin will find, though, very favorable conditions for addressing their interest in making investment or using remittances in a more convenient way for them and for their relatives or countrymen, that allows more benefits and also more control.

Picture 1: The local economic development cycle



JM&D underlines the basic principle is that remittance flows are pooled together to achieve 'critical mass' before being reinvested.

One of the important conditions that can make all this working is a good local business service system, that could integrate support to enterprises with all the other components needed for creating a favorable environment for business creation and growth: innovation, marketing, infrastructure, labor market, regulatory framework.

In the case of migrants, such system -or better structure- shall also deliver services for favoring their contribution and support to the locality of their origin: information about opportunities, market analysis, accompaniment to the right investment or project proposals, co-financing, monitoring and control.

Services can also be provided for linking the local production to the resident country markets benefitting both the local producers and commercial businesses abroad, or for realizing Business-to- Businesses initiatives.

JMDI advises about the risk of such a choice, because it may lead to ensuring the implementation of businesses only for certain categories of migrants (e.g. returnees in the home country who have stronger business plans), while providing only general support to others (e.g. the holders of less advanced business ideas in host countries). Lessons from JMDI funded projects show that support is best offered from start to finish, with services provided to migrant investors both in the country of immigration as well as in the country of origin.

The greatest difficulties faced by projects in this area are related to sustainability, on one hand of the initiated businesses and, on other hand, of the support services themselves. The two are intrinsically linked.

IV. BEST PRACTICES

Many of these practices are taken by the JMDI project "REDESCAP publications. The project supports migrants' ability in promoting development. The last three practices are part of the ART initiative and ILS LEDA network experience.

Facilitating access or credit for women businesses in Philippines

This project operated in the complex environment of Mindanao, where a number of insurgencies against the Government and the resulting instability make development assistance difficult to deliver. The project was carried out by a joint program between the Economic Resource Centre for Overseas Filipinos and the Diaspora in Utrecht .

The project assisted rural women in a number of targeted communities to access credit, establish well designed social enterprises, and ensure sustainable income-generating activities through the production of locally marketable goods.

Project activities were implemented by an interesting group of partners, including also an 'informal' partner. The Filipino migrant association Damayan had previously undertaken similar activities on a smaller scale and, by allying with the more established COS Utrecht, was strongly involved in the design and implementation of the action. This strategy allowed Damayan to secure access to resources, and to replicate and expand its previous initiatives.

The specific positioning of this migrant association within the partnership and the fact that this intervention was born out of previous experiences of collaboration with home communities demonstrate the potential that migrant networks can have in linking home and host countries, as well as development actors within the host country.

The project provided an opportunity for the Filipino diaspora to contribute directly to local development processes. In turn, migrant involvement facilitated access to local communities in an otherwise difficult area and favoured the establishment of trustful relations with local authorities from the early stages of the project. This ensured political support for project activities, for instance when the established social enterprises were launched and events were attended by institutional and religious authorities in the communities.

Another interesting aspect of this project lies in the importance of its gender dimension.

The choice to focus on women generated solidarity and support to the project on behalf of women in the Filipino diaspora, but also of women in local governments, in NGOs, and among funders. Coupling the idea of women with the Millennium Development Goals, moreover, also allowed the

beneficiaries to identify with something concrete and to commit to aspire to improve their positions in their own municipalities.

Research-action on innovative financial tools for development in Moldova, through direct involvement of diaspora in Austria

The project aimed at maximising the development impact of migration in Moldova, by improving available products and services targeting the financial capital of migrants.

Through the partnership between the Centre for Sociological, Political and Psychological Analysis and Investigations of Moldova and the Austrian International Agency for Source Country Information, the project identified and proposed new financial tools that enhance balanced and durable M&D initiatives, including micro-credit, small loans for housing, mutual investment funds, pension and child education savings schemes.

The most innovative aspect of this project is the rigorous research undertaken in the first phase of the action. Quantitative surveys were carried out in migrant and non-migrant households, investigating their investment propensity and behaviour.

Research was conducted among migrants themselves, who were contacted at border points, during entry into or departure from the country. This created a sufficiently safe and comfortable setting ensuring that migrants were willing to provide confidential information, in particular about remittance and financial advices.

The findings of this research were disseminated among financial institutions and Government actors in order to reinforce the idea of migrants as a category of people carrying the potential to be successful business initiators. The project team then assisted financial stakeholders to develop and test the most promising products and services.

This strategy enhanced the prospects for sustainability after the end of project funding. It was in fact expected that commercially viable services and interventions would be fully introduced on the market by the end of the project.

Strengthening the productive chain of organic coffee in the province of Loja, Ecuador through the migrant community in Spain

The Province of Loja is an important area of origin for Ecuadorian migrants living in Spain. The cantons targeted by this project (Espíndola, Quilanga and Gonzanama) are located in the lower Andes mountains, where it is difficult to develop competitive agriculture.

The Fideicomiso Ecuatoriano de Cooperación para el Desarrollo, Paz y Desarrollo, a partnership program between Ecuador and Spain, carried out the project aimed at strengthening the local production of a high altitude, shade-grown coffee that is particularly appropriate to the local climate and has the potential to be marketed as organically grown.

One of the major limitations for local coffee farmers is a lack of liquidity. The project signed agreements with local savings and credit cooperatives and assisted them in developing ad-hoc remittance-based financial products to disburse credit.

This was made accessible to local coffee farmers, rural residents and migrants, whose repayment interest contributed to a fund to support marketing of the coffee.



The project also foresaw activities for the strengthening of local coffee cooperatives from production to commercialisation, including assistance in marketing coffee regionally and to obtain for it organic certification.

Migrant remittances were reinvested collectively in local cooperatives. The project relied on migrants being interested in the investment prospects offered, as they might view them as opening up opportunities that they might get involved in upon return to their home areas. A smart solution to this problem was adopted: while the European partner mobilised migrants through their associations in Spain, the Ecuadorian association activated a one-to-one contact with migrant families in Loja. By recognising migrants' multiple engagements in both countries, this strategy facilitated contacts with migrants, generating trust and favouring their involvement.

Nonetheless difficulties were encountered in identifying migrants willing to channel their remittances in the coffee cooperatives. These were further aggravated by the global financial crisis and the irregular status of many Ecuadorian migrants in Spain, which exposes them to unemployment and vulnerability. Thanks to the agreements with savings and credit cooperatives, the project secured money from alternative sources to integrate those funds that could not be raised through remittances.

Ultimately, the project was successful in generating a local economic movement relying on credit that is inclusive also of internal resources, as the use of remittances partially replaced the use of (more expensive) external credit, in reinvesting the interest generated from microcredit loans to support the marketing of local products, and providing technical support to small producers in a participatory way.

Mobilise Philippine migrants in Netherlands to invest in the country of origin, through saving groups

This project set out to build and enhance the capacity of Overseas Filipino Workers to contribute to the development of the economy in their home country, whilst harnessing their skills and resources acquired abroad and making return and reintegration in the Philippines a viable option.

In order to mobilise migrants to invest in the country of origin, the project adopted a strategy pioneered in the 1990s by Unlad Kabayan in the Philippines, known as 'Migrant Savings for Alternative Investment for Community Development and Reintegration' (MSAI-CDR). The MSAI-CDR was fashioned with the aim of shifting from interventions responding to migrants'

At the core of the method is the fact that the value and practice of disciplined saving is encouraged among migrants through training and seminars. Savings groups (maximum 50 people) are organised to build capital and invest in local enterprises, to create jobs and increase the income of local communities

This method entails the management of investments while migrants are still abroad, therefore creating options for possible return to the home country. MSAI-CDR therefore emphasises investment options in migrants' hometowns, ensuring that family members or town-mates are involved in running the businesses.

The involvement of local producers and local authorities in the Philippines is built into the methodology, in order to ensure institutional support. The MSAI-CDR simultaneously mobilises diaspora organizations, local producer associations, rural banks and local government units to establish multi-stakeholder partnerships and to define mutually supportive engagements. In this way, migrants are given a strong voice in their local communities and have a power to influence

local development policies and entrepreneurial initiatives. Partners in this project have also worked to develop South-South cooperation and to encourage the exportation of the MSAI-CDR method. Progress has been made in this sense in Sri Lanka, Indonesia and Bangladesh.

Centres for the Support of Migrant Initiatives (CAIM) for Senegal development

This project sought to improve the quality of financial services available to migrants by introducing new tools, offering support for migrant business creation, and reinforcing information exchange about migrant entrepreneurship, through the establishment of Centres for the Support of Migrant Initiatives (CAIM). disseminated across Senegal, Belgium and Italy. These helpdesks follow the migrant from the initial development of a business idea (in Belgium/Italy) to implementation in the home country. They are established through a partnership between the Confédération Sénégalaise pour la promotion des petites et moyennes entreprises et l'entrepreneuriat des migrants, Agence Régionale de Développement de Diourbel, Coordination Générale des Migrants pour le Développement, Regione Veneto, and UnionCamere Venezia.

Information about individual migrants supported by the desks is exchanged across countries through an online system. Twelve business coaches (many holding a migrant background) were trained to provide information, one-to-one assistance and training to migrant entrepreneurs.

The project recognises that migrants are not naturally born 'development agents' and that they must be trained to overcome outdated knowledge of the local context and lack of education or management skills. All migrants with an interest in investing in Senegal are free to approach the helpdesks and access the services offered, which sparked considerable interest among the target population.

Migrants are assigned to a business coach or to other expert staff who assist them during identification, elaboration, formalisation and enterprise creation. The project also mapped existing services that support migrant entrepreneurs, including sources of financial assistance and technical support.

CAIM helpdesks are strategically linked with other key institutions (chambers of commerce and Agences Régionales de Développement in Senegal), therefore, enhancing their visibility and favouring potential future buy-in.

Business support to Salvadoran Migrant in US from the Local Economic Development Agency of Morazan (El Salvador)

The LEDA of the Department of Morazán in El Salvador is a public-private NGO, which provides services to local administration and population for improving the local economy, while benefiting the most disadvantaged people. It was established in 1993 and it has a significant impact on territorial development from the occupational, social, technological and economic outstanding.

The Morazan LEDA is part of the ILS LEDA global network.

In the past 10 years the LEDA has executed more than 63 projects, with a total budget of \$ 10 million, generating more than 2,000 new jobs, 250 micro and small business, supporting the growth of 2200 existing enterprises, in cooperation with 25 national and international organizations. The LEDA has also created an agro-industry company with 200 small dairy producers that contribute to long-term strengthening of associated partners.

Already in 2000 the LEDA Morazán, seeking strategies for its sustainability and to invest its surplus in the development of the territory, decided to wean the credit program and create the micro financial institution AMC. AMC, which contributes to 60% of the sustainability of the LEDA, has 20 national and international founding partners, with 160 employees and 17 branches throughout the country. AMC manages a loan portfolio of \$ 19 million, with 15 000 customers of which 63% are women.

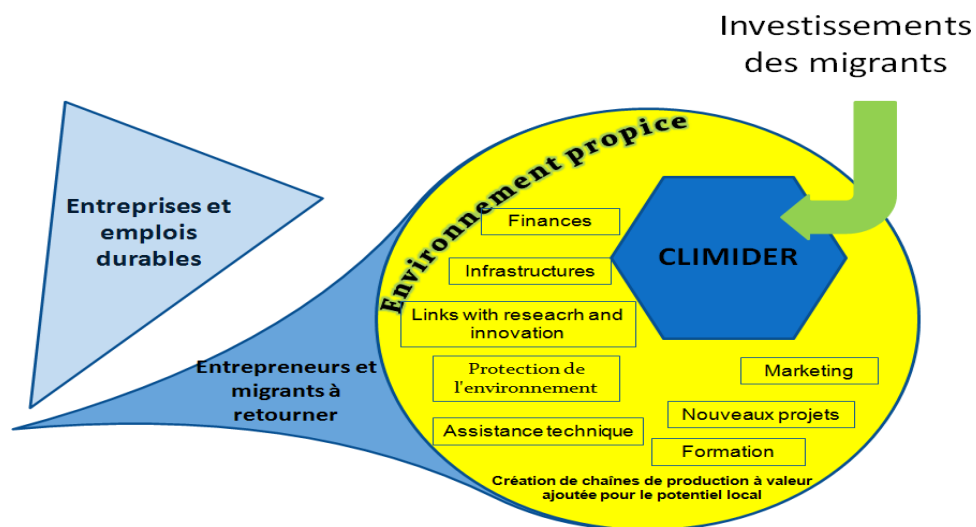
In 2005, ADEL Morazán has created the AMC-Honduras, involving as partner the LEDA Valle of Honduras, which currently has 30 employees, a portfolio of \$ 3.5 million, 3,000 customers and five business points. During the past two years, the LEDA also implemented the AMC-Nicaragua.

In 2011, LEDA Morazán has launched a strategic initiative to internationalize the territory's economy, opening a branch of its financial structure *AMC International* in the United States. The first office was established in the State of Maryland and others are about to open in Washington D.C. and Virginia.

AMC International-USA provides financial services to the community of Salvadorans living in Maryland. It offers to the migrants financial support and technical assistance either for creating new businesses linked to trade or agro-food (processing agriculture products), and for facilitating their investment in the department of Morazan. Furthermore a marketing network for commercializing products on the Morazán territory (agro-food, crafts, tourism) to the community of Salvadorans in the United States is going to be established through the LEDA

The Liaison Centre Migration and Development in Rabat: CLIMIDER

The Center Liaison (Liaison Centre Migration and Development in Rabat: CLIMIDER) is project designed in the framework of the UNDP ART GOLD Program in Morocco. It is meant to be a public-private structure aimed at facilitating the link between investment opportunities in the region –as result of the strategic plans. It is meant to provide specific assessment to the migrants resident abroad (MRA) and local people linked to them about competitiveness and sustainability of their business plan. CLIMIDER could also raise additional and complementary fund to those of MRA for the new businesses. The designed operational model is the following:



- 1) Climider analyses the competitive potential of the local resources, according to a sustainable and fair local development strategy.
- 2) Climider offers a map of profitable business opportunities to the MRA investment
- 3) Climider organizes a favorable environment for business, not only providing direct financial and non financial support, but also working on other important components for the business success and cost, such as improving infrastructure, facilitating links with research and innovation, facilitating vocational and entrepreneurial training
- 4) Climider facilitates also links between people: MRA and their families for businesses, MRA and local complementary capital, MRA and young potential local entrepreneurs for running or co-running the new businesses
- 5) Climider facilitates the return of MRA, providing business ideas and business support for their investment, once in Morocco.

Facilitating investment of the migrant return in Albania, through the Local Economic Development Agency

Teuleda is the local economic development agency of the region of Skodra in Albania. It is a public-private foundation for supporting regional strategies for economic development, projects, and businesses.

It organizes a favorable environment for businesses, either investigating what best opportunities for business in the framework of a strategy for sustainable long term businesses, or providing direct financial and non financial businesses services, and implementing projects.

Teuleda is part of the ILS LEDA global network and it was supported by the UNDP ART GOLD Program in Albania.

Due to the European crisis in the last 2 years (2011-2012) many Albanians are returning back to their regions.

Two Albanian entrepreneurs coming from the Italian Diaspora got the occasion of the Teuleda support for their businesses.

The first one, after few months of his return knew about Teuleda from his bank and asked itsupport for increasing and diversifying a bakery, and consolidating its position in Albania., and he got technical assistance and a credit of 15.000 euro in the framework of the Guarantee Fund, Teuleda disposes in one of the Albanian Bank.

The second one got the opportunity for coming back to Albania after having participated to a Teuleda program aimed at linking Italian and Albanian entrepreneurs. He asked for starting up a new business in beekeeping. He has now the business he wants and he is happy.

V. HOW TO MAKE IT IN PRACTICE

From the case studies the main indications for LED joint initiatives with migrants regard governance, strategic framework, financial tools, and business services.

Governance

Partnership, ownership, and impact are key elements for establishing effective participation of migrants to local development.

Partnership shall be either at international level, where the migrant organization aboard can have an implementing partner on the country and community of origin (Philippine, Moldova, Ecuador), and at local level (Morocco, Senegal, Albania, El Salvador), where the implementing local partner can establish a networks of relationships and (formal or informal) agreements with other partners, such as financial institutions, local and national governments, service providers, business communities, at local and international level.

In Ecuador for instance the associations of migrants in Spain collect funds and are linked to the Ecuadorian associations, which activated the contact with migrant families at local level, whereas in Morocco the Climider was designed for acting in a proactive ways with the migrants abroad.

Implementing partners can be NGOs (Philippine, Ecuador, Moldova) or Local Development Agencies (Senegal, Albania, Morocco, El Salvador).

All the partners shall have access to, information, opportunities, and implementation, since from the design actions.

Ownership by migrants shall be assured through involving them in the main decision making processes.

This can be ensured, for instance, by involving migrants in decisions about which businesses will receive credit, allowing them to monitor economic progress of the supported businesses or directly engaging them or their relatives in the running of the businesses.

Impact on local development shall be the guiding approach of each initiative, and it is maximized when the migrant initiatives are embedded into the development strategies shared by the actors of the areas of origin.

Strategic framework

In order to assure the success of any M&D initiatives anchored to businesses, the focus is on their viability and sustainability, and it has mainly to do with their competitive capacity.

The local competitive economic path is, therefore, the guidelines for guiding the business opportunities. Any business idea and plan embedded in this framework and in the local value chains has better opportunities of long life and sustainability (In Moldova investigations about investment propensity and opportunities are the guidelines, in Ecuador a specific good-quality coffee- was selected as strategic priority, in the case of LEDAs –Senegal, Albania, El Salvador- they focus all their activities in prioritizing strategic resources for the local economic development)

The financial support is not a guarantee of success: businesses embedded in competitive value chains, valid entrepreneurs, intelligent and comprehensive accompaniment and support, and joint effort of all the community towards shared strategies are key success factors.

Financial Tools

Financial facilities shall be designed and implemented, either for optimizing the migrant remittances, or for finding out complementary mechanism for facilitating the investment. In Philippine and Moldova a specific support was provided to local financial stakeholders to carry out sound solutions; in Ecuador and Senegal existing saving and credit cooperatives were used; in Philippine migrant savings groups were promoted, also for creating options for their return; existing financial institutions owned by the implementing bodies were used in El Salvador (where the owns a financial investment institution); a Guarantee Fund was used in Albania (where the LEDA manages it, put at disposal by a cooperation program)

Business services

Services for facilitating the migrant investment shall be delivered. All the cases refer about several types of support that can be provided. The most comprehensive ones refer to the Local Economic development Agencies or similar structures (Albania, El Salvador, Morocco, Senegal), that provides stimulation, information about business opportunities, harmonization with the local economy, support to prepare the business plans, access to credit, support to commercialization.

One of the main problem rely in the sustainability of these services.

In Ecuador they are supported by the interest on the loans; in Senegal a voluntary coaching from migrants to local people is foresees; in the case of LEDAs the sustainability is yield by the self-sustainability of the LEDAs (for the intervention of the local administration, of because of capacity of delivering services, capturing capital, administrating projects, etc.).