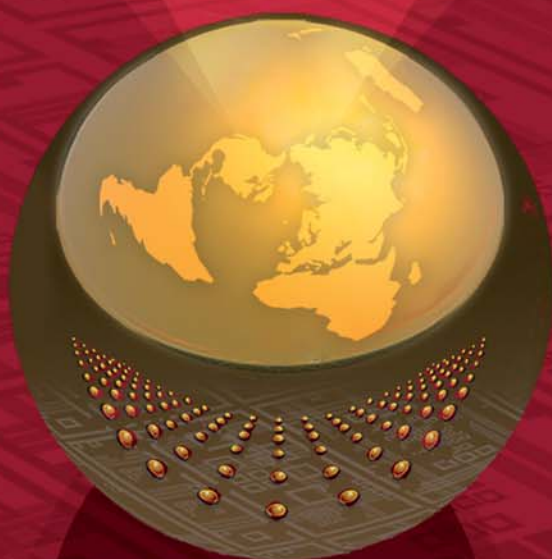


Financing Facility for Remittances

Call for proposals 2010

Promoting innovative remittance systems
and investment channels for migrants



LE GOUVERNEMENT
DU GRAND-DUCHÉ DE LUXEMBOURG
Ministère des Finances



Promoting Innovative Remittance Systems and Investment Channels for Migrants

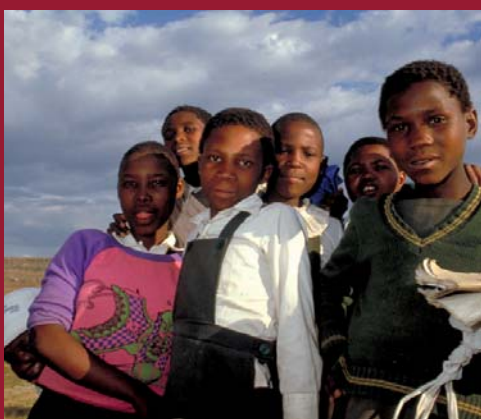
The International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations, in partnership with the Consultative Group to Assist the Poor (CGAP), the European Commission (EC), the Government of Luxembourg, the Inter-American Development Bank (IDB), the Spanish Ministry of Foreign Affairs and Cooperation (MAE) and the United Nations Capital Development Fund (UNCDF), is pleased to announce the **2010 call for proposals** of the Financing Facility for Remittances (FFR).

Through its US\$18 million fund, the FFR seeks to reduce poverty by leveraging remittances and migrant capital for development in rural areas of developing countries. In addition to reducing transfer costs and developing institutional partnerships, the FFR seeks to:

- **Promote access to remittances in rural areas**
- **Link remittances to rural financial services and products**
- **Develop innovative and productive rural investment opportunities for migrants and community-based organizations**

The FFR's portfolio includes over 40 innovative projects in 38 countries across the globe. These projects, aimed at addressing the challenges facing migrant workers and their families, have a particular focus on rural areas and rural finance. In order to achieve its objectives, the Facility launches competitive calls for proposals from which it finances the most innovative and promising projects.

The FFR operates in all regions of the world and focuses on both trans-national and domestic remittances. **Public, private and civil society entities** are all eligible to apply for FFR grant financing. Projects including multi-sector partnerships will be favoured. This year's call addresses a number of specific thematic areas that have been identified as being key to enhancing the development impact of remittances. The call also includes an "open" area for all other innovative ideas. Project proposals are being solicited related to the topic areas on the following page.



The FFR recognizes the important contribution remittances make in meeting the daily needs of recipients, as well as their contribution to local and national development. The impact of these funds is dramatically enhanced when linked to other financial services such as savings, insurance and loan products. Inclusive financial systems and innovative partnerships between rural financial institutions and remittance operators can generate significant benefits by easing competition and reducing costs, thereby offering more resources to the poor and increased options for families to use their capital to its maximum potential.

FFR thematic areas and Objectives of the Call for Proposals 2010

1 Mobile financial services

Projects related to this area will address domestic and/or international remittance transfers and related financial services using mobile telephony. Specific linkages with microfinance institutions/networks are encouraged.

2 Postal networks

Projects related to this area enable post offices and/or postal savings banks to offer remittances-related financial services in underserved regions including adoption of new technologies.

3 Microfinance networks

Projects related to this area strengthen the ability of microfinance institutions/networks to introduce remittance pay-out and related services, especially in underserved rural areas and encourage the adoption of new technologies.

4 Innovation in Financial services

Projects related to this area aim to introduce new or expanded financial services to meet the needs of remittance senders and their families. This can include introduction of debit/credit cards, Internet payment solutions and/or cross-selling of tailored financial products such as bill-pay or loans.

5 Migrant pensions and other government-to-person payments

Projects related to this area deal with the cross-border payment of government-to-person payments such as pensions. Partnerships between money transfer organizations, financial institutions and government entities are strongly encouraged.

6 Housing

Projects related to this area include innovations in cross-border mortgages, home improvement loans and related services. Projects dealing with recurring regulatory or cross-border ownership issues are of specific interest.

7 (Micro-) Insurance

Projects related to this area deal with health and/or life insurance products for migrant workers and their families, but also repatriation, job loss or other insurance projects related to the discontinuation of the receipt of remittances.

8 Migrant entrepreneurship and investment

Projects related to this area work with organizations seeking to promote workers' investment in productive enterprises in their home countries. Specific areas of interest include; food security, clean technologies and typical goods from home countries.

9 Securitization

Projects related to this area are submitted by financial institutions wishing to securitize an established flow of remittances.

10 Open thematic area

Applications can be made to this category for any manner of other innovative remittances-related project.

General Conditions and Eligibility Criteria

Eligibility Criteria

Applicants may be (a) a non-profit institution such as a non-governmental organization; (b) a public, governmental institution; (c) a for-profit entity; or (d) mutual/cooperative organization or credit union.

For-profit entities are strongly encouraged to partner with non-profit institutions for the development of joint project proposals. If selected, the grant beneficiary would be solely responsible to IFAD for the successful implementation of the project.

All proposals must:

- Not exceed US\$250,000 per project in FFR financing (except for proposals under the mobile banking and mobile money transfers thematic area with a US\$500,000 grant maximum) and have an implementing period of no more than 24 months.
- Target countries must be IFAD member countries.

All applicants must:

- Have legal status and be registered in the country in which they operate.
- Have the capacity to enter into a legal agreement with IFAD and comply with the procurement guidelines of IFAD.
- Not act as an intermediary but be directly responsible for the preparation, management and implementation of the project proposed.
- Provide a financial counterpart contribution equivalent to at least:
 - 20 per cent of the grant amount requested for all regions except in Latin America and the Caribbean (LAC) region in the case of a non-profit applicant.
 - 30 per cent of the grant amount requested for a project in the LAC region in the case of a non-profit applicant.

Call for proposals 2010 timeline

Deadline for application of concept proposals **7 June 2010**

Finalist pre-selection and request for full proposals **23 July 2010***

Deadline for submission of full proposals to the FFR **10 September 2010***

Selection of finalists **4 November 2010***

*Dates may vary depending on the number of proposals received

- 50 per cent of the grant amount in the case of a for-profit entity in all regions.
- 10 per cent of the grant amount in the case of a migrant organization and at the sole discretion of the FFR.

In all project proposals, at least half of the required counterpart contribution must be in cash. The rest may be in kind.

- Have a minimum of two years of relevant operational experience for non-profit institutions (three years for for-profit entities).
- Present signed audited financial statements and reports for at least two previous years (three years for for-profit entities).

Selection Criteria

Proposals will be evaluated on the extent to which:

- The project idea is innovative and has potential for scaling up or replication.
- The project supports the overall aim of the FFR and meets the objectives of at least one of the FFR thematic areas.
- The project objectives are sound, realistic, achievable and measurable.
- The applicant has the financial and technical capacity to implement the project and builds on strong partnerships to support it.
- The project shows potential for sustainability.

For applications and information please visit: www.ifad.org/remittances



For further information please contact

Pedro de Vasconcelos
Programme Coordinator, FFR
International Fund for
Agricultural Development (IFAD)
Via Paolo di Dono, 44
00142 Rome, Italy
Phone +39 06 5459 2852
remittances@ifad.org