

**CHAPTER 20.****THE SUPPORT OF NON-GOVERNMENTAL ORGANISATIONS  
IN THE COLLECTION OF REMITTANCES***by*

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International migration, immigrants' remittances and their effects on the development of the country of origin depend on a number of factors and are the result of a wide range of motivations: the dominant elements are demographic, historico-social, economic, juridical and political, as much in the country of origin as in the receiving country. In addition, migration frequently concerns local issues (which differ widely according to the migration regions). It is thus illusory to think that universal laws can be established that explain the cause and effects of these phenomena. Migration and remittances have both positive and negative effects on macro-economic equilibrium, development and poverty eradication. The net effect on a given emigration region will depend finally on the specificities of the place of origin and the conditions under which the remittances are made. This chapter will concentrate on these and examine the effects of remittances at the level of local development, mainly based on the experiences of a non-governmental organisation (NGO), Migrations and Development (M&D), and its activities in promoting development in southern Morocco, initiated by a migrant residing in France (see Chapter 16, Nadia Bentaleb).

**Can migrants play a direct role locally in the development of their country of origin?**

Development is not simply the provision of a number of factors such as work and capital. It also implies training, to raise the qualification level of the work force, the transfer of knowledge and know-how and the combination of these factors in a given institutional environment. This is the only way in which migrants can play a direct role in the development of their country of origin.

**The role of migrants in the training process: the transfers are not only financial**

Over and above remittances, migrants make other, invisible, transfers to their countries of origin: behaviour, knowledge and know-how, and social and cultural exchanges. These "invisible transfers" have multiple facets:

**The family:** changes in behaviour assimilated by migrants in the receiving country and leading to a decrease in the fertility rate, are transmitted to the population of the region of origin, during return visits for holidays or other reasons.

**Behaviour and social organisation:** migrants transmit equally a revalorisation of education, notably for women; a more rational attitude to healthcare; new relationships with the administration (taking a stronger individual role); the defence of human and civil rights; and an opening-up to other cultures.

**When remittances are transferred collectively through non-governmental organisations (NGO).** Through Migrations and Development,<sup>1</sup> as in rural development in the Anti-Atlas region in Morocco, these invisible transfers go further. The financing by migrants of village infrastructures (electrification, water provision and irrigation, roads, construction of medical centres and schools, etc.) is accompanied by transformations in the way of life and of traditional collective management:

- Opening up the traditional village assemblies (the jema'a, grouping together the men, the elderly, the “rich”) to the young men, women, migrants, to create village associations.
- Management training and recruitment evaluation so as to be able to take charge of the institutions which run the infrastructures financed by the migrants and constructed by the villagers.
- An appreciation of the importance of the architectural and cultural heritage of the regions.
- Protection of the environment (for example, water management).
- Professional training for local elected officials.
- Modification of relationships with the authorities, learning negotiation skills, based on individual and collective rights.
- Moving from informal to formal structures (banking, registration of small businesses).
- Vocational training for production (creation of agricultural and hand-craft co-operatives), establishment of production norms (quality control and traceability), required to raise the prices of agricultural products.

### **Assistance to migrants by the NGO is based on a participative process**

Most of the training takes place in a context of local democracy. The migrants who finance the village projects are not simply silent partners. Supported by the NGO, they work closely with the villagers through a participative process. The population, structured into village associations (VA), participates beforehand in the investment decisions, to set priorities. Then, with the migrants, they contribute to the “financing” of the infrastructures, in part, by carrying out the work. The VAs then set up management institutions for the infrastructures installed. As a result, they can often accumulate savings that are reinvested in other local development projects. With the support of M&D, they learn also to establish partnerships with other VAs, with the villages and the local

1. For a history of this NGO, see *Marocains de l'autre rive*, de Zakya Daoud, Edition Paris-Méditerranée et Tarik Editions, février 2005.

administration. It is this participative process, supported by the migrants' NGO, that, in the end, assures the good functioning of the infrastructures created: these are thus appropriated by the villagers, who obtain what they have chosen, co-financed and managed. Once the amenities are created with the support of M&D, the infrastructures and the village institutions associated with them continue to function, and this constitutes the best guarantee of the sustainability of the project, and of the beginning of a process maintained by them.

### **The participative process aims to widen access for the population, in other words, to increase their capabilities**

Since it began in 1987, this process, instigated by Moroccan migrants living in France, consisted in organised groups working with the local population, to give them access to electricity, water, roads, schools, healthcare, to the administration, to the village decision-making processes, to community responsibilities, to improvement of agricultural production, and to new income derived from rural tourism. This expansion was carried out through the participation of the villagers and through training leading to increasing qualifications and capabilities. The momentum created at the local level had an impact at the regional level, in obliging government authorities to take charge of the basic infrastructures (electricity supply, roads, health facilities, schools, etc.), which up to then had not been provided by them.

This empirical action fits in with the theory of Amartya Sen, who widened the definition of financial poverty (to live with less than USD 1 dollar a day) to the "deprivation of capabilities": to be poor, is not simply a lack of financial income, but also a lack of capabilities, a lack of access: to the elementary public amenities (water, electricity, roads, etc.), to knowledge and know-how, to the right of public expression, to the right of association, to be respected by the state and others, and the right to work. Sen even includes the right to one's identity and culture.

The activities implemented by M&D in the field follow Sen's concept: the actions of the migrants aimed to show the villagers that they had the capability, by organising themselves collectively, to improve their life conditions, that they could establish new relationships with the administration, that it was possible to persuade the state to bring public amenities to their isolated villages.

### **This participative action, stimulated by remittances, opens up new avenues for policies on development aid**

These activities open up new avenues for policies on development aid. They allow another look on the level of intervention (local level), on the implications of actors (migrants, villagers) guaranteeing the sustainability of the processes. They also allow a different view on the relationships with the local authorities (a learning process of autonomy for the population and the partners), on the importance given to training rather than purchasing equipment, and on the sustainability of the processes under way. They suggest that more attention be paid to civil society and to private initiatives in the receiving countries, as well as in the countries of origin, to decentralised co-operation and to the role of the local authorities.

**This active contribution by migrants to the development of their country of origin is supported in France by public policy on co-development**

The co-development strategy of the French authorities aims to support the processes instigated by migrants living in France, leading to development of activities in the country of origin. It consists of supporting the associations of migrants that have involved themselves in the long term as development agents beyond the borders. These policies are carried out notably with Mali, Senegal and Morocco: financing of schools, of health centres, the launching of supplementary health insurance, of rural tourism, support for business creation, but also role of the scientific diaspora in the creation of research centres in the country of origin, and the role of the second generation.

## CHAPTER 21.

### SOME LESSONS FROM THE *AGENCE FRANCAISE DE DEVELOPPEMENT* IN THE FIELD OF CO-DEVELOPMENT

by

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The *Agence Française de Développement* (AFD) (French Development Agency) has a long history of regarding migrants as “stakeholders in the development of their home country”. This approach dates back to 1974, when the AFD (then known as the *Caisse Centrale de Coopération Economique*) introduced an occupational training programme for migrant workers volunteering for economic reintegration in highly skilled jobs that were unfilled in their home country. This programme was called the “Training-Reintegration” programme to distinguish it from “training-return” programmes, which seemed ambiguous in terms of the real rationale behind them.

The initial phase of this programme consisted of training instructors in the field of adult occupational training for the Algerian National Institute of Adult Occupational Training. At that time, the AFD was a significant fund provider to this institution. Subsequently, given the success of the programme, the Algerian government wished to extend it to other sectors, such as training for highly skilled workers in domestic firms. The level of training provided was very diverse, ranging from construction superintendent to highly skilled welder, and from foreman to work crew leader.

Other countries, such as Mali, Mauritania, Morocco, Senegal and Tunisia, the expressed the wish also to participate in the programme. Although the number of persons re-employed in some of these countries remained very limited in some cases, some 2 000 applicants were able to participate in the programme, until 1983, when it was terminated.<sup>1</sup>

The first lesson learnt from this experience was to be wary of drawing any overly categorical conclusions in this field. It became clear that migratory trends change extremely rapidly and unpredictably, because of the adaptability and foresight of the populations involved, the political and economic context to which they are responding,

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1. “*La formation des travailleurs immigrés en vue de leur reinsertion dans l’économie de leur pays d’origine*”. *Premier bilan du programme 1974-1981* (The training of immigrant workers with a view to their reintegration into the economy of their country of origin. An initial assessment of the programme 1974-1981), Internal AFD document, June 1981.

the positive or negative effects generated by imitative behaviour and the economies or diseconomies of scale produced when the dimension shifts from individual to community projects and from the local to the national or even regional level.

Nevertheless, a number of lessons have been learnt that are still valid and that have been confirmed by the author's current action/research, while others are now completely outdated. Consequently, it seems that a good deal of caution must be exercised in pursuing this strategy and that nothing must be assumed to be known for certain in a field in which knowledge is by definition always changing (not to say "migrating").

This experience, which closely foreshadowed later developments, has unquestionably made the AFD more aware of migration phenomena and their impact on the dynamics of development. In 1999, the AFD seconded one of its staff members to an interministerial task-force devoted to these issues. In 2003, it created an internal working group responsible for analysing the linkages between migration and development and the concrete initiatives to be implemented in the field.

This working group has used three approaches that have enabled it to prepare a policy report for the Directorate-General of the AFD and provide it with a number of concrete recommendations:

### **Theoretical studies**

Three reports have been drafted:

- "Do the AFD's Activities have an Impact on the Economic Causes of Migration?", an internal assessment of the AFD, Régis Marodon, April 2003.
- "Migration and Migration Phenomena: Financial Flows, Mobilisation of Savings and Local Investment", a case study of five countries, commissioned from the French Committee for International Solidarity (CFSI), April 2004, on line on the AFD Internet site.
- "Impacts of the AFD's Projects on Migration Phenomena", a case study on six countries, an assessment external to the AFD commissioned from the CFSI, Aude Penent, April 2004.

A number of internal notes have been drafted by the working party analysing various reports, studies and conferences on these issues.

### **Working group meetings**

A two-day seminar was organised internally with representatives of three migrant communities: Mali, Morocco and Vietnam, April 2004.

Members of the working group have participated in various meetings and workshops with migrant communities, in particular in co-operation with the *Fédération des Organisations Issues de la Migration (FORIM)* (Federation of Migrants' Organisations).

### **Experience in the field**

Although they are still few in number, these activities are real and they provide a testing ground and show the capacity of the AFD to address these issues concretely:

- An on-going programme in Morocco (see below).
- A programme currently being launched with the *Crédit Mutuel* bank in Senegal.

- Support for the development of projects carried out directly by migrants with the support of other institutions (e.g. mutual health associations in Mali).

The initial conclusion that has been drawn from this work has prompted an attempt to avoid constructing a theoretically perfect system based on ideas that, however well-meaning and relevant they might appear, would have little chance of producing results, since they are not pragmatic.

It became clear that any programme involving migrants must respond to a range of types of demand. The programme should meet the different types of demand that arise and not presume to know in advance what they are.

### ***Starting from different types of demand***

*The starting point must be the realisation that migrants are the key players and that they determine the demand*

It is essential to bear in mind that each case of migration is first and foremost an individual story. All initiatives taken to support migrants must take into account the fact that they all have their own personal history.

The AFD working group members have observed that they have all had to face migratory phenomena at some point in the course of their general work, as was shown by the initial Marodon report. They therefore have practical experience in this field. However, the approaches used, as valid as they may be, remain incomplete with respect to this issue. No systematic approach has enabled them to gain a full overview of the situation. This is why it was thought necessary to commission a consultant to carry out a comprehensive study that has provided some initial answers to some basic questions.

The first question, then, is to determine what is the real demand on the part of migrants. This means initially identifying those migrants who are willing and able to invest in their home country.

What is the real situation regarding migrants and what they represent.

Although no attempt could be made to carry out complete studies, it was necessary to show the magnitude of migrations in some of the countries in which the AFD is actively involved. This made it possible to confirm the rapid and unpredictable nature of these trends. These migrations are of a highly informal and clandestine nature, which makes it difficult to obtain reliable data. This being the case, any attempt to achieve real accuracy seems relatively futile, and there is reason to be somewhat sceptical about certain studies devoted to this subject that present general rules – illustrated by charts, complex econometric formulae and sophisticated statistics – the practical value of which seems to be highly dubious.

Rather than trying to carry out detailed studies, which are often outdated as soon as they have been completed because of the fact that data are lacking, unreliable or constantly changing, the AFD has sought to determine orders of magnitude and above all trends from one year to the next, provided that these can be established on the same basis. The data gathered are renewed and updated as often as possible, and they are always collected in parallel with concrete initiatives. It is true that it has been found necessary to include migration phenomena in our evaluation system for all our programmes and projects.

To establish this first general set of data, the working group has focused on five countries (Comoros, Mali, Morocco, Senegal and Vietnam). Mozambique was added in the third report to include South/South migrations, which the AFD, as a development institution, considers are just as crucial as South/North migrations.

The second question raised by the report commissioned from the CFSI is: who are the migrants who are interested in investing in their home country?

Who are the migrants who are interested in investing in their home country?

All migrants are interested, although some are more interested than others. However, they have very different sectors of interest. Between building a retirement home and creating an SME, there is a wide range of possible areas for investment. Beyond productive activities *per se*, the sectors of interest are in the social, cultural and economic fields. In the light of this diversity, it seemed useful to take stock of some successful and recognised economic initiatives. There are many of these worldwide that can serve as benchmarks.

Among some of the examples examined, the following can be mentioned:

- The programme of the city of Montreuil with the Yelimane Region, Mali.
- ROCHAD (Canada-Haiti).
- The public-private partnership of the Haitian community of New York.
- The Financial Co-operative for the Development of North-South Economic Solidarity (COFIDES).
- The IntEnt Foundation for Morocco in the Netherlands.
- The *Nacional Financiera* in Mexico.

The issue of remittances and their impact is an important field of investigation in itself, which has also been addressed in order to assess the investment potential and above all to examine its trend across countries from one year to the next.

For the AFD, the next step is to identify the most promising and significant practices and methodologies. The approach here should not be to invent or duplicate these exactly, but rather to build on what already exists and try to organise it more effectively and support and reproduce it. In this regard there much to learn from migrants, who can teach the AFD a great deal through the dynamism, creativity and ingenuity that they show in the different ways in which they use their own savings.

What is the real scope of these innovations among the migrant population?

The focus must not be upon the real or presumed representativeness of the migrants or their associations who are encountered in these initiatives. It is extremely difficult, if not impossible, to achieve a systematic approach to each diaspora. Once again, what is important is to provide support to the most dynamic representatives.

If the AFD were able to contribute to supporting 10%, or even 5% of these populations, this would already have an exceptional leverage effect on the relatively significant amounts involved. On the scale of some countries, and even more of some regions, the impact would be considerable. The strong tendency of migrants to copy each others' behaviour should also emphasised, in the good sense of the term, and their ability to replicate initiatives that



work should be highlighted. This means that successful initiatives carried out by a small number of people can then multiply significantly on their own.

On the other hand, AFD is not seeking to support initiatives that are too innovative. These types of schemes require a great deal of energy and determination, which is not the role of this type of institution, especially if the results expected may not be proportional to the effort expended. Our role is more to support natural trends already under way, in order to try to promote positive cumulative effects.

Consequently, the objectives are to enable the diverse demand of individuals and families to be expressed collectively, to help villages that wish to address their social needs to realise their plans through productive investments, and to expand the range of projects from support for the construction of mosques to the creation of SMEs. In this regard, it is necessary to promote positive, mutually reinforcing synergies among all migrants, from semi-skilled workers to engineering school graduates (who are a real presence among Moroccan emigrants).

What do these migrants interested in projects really want?

Once these populations and their on-going projects have been better identified, it is important to be sensitive to their real needs. Many of their initiatives do not necessarily require our assistance.

A government agency such as AFD must engage in a challenging cultural revolution that will enable it genuinely to listen to what migrants have to say and to identify the specific needs that they express. What they have to say is a mixture of subjective and objective elements. Migrants express many types of demand simultaneously: the desire to gain control of their future and open up to modern life, to be recognised as reliable partners and entrepreneurs, and active promoters of development, to adapt their traditions and make their decision-making methods understood, to be empowered, to be given the time to negotiate and yet have a rapid response to their needs, to be recognised as partners in the North, but also in their home countries in the South, etc. Consequently, steps must be taken to develop this listening ability, which is institutionally complex to organise. This process will be made all the more difficult by the fact that all these efforts will at best only make it possible to have an approximate “snapshot” of these situations, since they are by nature constantly changing in relation to migration as a whole.

The final difficulty is that all demand on the part of migrants, even when it is valid and clearly identified, cannot and should not necessarily be met. There are other parameters that are just as important that must be taken into account. This is a fact that is not always obvious from the standpoint of the immigrants involved.

### *The importance of having the approval and support of the authorities of the country of origin*

The approval and support of the authorities of the country of origin are crucial, and not only because AFD is the French public institution responsible for French aid. Obviously, the local public authorities must be actively involved in supporting their emigrant populations. This is not only because it would be out of the question to carry out programmes that have not been formally approved by these authorities, particularly in the field of emigration, which is a very sensitive political issue, but also because they are in a position to facilitate programmes, even though they may not always be a major active

partner. They can provide support in many ways, through legislation, host organisations, training, information, etc.

In this regard, there has been a major shift on the part of home countries in the past three or four years. The political, economic and social role of migrants is now officially recognised, and many partner States have created appropriate administrative bodies in this field (for some time Morocco has had particularly effective initiatives in this area). However the fact remains that the attitudes of individual governments vary quite considerably. Some have concluded official agreements in this field. Programmes are sometimes implemented in close co-operation with the diplomatic authorities. Some states are even reaching out to their emigrant population in order to encourage them to become involved in these kinds of programmes. The AFD sometimes participates in these initiatives, which enables it to be more fully informed about these programmes and to step up its level of commitment. In such cases, there is genuine agreement, even if it is not always formalised in a written document, and most importantly there is active co-operation with embassies and consulates.

#### *Exploratory work is also necessary*

It is also necessary to undertake exploratory work, with the support of local authorities, in order to identify and include other local and national institutions and administrations that can promote these processes in positive ways. They can do much to support, publicise, promote and even initiate, replicate and extend certain initiatives themselves.

Various public consultative bodies become involved relatively naturally, such as joint labour boards, migrants' clubs, business forums, forums of associations, decentralised co-operation programmes, etc. Local governments provide an interesting field for co-operation between local authorities in the North where immigrant populations live and their home area in the South. The AFD is in contact with a number of these. Other bodies can be involved on a more voluntary basis, in particular financial institutions such as banks, guarantee funds, credit institutions, retirement funds and remittance-sending institutions (Post Office, Western Union, etc.).

Lastly, it seems necessary to establish contacts with other funding providers and international bodies, such as the European Commission, European bilateral donors, etc. Strong co-operation between all these bodies is the only means of responding as adequately as possible to migrants' needs without dispersion or duplication (which justifies the AFD's somewhat exceptional participation in seminars such as this one).

Consequently, one element of AFD strategic policy is to become involved in the decision-making chain and environment: from migrants to ministers, from business executives to associations, from bankers to journalists. This is also one of the important lessons that has been drawn from experience, *i.e.* that the effort must be made to communicate about these projects, even if concrete initiatives still remain quite modest, for this exchange makes it possible to move forward and create the indispensable synergies with other partners. This also explains why the AFD produced, for example, a documentary on the story of a Malian migrant who promoted measures to combat desertification in his home village. The AFD is also planning to organise a thematic day with migrants in 2005. It will continue its theoretical work and the publication of studies. This communication is aimed at facilitating concrete practice and initiatives.

***Even before this initial work had been completed, concrete initiatives had been implemented***

Fortunately, it was possible to establish the co-development programme in Morocco on the basis of a clearly identified demand.

The first segment of this programme was initiated at the request of a Franco-Moroccan association, “Migration and Development” (M&D). This non-governmental organisation (NGO) has longstanding and effective local experience in enabling migrants to use their potential to help their home villages. Its request was based on its practical knowledge in the field.

The project is aimed at promoting rural tourism in high emigration areas in order to reactivate productive and profitable economic activities for the populations who have remained at home. The objective is to support the creation and management of guest houses (*gîtes ruraux*) and guest rooms (*chambres d’hôtes*) in home villages through investments made by migrants.

Although the idea appears attractive in itself, it was nevertheless necessary to make certain that the project was valid and feasible. Rural tourism has met with many failures in other countries. It was also necessary to make sure that this initiative was in line with national policies and had the full approval of the relevant Moroccan authorities. Various meetings with government administrations made it possible to ensure that this was the case.

Next, it was necessary to define the appropriate product (guest houses and guest rooms) and the specifications for realising the project (location, design, safety standards, security, etc.). In this experimental phase, it was proposed to support the construction of 18 guest houses (at an average cost of EUR 50 000) and 21 guest rooms (average cost of EUR 5 000), financed according to the principle of a one-third subsidy and a two-thirds personal contribution by migrants. Originally, one-third of the amount was to have been financed through bank loans, but the migrants’ personal contributions were large enough to cover this amount and they said that they preferred not to owe money to banks.

Steps were also taken to verify whether there really was a potential tourism market and an interested clientele. Contacts were made with local tour operators for this purpose. However, the potential clientele was above all identified (and canvassed) by the M&D association itself. This potential market must avoid the risk of being insufficient or of too much competition. The role of village associations is crucial in this regard. The overall project seemed to be sound.

A number of meetings in the field made it possible to ensure that there was real local demand for the project in villages and within the region. The concern to ensure that the project was acceptable from an economic, ethical and aesthetic standpoint was defined in a comprehensive policy that was recognised and approved by the local authorities.

The next step was to identify a Moroccan body to act as an intermediary between the AFD and migrants and villagers. The Agency for Social Development (ADS) was selected, which is entirely appropriate for carrying out this task, and has in fact become very actively involved in carrying out this programme. However, it is already clear that it would be difficult for this agency to continue to play this role after the current number of guest houses have been completed because of its other responsibilities. It will either be necessary to identify other intermediaries or else ADS will have to increase its staff and capacities. It should be pointed out that the co-operation between it and the M&D

association is excellent. Consequently, finding the most appropriate intermediaries is a key aspect for the success of this kind of programme.

In early 2005, some of these houses are now being built of which several will be operational by the summer of 2005. The guest room component seems to have proven less popular, and it is now planned to devote the entirety of the funds available to guest houses and to give up (perhaps only temporarily) the idea of guest rooms.

The interest of this programme obviously resides in its long-term nature. Its aim is not to promote a few isolated investments, but to ensure a regular and balanced flow of investment and to transcend experimental, one-off projects in order to promote a genuine rural tourism policy in the specific region and the country as a whole. To achieve this, it is essential to secure additional financing and, since these are profit-generating projects, to involve banking institutions. Contacts have been established with the Moroccan *Crédit Agricole* bank, which seems very willing to consider this possibility.

A final lesson that was learnt from this segment of the programme was that it required very careful and active monitoring by the AFD. This requires time and expertise, and is therefore costly. In future, if this programme is to be expanded, its management would have to be delegated to an *ad hoc* institution paid for this purpose.

The second segment of the programme consists of meeting another demand from migrants clearly identified at the outset: the creation of small and medium-sized enterprises (SME) in Morocco.

Moroccans living abroad had been involved in these types of investments long before this programme was established. They already have a good deal of experience in this field, but the results obtained have been very uneven.

As soon as the idea of co-development with Morocco began to take shape, the French authorities started receiving spontaneous requests in this sector. These came through various channels in France and Morocco, such as associations, consulting firms, chambers of commerce, decentralised authorities, etc. These requests were sufficiently numerous to make it possible to establish a rough typology and obtain a general picture of the needs of Moroccan migrants in this field.

Among these requests, there seemed to be a fairly specific demand for technologically innovative firms. Many Moroccans abroad have acquired a high level of technological skills and would like to be able to reinvest them in Morocco. This is a particularly suitable sector for development in that it would not distort local competition and would not be competing with the informal sector either, with all the risks that this kind of competition would have entailed.

On the basis of the applications received, an initial estimate was made of the needs and the amount of financing required. It was determined that projects could promote the creation of high-technology SMEs, with an initial investment ranging between EUR 200-250 000 (one-third personal contribution, one-third subsidy and one-third funded by the Sindibad Fund). The Sindibad SME Start-up Fund was designated as the Moroccan operator for the project.

The first SMEs are being set up at this time. The local authorities are obviously very interested in this project for a variety of reasons: productive investment, modernisation of the sector and technological progress, job creation, etc.

Contacts have been made with all Moroccan banks, both in Morocco and with their branches in France. Some French banks have also been contacted. It is regrettable that they have only shown very mild interest in this project. They generally think that the risk is too great with regard to this type of entrepreneur and that the monitoring costs are too high. It is to be hoped that the experience under way will lead them to change their minds and show greater interest in these investors in the future.

The Sindibad Start-up Fund is giving full satisfaction in managing the projects. However, it would face the same problem as ADS if this programme were to grow, for it would rapidly be saturated if the number of applications increased significantly.

### **The financing of the two programmes**

The financing of the projects is based above all on the contributions of Moroccans living abroad. They must contribute at least one-third of the basic investment, and even two-thirds in case of the rural tourism projects. What might have seemed to be an obstacle has ultimately not proven to be one in practice. More surprising still, there is every reason to believe that the subsidy provided by the AFD has more of a psychological than a material impact. In other words, it represents a guarantee that reassures Moroccan migrants that this programme is really serious more than as an indispensable financial contribution. The role and contribution of the SME Start-up Fund is also crucial.

For a programme evaluated at total of EUR 3.8 million, the subsidy obtained by AFD from the European Commission (Directorate-General for Justice, Freedom and Security) amounts to EUR 1.5 million. The negotiations with this DG were long and painstaking, for the Commission's administrative and financial rules are complex and stringent. However, thanks to the openness shown by its administrators, the negotiations were concluded successfully.

It is most regrettable that the response of the banking system (both French and Moroccan) was so disappointing. It is to be hoped that if these programmes achieve significant positive results, their support will be forthcoming in the future.

### **How to make further progress?**

This co-development programme in Morocco is still a pilot project. It is limited in terms of the number of Moroccan migrants involved and the volume of investment. In its present state, it will have no impact in macroeconomic terms.

The organisations concerned, which have unquestionably shown themselves to be competent and effective in organising these projects, have devoted a great deal of energy to this work – perhaps too much for this to be sustainable much longer. This is true for ADS and Sindibad and for the Migration and Development Association, the Rabat agency and the AFD itself. This is very time-consuming and demanding work and changes will undoubtedly have to be made if the programme is to be extended successfully.

The success of these initial segments necessarily prompts us to continue and extend them. However, if they are to go beyond being pilot programmes and become significant, by what factor should they be expanded: by a factor of 10? 20? 100? And how will they be financed? How can the banking sector be motivated? (through lines of credit? lines of guarantee?) Should the programme be restricted to certain regions or be extended throughout Morocco? Are there other sectors of intervention that can be identified besides

SMEs and rural tourism? Should the current intermediaries be developed or should new ones be identified?

What can be done to develop long-term co-operative financing, since the European Commission will apparently be unable to continue its contribution? How can other donors, from Europe or elsewhere, be persuaded to participate? Should this be in partnership with the AFD or directly with Moroccan partners?

In any event, new technical, administrative and financial mechanisms will have to be adapted if these questions are to be addressed.

To make further progress would also mean replicating this programme in other countries, no doubt initially with neighbouring States (Algeria, Tunisia).

Modesty and prudence must remain the bywords of the AFD as they pursue the future of this programme. The administrative players engaged in this policy must, much like the migrants who support these projects, have a certain kind of dedication in order to remain attentive to migrants' needs, to reappraise their own efforts and to innovate within existing structures. It is only because such people have been involved in this programme that it has been able to exist and develop.

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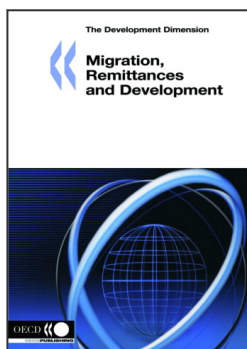
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