



UNITED NATIONS  
UNCTAD

AD-HOC EXPERT MEETING  
Contribution of Migrants to Development:  
Trade, Investment and Development Linkages

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**PROGRAM 3 x 1 FOR MIGRANTS**

*By*

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FEDERAL**

**SEDESOL**



***Program 3x1  
for Migrants***



**Vivir Mejor**



## *Origins and goals*

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The 3x1 program for migrants was the federal government's answer to migrant demands for support to improve their hometowns through the development community projects.

Previous efforts of several state governments to involve the migrant community in a concerted action to provide their hometowns with infrastructure and services served as a model and stepping stone for the program.

3x1 for migrants started operations in 2002.

### **The 3 x 1 program goals are:**

- ✓ To channel collective-remittances towards social development-community projects
- ✓ To benefit preferentially, migrant communities with high levels of poverty or marginality
- ✓ To promote the formation and growth of mexican hometown associations
- ✓ To strengthen civil society-government partnerships
- ✓ To reinforce the ties of mexican communities abroad with their hometowns



# *Elegibility*

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## *Elegibility criteria*

- ▶ Projects that respond to hometown associations (HTA) initiatives, demands or proposals
- ▶ Financial participation from hometown associations and the three levels of government
- ▶ Project proposals for basic social Infrastructure, community services or income generation projects

## *Projects that receive financing*

- ✓ Water & sanitation projects
- ✓ Electricity projects
- ✓ Road construction and maintenance
- ✓ Health and educational nfraestructure
- ✓ Streets and sidewalk construction and repairment
- ✓ **Migrant Business Fund** →
- ✓ Scholarships 3X1
- ✓ Community centers (IT, Health, Sports, Culture & Arts, Elderly Care, etc)

**“Fondo Productivo  
Patrimonial”**

The program operates in 27 out of 32 states





# Financing (Infrastructure)

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**SEDESOL**

**MIGRANTS**

**STATE & MUNICIPAL GOV.**

**25%**

**25%**

**50%**

- ✓ Sedesol can contribute up to 800 thousand pesos (US \$ 59 k) per project
- ✓ Exceptionally, SEDESOL may contribute up to 50% of the total cost of the project
- ✓ The program's operational guidelines allow a 1x1 (SEDESOL- HTA) when state and municipal governments are unable or unwilling to participate in a particular project.
- ✓ 4x1 or 5x1 schemes are allowed when other government agencies, private firms or ONG are willing to participate as partners in a project
- ✓ Migrant Business fund starts under a 1x1 scheme (SEDESOL-Migrant)



# *Project Validation & approval*

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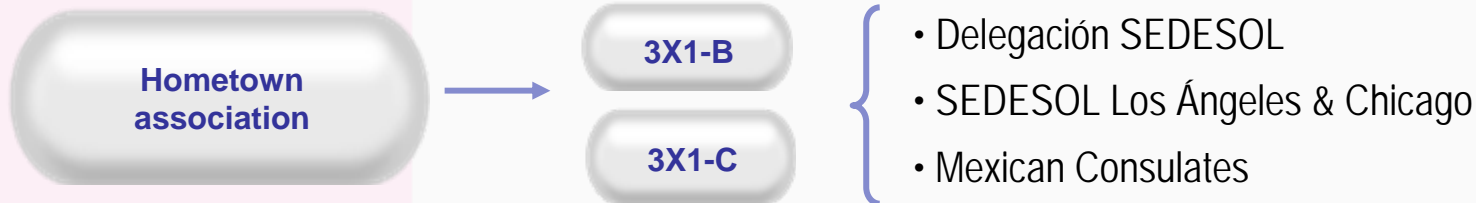
## ***Committee for Validation and Attention to Migrants (COVAM)***

- A Committee in each State
- Created to creado para dar transparencia y equilibrar la toma de decisiones
- Each party (partner) is equally represented
- Validates, prioritizes and select the projects to be supported
- The Committee sets the co-payments schedule for each project
- Monitors and supervises the progress of the projects
- The migrant representative cannot be part of a government agency (at any level of government)

### **The Covam can allow some exceptions to the standard criteria**

- Approves in-kind contributions (hometown associations only)
- Approves a different financial mix (e.g., 1x1 projects)
- Validates projects that require federal financing above the maximum amount set in the program's operational guidelines.

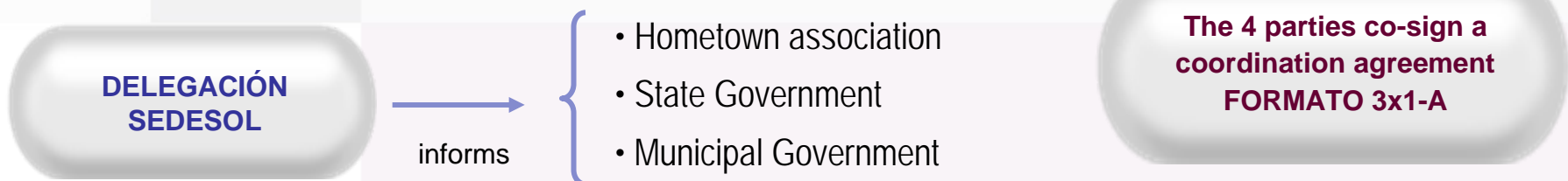
## Application for support



## Project Validation and approval



## Approval of support and payments scheduling







# Operation (Processes)

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## As the project progresses

Project manager

- Provides technical and financial documentation
- Provides progress reports at the end of each trimester
- Sets up and updates a beneficiary DBase (e.g., scholarships)
- Formalizes with local authorities and the community the release of the
- Provides the local authorities with a maintenance program (infrastructure)
- Provides all the information necessary to close the fiscal yearly report.

**DEADLINE FOR PROPOSALS:  
30 DE JUNIO DE 2009**



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# Migrant Business Fund

**A constant migrant demand**

- Individual or family small business enterprises
- Technical & administrative training and support
- A 1x1 scheme
- Simplified guidelines
- Job creation in their hometowns

**MBF Guidelines**

Establish criteria for:

- ✓ Qualify for support
- ✓ Repayment of "loans"
- ✓ Reinvestment throughg HTA

Announced in 2008 by President Felipe Calderón and the Minister of Social Development in Los Ángeles, California

Only migrants living abroad are eligible.

- They must show their “Matrícula Consular” (ID issued by Mexican Consulates)
- They have to be active members of a registered HTA (form 3x1-C)
- They must provide the following documentation:

- Application → Form 3x1-F
- Profile of a Business plan → Form 3x1-G
- Letter of commitment → Form 3x1-H
- Personal bank account (abroad) with funds to support the application



# Federal gov't financing

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**Up to 300 thousand pesos  
(22 thousand dollars)**

**SEDESOL**

**Up to 50% of total cost**

15% to develop Business Plan  
and for technical support

Firms  
NGO  
Academic Institutions

**MIGRANTS**

**$\geq 50\%$  of total cost**

**Cash Only**  
(in-kind payment not allowed)

States and municipalities participation is not required but it is allowed

A subcommittee of COVAM is in charge of evaluating the business proposals, with representatives

- Ministry of Social Development
- Ministry of Economy
- Higher Ed Institutions or professional business service providers

## **Functions of the Subcommittee**

- Technically evaluates the business profiles
- Provide the COVAM with recommendations for support
- Suggest partners for technical and administrative support (e.g., development of BP)
- Prioritize proposals based on "business merit"



# *Repayment and reinvesting in 3x1*

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- ✓ Federal money has to be repayed at 0% interest
- ✓ Repayment period: 3 years (50% by the end of the 2nd year)
- ✓ Repayments go to their HTA, not SEDESOL
- ✓ Repayments made to an HTA are applied to 3x1 community projects



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3x1 in global numbers



CONCEPTO	2002	2003	2004	2005	2006	2007	2008
Entidades Federativas	20	18	23	26	26	27	27
Número de proyectos	942	899	1,436	1,691	1,274	1,613	2,457
Municipios apoyados	247	257	383	425	417	443	574
Grupos de migrantes participantes	20	200	527	815	723	857	957
PRESUPUESTO / MILLONES DE PESOS							
Federal / Asignado a Proyectos	113.7	99.9	175.9	232.1	192.0	257.7	457.9
Estatad, Municipal y de Migrantes	266.5	277.7	461.8	619.7	556.9	690.8	1,259.3

TIPO DE PROYECTO	2002	2003	2004	2005	2006	2007	2008	TOTAL
Agua Potable, Alcantarillado y Electrificación	226	274	547	440	236	376	576	2,675
Camino y Carreteras	67	57	83	100	58	77	103	545
Salud, Educación y Deporte	190	113	114	151	122	186	317	1,193
Urbanización y Pavimentación	276	282	477	566	452	620	979	3,652
Becas Educativas 3x1	0	0	0	15	25	66	75	181
Centros Comunitarios*	127	143	160	278	317	220	239	1,484
Proyectos Productivos	40	22	53	77	45	50	100	387
Otros	16	8	2	9	19	3	68	125
TOTAL	942	899	1,436	1,636	1,274	1,598	2,457	10,242

\* Casas para adultos mayores, orfanatos, centros de rehabilitación para personas con discapacidad, centros culturales, panteones, museos, iglesias, bibliotecas, centros de apoyo a mujeres.



# HTA participation in 3x1, 2008

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- In 2008, 957 HTA from 574 municipalities in 27 states participated in the program.
- 8 states concentrate 72% of the HTA that participate in the program.
- There are HTA in 35 states in the USA but 3 states concentrate most of the HTA (72%):

State	No. HTA	%
Guanajuato	162	17
Zacatecas	120	13
Jalisco	118	12
Michoacán	104	11
Hidalgo	71	7
Oaxaca	44	5
Durango	37	4
San Luis Potosí	34	4

State	No. HTA	%
California	414	43
Texas	150	16
Illinois	125	13

Following in decreasing concentration of HTA are the States of Florida, Nevada y Arizona.



# *2009 budget and goals*

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## **Budget**

- ✓ The 3x1 program for 2009 has a budget of 562.4 million pesos (42 million dollars)
- ✓ Expected contributions from the other 3 partners: 1,300 million pesos (97 million dollars)

## **Outreach and focalization targets**

- ✓ To work with HTA in at least 40 states in the UEA
- ✓ To maintain the presence of the program in the 27 states that were included in 2008
- ✓ To finance 1,500 social community projects (including at least 150 projects in the Migrant Business Fund)
  - At this time, there are 1,456 projects ongoing (1,228 infrastructure; 228 MBF)
- ✓ To increase the representation of projects in communities with high levels of poverty or marginality
- ✓ To promote larger scale projects with high social impact.



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