

PROJECT SUMMARY

Title:	DEVINPRO 2008/2010 Strengthening the link between migration and development through developing and testing replicable migration-related products and services for migrants and their communities
Duration:	20 months
Start Date:	November 2008
Location:	Albania, Kosovo, Western Europe

Brief Project Description

The DEVINPRO project has been developed by the NEXUS Migration and Development Initiative (NEXUS) with the support of the Centre for Economic and Social Studies (CESS) and is co-funded by the International Fund for Agricultural Development (IFAD) and the Raiffeisenbank Albania.

The foundation of the project is the recognition of migrants and their beneficiaries as a distinct market segment. The project directly supports their personal and migration-related objectives over the term of their migration cycle through the provision of relevant remittance, savings and investment options. In making the overall migration experience more successful, incomes, remittances, migrant transfers and durability of return will all be positively impacted.

Simultaneously the project broadens and deepens financial intermediation, thereby facilitating entrepreneurship and employment opportunities in the places of origin. By both means the project directly links migration, remittances, financial intermediation with sustainable development.

Taking place in selected rural communities of Albania and Kosovo, the project encompasses three linked phases:

Phase I: With a focus on guiding the later phases, assess the market demand for/identify products and services of relevance to migrants. The assessment (and possible intervention points) to cover the entire circle of migration (pre-departure, period of migration, and return), leading to a) a comprehensive market analysis of migrant communities; and b) a specialist workshop of partners and government counterparts.

Phase II: Develop innovative products and services of relevance to migrants on the basis of the market analysis, and in collaboration with consortium partners and government counterparts.

Phase III: Market-test and systematically monitor selected products and services in the market place; evaluate the impact of tested products in order to develop a business model as well as recommendations to governments where necessary

Integrating proven knowledge of the market-place and regulatory frameworks, together with existing outreaches in terms of branch offices as well as expertise in retail banking, are key components of DEVINPRO. The consortium is composed of seven partners, with NEXUS acting as project initiator and coordinator. In addition to the substantive contributions in kind from each participant, Raiffeisen Bank of Albania has committed to providing necessary co-financing. The partners include:

- Raiffeisen Bank Albania
- Raiffeisen Bank Kosovo
- Credins Bank
- Tirana Bank
- Opportunity Albania
- Centre for Economic and Social Studies

The Challenge

The challenge is to maximise the development impact of migration by identifying and testing replicable and durable business models that expand the frontiers of remittance delivery, savings and investment. DEVINPRO links the migration and financial objectives of migrants with development through:

- a) developing and test-marketing counselling, remittance, savings and investment options of direct relevance to migrants as a distinct market segment;
- b) complementing public and private actors involved in financial intermediation/credit provision; migration-management, economic development of marginal regions, and SME development;
- c) broadening and deepening financial intermediation by attracting migrants' transfers towards formal financial intermediation and productive investments in Albania and Kosovo.

Addressing these challenges is important because:

- Supporting migrants to reach their financial goals and migration objectives results in a) higher incomes, b) higher remittance values c) more rapid and higher savings accumulation.
- Migrants' savings represent a substantial pool of funds that, given appropriate financial products, incentives, safeguards, and regulatory framework, might be encouraged towards savings, investment and entrepreneurial opportunities.
- The potential development impact of migrant capital is dramatically enhanced when these are linked to financial services such as savings, insurance and loans.
- As the Albanian and Kosovo migration cycles mature, immediate needs are met and a larger portion of income gained through migration will shift towards savings and investment either in the host country or the country of origin.
- This expanding pool of savings will occur in an improving macro-economic and business environment; thereby providing more opportunities for viable investment opportunities to develop.

Target Area and Beneficiaries

Within a minimum of six rural pilot communities in Albania and Kosovo the key target groups of DEVINPRO include a) cyclical migrants, b) long-term emigrants including diaspora, and c) dependents and entrepreneurs in place of origin. The consortium partners fully expect that the principles/products to be developed, refined and tested in Albania and Kosovo contexts will be applicable in other primary countries of origin, thereby directly benefiting large numbers of beneficiaries.

Project components and activities

- ✓ Carry out a comprehensive market analysis of the target group to identify potential clients and beneficiaries among the migrant communities, and assess the market demand for products and services which will also be identified, covering the migration circle (pre-departure, period of migration, and return).
- ✓ Develop the most promising and innovative products and services on the basis of the above.
- ✓ Test the selected products and services; monitor and evaluate the impact of them; establish business models; and provide recommendations to partners and stakeholders on intervention mechanisms that match migration, remittance, savings and investment ambitions of current and future migrants from Albania and Kosovo.

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