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# OPPORTUNITIES FOR MY COMMUNITY

Dates of implementation (April 29, 2016 – July 31, 2019)

Total estimated budget (\$3,239,839 million)

## DEVELOPMENT CHALLENGE

More than 50% of Guatemala's Gross Domestic Product (GDP) relies on labor-intensive activities such as agriculture, tourism, and economic enclaves in the 'maquila industry' and informal sector. High levels of poverty and low per capita income are in many ways the product of an informal, uneducated, unskilled and underpaid workforce.

Access to the knowledge economy – one that is based on human capital, innovation and education– remains limited, which makes it very hard for Guatemalans to attain a better quality of life. A lack of better resources pushes people to migrate seeking better economic opportunities rather than simply staying in low paid employment.

Given the presence of a sizable migrant population remitting to nearly 200,000 households in the Guatemalan Western Highlands, with resources that can be leveraged for savings and investment, it is crucial to link remittances into development strategies.

## ACTIVITIES

This project introduces an innovative, three-year strategy to promote development in Guatemala integrating remittances into development through savings formalization and investments in education, in order to build both human and economic capital.

The project focuses on Guatemala City and municipalities with high levels of emigration in the Guatemalan Western Highlands. Through partnerships with the Diaspora, and especially for the educational component, other communities have also been included.

The project works in partnership with local financial institutions, middle schools, and non-governmental organizations (NGOs), to improve levels of economic growth and social development, providing tools and resources to strengthen Guatemala's 'knowledge capital' through a focus on three strategic areas:

- Financing
- Innovation
- Education

### ***Project Impact***

The project aims to leverage migrant investments, donations and remittances by integrating them into the financial sector and mobilizing resources for local development. With an emphasis on education and skills formation, the strategy also creates a new model for much-needed investments in services and the knowledge economy.

## **EXPECTED RESULTS**

The project links remittances and development through four components:

1. Financial Education for remittance recipients and other clients, which is expected to reach over 120,000 participants and bring at least 20,000 into the financial system, formalizing US\$6 million in savings.
2. Access to credit for small and medium enterprises (SMEs), by mobilizing savings into credits, the project is expected to finance 120 SMEs, also providing them with technical assistance as they venture into the knowledge economy.
3. Diaspora outreach for education, fostering partnerships between diaspora and money transfer companies (MTOs) to support investments in education in Guatemala.
4. After-School programs in areas of high emigration, expanding the access and quality of extracurricular programs for youth, the project is expected to reach 5,000 students.

## **ACCOMPLISHMENTS**

- Over 150,000 financial advising sessions have been held. Participants have accessed over 24,000 financial products such as savings accounts, credits and insurance policies; more than US\$7.4 million in informal savings have been brought into the formal financial system.
- More than 200 small and medium entrepreneurs have received technical support to develop or strengthen their businesses, integrating human capital development, technology and innovation (the knowledge economy). In addition, 146 of them accessed credit averaging that exceeds US\$13,000, for a total investment of over \$1.9 million.
- Information on educational needs has been shared with the Guatemalan diaspora in the United States; for example, 17,000 brochures on Guatemalan educational issues have been distributed in partnership with remittance agencies.
- Over 5,500 youth have participated in a Diploma program to develop their professional skills. The extracurricular program has been expanded with the support of the Guatemalan diaspora in the United States and a remittance company.