Invertir en la población rural

TERMS OF REFERENCE

1. Object

Selection of an institution to co-design and implement the Project "Safeguarding Rural Livelihoods in LAC: Roadblocks, Opportunities, and Actionable Measures for a Potential Remittances Crisis," through a competitive process.

2. Goal

Strengthen the resilience of rural households and local economies in Latin America and the Caribbean exposed to remittance volatility by generating actionable evidence that is intended to inform decision-making and that can be used directly for targeting, stakeholders prioritization, engaging with financial institutions, product adaptation, policy recommendations, and creating pathways for piloting and scaling up, while also serving as a strategic public good that equips governments and stakeholders with data-driven insights, policy recommendations, and response options to address current and emerging trends affecting remittance flows and diaspora investment in rural areas.

3. Strategic objective

Equip governments, financial institutions, and IFAD country teams with data-driven insights, operational guidance, and scalable response options to anticipate and mitigate the effects of remittance shocks on rural livelihoods, financial inclusion, and local economic resilience, including through regional policy dialogue and coordination supported by IFAD's Financing Facility for Remittances.

4. Background and Rationale

Remittances are a critical source of income and resilience for millions of rural households across Latin America and the Caribbean (LAC), contributing approximately 7 per cent of regional GDP and over 19 per cent in several countries. A significant share of these flows reaches rural and semi-remote areas, where they support basic consumption, smooth income volatility, and enable investments in health, education, housing, and small-scale economic activities.

However, emerging global and regional dynamics point to a potential shift in remittance patterns, with implications for rural livelihoods and local economies. Outmigration from LAC has slowed compared to historical trends, while a growing number of migrants face heightened uncertainty in destination countries, including the risk of deportation or reduced earning capacity. At the same time, policy and cost-related factors, including taxation affecting certain remittance channels, may affect the volume and frequency of transfers.

These dynamics are likely to affect rural households unevenly. The impact of remittance volatility is primarily concentrated at the household level, particularly among those for whom remittances represent a substantial share of total income. In such cases, disruptions in remittance flows can translate rapidly into reduced consumption, lower savings, and increased vulnerability to shocks. At the same time,

broader local economic effects may emerge through reduced demand, constrained liquidity, and pressure on rural labor markets, including in contexts where return migration increases.

Addressing these risks requires moving beyond broad territorial assumptions toward a more targeted understanding of exposure and response capacity. In particular, there is a need to better understand:

- which rural household profiles are most exposed to changes in remittance flows,
- how remittance markets, financial access conditions, and delivery channels shape resilience,
- and whether financial institutions, policy frameworks, and regulatory environments are prepared to respond effectively.

While a range of financial products and policy instruments relevant to remittance-receiving populations already exists, their deployment in rural areas often remains limited by gaps in access, incentives, coordination, and market readiness. Strengthening resilience therefore depends less on inventing new instruments and more on aligning existing solutions with the needs of affected populations, and ensuring that financial and institutional actors are prepared to act when demand shifts.

In this context, this grant will support a focused analytical and operational effort to assess remittance-related risks, engage key stakeholders, and co-develop practical response pathways tailored to rural LAC contexts. The initiative will combine targeted evidence generation with structured country-level engagement and regional knowledge exchange.

5. Targeted Regions and Countries

This regional initiative will be implemented in Latin America and the Caribbean (LAC), with a focus on the following countries:

- El Salvador
- Honduras
- Guatemala
- Mexico
- Dominican Republic

These countries have been pre-identified based on their relevance in terms of remittance flows, exposure to potential shifts in migration dynamics, and importance for IFAD's operational engagement in the region.

6. Scope of Work

The selected institution shall implement an integrated set of activities structured around two components, producing evidence and co-developed solutions with IFAD with high potential for uptake through IFAD operations and national systems.

Component 1. Knowledge Generation

The selected institution shall generate a robust, operationally relevant evidence base on remittance-related vulnerabilities affecting rural households and local economies in the five target countries. The analytical work under this component shall directly inform the country engagement and response design processes under Component 2.

1.1 Regional Analytical Framework

The selected institution shall develop a regional analytical framework synthesising available evidence on the remittance landscape in LAC, with particular attention to rural contexts. Building on existing IFAD and FFR knowledge products, including RemitSCOPE, the framework shall prioritise operational relevance and serve as a shared foundation for the country-level work under sub-component 1.2. The framework shall specifically address:

- Remittance market characteristics, including flows, transfer channels, costs, access points, and service provider landscape across the region;
- Regulatory and institutional factors affecting remittance flows and financial service provision, including KYC requirements, agent network coverage, interoperability of payment systems, and consumer protection frameworks;

Plausible shock scenarios — such as sustained declines in flow volumes, increased transfer costs, delayed remittances, and return migration — and their potential effects on household consumption, savings behaviour, and local economic activity.The regional framework shall be made available as a standalone knowledge product and shall directly feed the country-level profiling under sub-component 1.2.

1.2 Country-Level Analytical Profiles

Building on the regional framework, the selected institution shall develop detailed exposure and readiness profiles for each of the five target countries through desk research, secondary data analysis, and territorial mapping. Each country profile shall include:

- Priority hotspot areas for policy and financial intervention identified through a desk review, including where feasible, geographical mapping of rural and remote territories where high remittance dependence overlaps with poverty, limited financial inclusion, and weak institutional buffers. Territories shall be classified into clear vulnerability typologies to inform targeted responses under Component 2;
- Institutional mapping of key public and private actors — including financial institutions, remittance service providers, fintechs, development finance institutions, and implementation agencies of IFAD-funded operations — operating in rural areas and relevant to remittance flows;
- Regulatory analysis of the enabling environment for financial service provision and remittance transfers, identifying key bottlenecks, gaps in regulatory frameworks, and opportunities for reform or adaptation.

Profiles shall include subnational insights where data and operational context justify it, and shall inform IFAD country teams on territorial exposure to remittance volatility. All analytical outputs shall be designed to directly feed the stakeholder engagement processes under Component 2.

Component 2 — Country Engagement and Financial Sector Readiness

Component 2 constitutes the operational core of the project and shall concentrate the largest share of financial resources.

Building on the analytical profiles generated under Component 1, the selected institution shall conduct structured country-level engagement processes to validate findings, align stakeholders on response priorities, identify opportunities for remittance-related solutions and assess the readiness of financial institutions to serve remittance-receiving rural populations.

While Component 1 aims to generate a broad evidence base across all five target countries, Component 2 will adopt a phased approach. An initial phase will support stakeholder engagement, validation of analytical findings and country prioritisation across the five target countries. Based on this process, two countries will be selected for a second phase focused on the development, adaptation and potential operationalisation of solutions.

The selected institution/consortium will develop and apply a country prioritisation framework, in consultation with IFAD. This framework will draw on the findings of Component 1 and the outcomes of stakeholder consultations. The framework will consider criteria such as the extent of remittance-related vulnerability and operational readiness of relevant institutions and key stakeholders, as well as opportunities for partnership and uptake. It will also consider the alignment with ongoing IFAD-supported operations and the potential for generating lessons and models with broader regional relevance.

The identification and final selection of the two countries will be carried out in close consultation and agreement with IFAD, ensuring full alignment with institutional priorities and operational considerations. The selection criteria will be jointly developed and validated with IFAD, and the analysis will take into account the presence of ongoing IFAD-funded remittances initiatives.

In the selected two countries, Component 2 will go beyond validation to actively support the co-creation and piloting of context-specific solutions, including identifying and enabling the deployment and/or adaptation to rural areas of existing or near-market ready solutions through financial institutions, strengthening institutional capacities and fostering partnerships that enhance the effective use of remittances for rural development.

This phase is intended to move beyond diagnostic analysis and stakeholder validation towards the co-creation and testing of operational response pathways that could be integrated into existing or future investments, partnerships and policy processes.

2.1 Structured Stakeholder Dialogue

Sub-component 2.1 shall serve as the bridge between Component 1 and Component 2, translating the analytical findings into a structured country dialogue process that validates evidence, prioritises response options, and prepares the ground for the subsequent design of context-specific policy and financial measures.

The selected institution shall organise structured stakeholder consultation[1] processes in the five target countries. The consultations shall validate analytical findings, identify priority response pathways, assess stakeholder commitment and implementation opportunities, and contribute to the identification and assessment of potential financial sector partners for subsequent engagement under Sub-component 2.2.

Each country consultation process shall comprise:

- One **in-person multi-stakeholder meeting** designed to present and validate key findings from the country-level analytical work, facilitate dialogue on the expected impacts of remittance shocks on rural households and local economies, and build alignment on feasible policy and financial response pathways, including the identification of existing or near-market ready solutions, with potential for adaptation to rural settings.
- A minimum of **two digital/remote follow-up sessions**, to consolidate stakeholder inputs, review draft response options, and ensure alignment prior to finalisation of country deliverables.

Stakeholder consultation reports shall document key findings, participant inputs, areas of agreement, and recommended priorities. These reports shall feed directly into the country-level response packages and the financial sector readiness assessments under sub-component 2.2.

To ensure that country-level findings contribute to regional policy and market dialogue, IFAD's Financing Facility for Remittances will convene RemesAmericas, a regional platform bringing together governments, financial institutions, development partners, and private sector actors to address remittance-related risks and response strategies in LAC.

Based on the findings of the analytical work, the outcomes of stakeholder consultations, and the country prioritisation framework, two countries shall be selected for deeper engagement under Sub-component 2.2. The identification and final selection of these two countries shall be carried out in close consultation and agreement with IFAD, ensuring full alignment with institutional priorities and operational considerations. The selection criteria shall be jointly developed and validated with IFAD, and the assessment shall take into account the presence of ongoing IFAD-funded remittances initiatives.

2.2 Financial Institution Bilateral Engagement

Building on the institutional mapping (sub-component 1.2) and the multi-stakeholder dialogues (sub-component 2.1), the selected institution shall conduct structured bilateral engagement with one to two financial institutions per country, in the two countries selected, on the basis of their reach into rural areas, their existing

[1] Stakeholders consultation shall include, as relevant, representatives from public sector institutions (e.g. ministries, central banks, financial regulators and local authorities), financial institutions, remittance service providers, fintechs, mobile money operators, IFAD implementing partners, development finance institutions, civil society organisations, producer organisations and other relevant market actors. Each country consultation process shall engage a representative cross-section of stakeholders, including at least three financial sector actors relevant to remittance services and rural financial inclusion.

relationship with remittance-receiving populations, and their potential appetite for product adaptation.

The objective of this sub-component is to apply practical piloting and prototyping solutions in terms of the readiness, appetite, and constraints for a sample selection of financial institutions with respect to remittance-linked products, while moving beyond diagnostic analysis toward the design and testing of concrete, scalable solutions. In this regard, this sub-component is expected to play a central role in the grant, combining assessment with hands-on technical assistance to support partner institutions in addressing identified gaps and opportunities.

For each financial institution engaged, the selected institution shall:

- **Assess institutional readiness:** evaluate the institution's current product offering, operational capacity in rural and remittance-receiving areas, risk appetite, and internal conditions for product innovation;
- **Identify response opportunities:** map gaps in the institution's product suite against the needs of remittance-receiving rural populations, and identify existing or near-market ready solutions with potential for adaptation;
- **Provide technical assistance:** support the design or adaptation of at least one remittance-linked financial product, including target segments, value proposition, delivery channels, and operational requirements; and strengthen relevant institutional capabilities and systems where needed;
- **Develop a pilot and scaling pathway:** co-develop a pilot-ready product or service model and implementation roadmap including a clearly defined target segment, value proposition, delivery channel, operational requirements, partnership arrangements (e.g. with remittance service providers or fintechs), business case assumptions, risk mitigation measures, monitoring framework, and a framework for replication and scaling within IFAD-supported programmes or through financial sector partners.

Based on the results and outputs from the comprehensive desk review in Component 1 and country-level engagement, the project will then focus on deepening the theorical findings in two countries in order to develop concrete, context-specific and actionable solutions, ensuring that this sub-component delivers tangible and actionable outputs. This includes the delivery of product prototypes or pilot-ready models, along with clearly articulated pathways for replication and scaling within IFAD-supported programmes or through financial sector partners.

Findings and outputs shall be consolidated into two country-level financial sector readiness notes, product design and pilot briefs, and scaling frameworks, which shall be included in the country response packages and made available to IFAD country teams and FFR for follow-on programming.

Expected Outputs

Inception and Work Planning

Inception Report and detailed implementation workplan, including:

- Refined methodology and analytical approach;
- Detailed sequencing of activities;
- Stakeholder engagement strategy;
- Proposed data sources and analytical tools;
- Country-level implementation schedule;
- Risk matrix and mitigation measures;
- Deliverable timeline and quality assurance arrangements.

Component 1 — Knowledge Generation

- A regional analytical framework synthesising evidence on remittance market characteristics, regulatory conditions, financial access, institutional factors, and plausible shock scenarios across the LAC region;
- Five country-level analytical profiles, each including:
  - Geographical hotspot mapping of high remittance-dependence territories with vulnerability typologies;
  - Institutional mapping of key public and private actors in rural areas;
  - Regulatory analysis identifying key bottlenecks and opportunities.

Component 2 — Country Engagement and Financial Sector Readiness

- Country Prioritisation Framework and Selection Note, documenting:
  - The application of the country prioritisation framework;
  - Findings from the country analytical profiles;
  - Key insights emerging from stakeholder consultations;
  - Assessment against jointly agreed selection criteria;
  - Consideration of ongoing IFAD-supported remittances initiatives;
  - Validation process and final country selection undertaken in consultation with IFAD.
- Stakeholder consultation reports of the five target countries (documenting key findings, and prioritised policy and financial response options, ensuring country-level ownership and alignment;
- Country-level financial sector readiness notes (2 countries), including:
  - Assessment of one to two financial institutions per country, covering their current product offering, operational capacity, regulatory environment, and engagement with remittance-receiving rural populations;
  - Identification of key gaps, constraints, and opportunities for developing or adapting remittance-linked products;
  - Analysis of institutional readiness, risk appetite, and enabling conditions for product innovation;
  - Indicative partnership modalities and entry points for IFAD-supported follow-on programming;
- Product prototypes (at least 1 per priority country), detailing the technical design of at least one remittance-linked financial product — including target segments, value proposition, delivery channels, feasibility assessment, and proposed pilot approach — sufficiently detailed to proceed directly to pilot deployment.
- Implementation roadmaps for pilot deployment, including:

  - Operational and system requirements;
  - Partnership arrangements (e.g., with remittance service providers or fintechs);
  - Business case considerations and sustainability assumptions;
  - Risk assessment and mitigation measures;
- Scaling frameworks (2 countries), outlining:
  - Pathways for replication and expansion within IFAD-supported programmes and/or through financial sector partners (e.g. banks, MFIs, remittance service providers);
  - Institutional, financial, and regulatory requirements for scaling;
  - Identified opportunities for leveraging IFAD investments, partnerships, or cofinancing;
- Country response packages, consolidating analytical findings, stakeholder inputs, financial sector diagnostics, product design outputs, and scaling pathways, for use by IFAD country teams and FFR.

Expected Outcomes

The implementation of this grant is expected to contribute to the following outcomes:

- **Improved understanding of remittance-related risks and opportunities** affecting rural households and local economies, including exposure profiles, market dynamics and regulatory constraints; to inform evidence-based decision-making;
- **Strengthened preparedness and response capacity of public and private actors**, including governments and financial institutions, to mitigate and respond to potential remittance shocks through coordinated policy and financial measures;
- **Enhanced alignment between financial service providers and the needs of remittance-receiving populations**, resulting in the development and initial uptake of context-specific, remittance-linked financial products and services;
- **Increased availability of operational, pilot-ready financial solutions**, supported by strengthened institutional capacities and partnerships, enabling testing, replication, and progressive scaling through IFAD-supported programmes and financial sector partners;
- **Improved integration of remittance-related considerations into IFAD operations**, including country strategies, project design and financial inclusion approaches, supported by actionable country response packages and implementation pathways;
- **Establishment of concrete partnerships and scaling pathways,** enabling the replication and expansion of tested solutions through IFAD-supported programmes, financial institutions and other stakeholders.

Evaluation Criteria

Proposals will be evaluated based on the following criteria:

1) Technical Proposal (50%)

a) Strategic Fit and Relevance

- Clear alignment with the objectives and scope of the grant;
- Demonstrated understanding of remittance dynamics in rural LAC contexts, including implications for rural households, local economies and financial systems;
- Understanding of the operational and policy context relevant to IFAD-supported interventions.
- Ability to frame remittance volatility as a rural livelihoods and resilience issue, rather than only as a migration, payments, or macroeconomic issue.

b) Quality and Rigor of the Analytical Approach

- Soundness and coherence of the proposed analytical framework, including integration of:
  - remittance market characteristics,
  - household exposure,
  - rurality
  - financial access conditions, and
  - regulatory and institutional dimensions;
  - migration exposure and risk mitigants
- Appropriate use of existing datasets and tools (including IFAD and FFR knowledge products);
- Clarity in linking analysis to practical, policy-relevant insights.
- clear identification of data sources, assumptions, limitations, and treatment of subnational data gaps to ensure analytical precision and avoid overstatement.

c) Operational Relevance and Feasibility

- Clarity and realism of the proposed approach to translating analysis into implementable response pathways;
- Feasibility of the proposed workplan, sequencing and resourcing in relation to the scope, number of countries and timeframe; Demonstrated ability to engage effectively with public and private stakeholders, including financial institutions and regulators.
- Realism of the proposed deliverables, staffing, travel, and implementation arrangements in relation to the grant envelope and implementation period.
- Ability to identify differentiated effects of remittance volatility on women, youth, Indigenous peoples, return migrants, and other vulnerable rural groups, where data permit, and reflect these differences in proposed response pathways.

d) Design of Policy and Financial Response Pathways

- Quality and relevance of proposed approaches to identifying and specifying policy, institutional, regulatory and financial response options;
- Demonstrated understanding of financial sector dynamics, including:
  - delivery channels,
  - institutional partnerships,
  - rural access constraints
  - regulatory considerations, and
  - consumer protection;

- Practicality and scalability of proposed response options within country contexts and IFAD-supported operations.
- Effectiveness of the proposed methodology for providing technical assistance to financial institutions in the design or adaptation of remittance-linked financial products or services
- Strength of the proposed approach to developing pilot-ready product or service models, including target segment, value proposition, delivery channel, partner roles, operational requirements, regulatory considerations, business case assumptions, risk mitigation measures, monitoring framework, and proposed pilot approach.

e) Knowledge Management and Regional Convening

- Strength of the proposed approach to knowledge synthesis, communication and dissemination;
- Ability to translate country-level findings into regional learning, policy dialogue, and multi-stakeholder engagement;

2) Financial Proposal (25%)

- Cost-effectiveness and value for money of the proposed approach;
- Clear justification of major cost drivers in relation to expected outputs;
- Alignment between the technical proposal, workplan and budget;
- Compliance with IFAD cost eligibility rules and overhead norms;
- Level, credibility and relevance of co-financing (cash and/or in-kind), where applicable. Private sector recipients must contribute at least 25 per cent of the IFAD grant amount, while other recipients should aim to contribute at least 20 per cent; any lower contribution must be duly justified.

3) Institutional Capacity and Risk Management (25%)

a) Technical and Operational Experience

- Demonstrated experience in:
  - remittances, migration, diaspora finance, and rural development in LAC;
  - financial inclusion and rural finance systems and work with banks, MFIs, cooperatives, fintechs, remittance service providers, or other relevant financial-sector actors;
  - engagement with financial institutions, regulators and policy actors;
- Experience in designing adapting, piloting, or scaling financial products, services, or policy frameworks in regulated environments.
- Relevant experience in supporting pilot deployment, adaptation and/or scale-up of financial products

b) Implementation Capacity

- Adequacy of the proposed team, governance arrangements and management structure;
- Qualifications and relevant experience of the proposed team leader and key experts;
- Clear allocation of roles and level of effort across team members, consortium members, and country-level partners;
- Demonstrated capacity to operate and engage stakeholders in the target countries;
- Experience in multi-country programme delivery and coordination.

c) Risk Identification and Mitigation

- Identification of key risks (technical, operational, regulatory, coordination);

- Adequacy and credibility of proposed mitigation measures.
- Approach to managing data limitations, confidentiality, sensitive financial or institutional information, and responsible use of stakeholder inputs.Capacity to adapt the workplan if country conditions, partner availability, data access, or regulatory constraints affect implementation.

Funding and Duration

- **Indicative IFAD financing**: US$ 500,000 (President-approved small grant).
- **Co-financing**: TBD (encouraged to maximize outreach and sustainability). Minimum co-financing thresholds apply: ≥20% for non-private sector recipients; ≥25% for private sector recipients (cash and/or in-kind).
- **Implementation window**: up to 24 months, aligned with expected approval in Q4 2026 and structured in phases, including initial analytical work followed by country-level engagement and regional synthesis and convening.

Minimum requirements to participate

Applicant institutions must demonstrate at least 5 years' experience in:

1. **Remittances, migration, and rural development**: analysis of flows, household-level impacts, and policy responses in LAC; familiarity with diaspora finance and payment ecosystems.
2. **Financial inclusion and rural finance systems**: experience working with financial institutions (banks, MFIs, cooperatives, fintechs), and designing or operationalizing financial solutions in rural contexts.
3. **Regulatory and policy environments**: demonstrated understanding of regulatory frameworks affecting financial services, remittances, and financial inclusion, and experience engaging with public authorities and regulators.
4. **Applied analytics and policy-oriented research**: quantitative and qualitative methods, scenario analysis, and ability to translate analysis into operational and policy-relevant recommendations.
5. **Stakeholder engagement and knowledge management**: experience convening public and private actors, facilitating dialogue, and producing actionable policy and operational outputs.
6. **Operational presence in LAC**: demonstrated capacity to conduct fieldwork, consultations, and implementation support.

Documentation to Submit

For the selection process, the candidates shall refer to the following documents, which form an integral part of this Call for Proposals (CFP):

- The Grant Identification Note, specifying the objectives, scope of work, deliverables, indicative financial envelope, and the basis for award;
- The Grant Concept Note Template to be used for submission;
- Bidders' self-certification of eligibility for IFAD grant financing;
- Grant General Provisions Applicable to IFAD Grant Agreements, including relevant SECAP provisions;
- Guidance on Eligible Expenditure and Budget Preparation.

The organisations' submission will include:

- Project proposal submitted in English using the Grant Concept Note template (Annex 1).
- Budget Table in Excel format by activities (please refer to the budget template in Annex 2 Grant Detailed Activity-based Budget template for reference).
- Bidders' self-certification of eligibility for IFAD grant financing, duly completed (Annex 3 or Annex 4, depending on the type of organization).
- Non-Disclosure Agreement (NDA), completed using the NDA Template (Annex 5).

Timeline

- Clarification period: until 19 August (first two weeks of the submission window);
- Submission deadline: **4 September 2026,** 23:59 Panama time (UTC-5);
- Informative Q&A session: 19 August 9:00 to 10:00 a.m. *(Panama time / GMT-5)* Zoom link: https://ifad.zoom.us/meeting/register/AfQ2F_BER_2BbXyJRpnTSw
- Communication of results: via email; the selected institution/consortium shall confirm acceptance within five (5) working days.

Submission method

Submissions shall be sent in PDF format by email (with the budget table in Excel format submitted separately) to: **lacgrants@ifad.org**.

Note

IFAD reserves the right to annul the selection process at any time. Costs incurred in the preparation of proposals are the sole responsibility of applicants. Award of the grant is subject to successful negotiations and to IFAD's internal approval processes and applicable general provisions.