



NEWS RELEASE

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FOR IMMEDIATE RELEASE

Release No. : 10203-1
Date: October 2, 2003
Pages: Two

Congressional Subcommittee Hears Valenzuela on Remittances

ARLINGTON, Va. — David Valenzuela, president of the Inter-American Foundation (IAF), addressed Congress yesterday on the role of remittances in development.

Testifying before the Subcommittee on Domestic and International Monetary Policy, Trade and Technology of the House Committee on Financial Services, Valenzuela described the IAF's efforts to reach the communities on both sides of the transaction and help them use the remittance flow to improve living conditions in Latin America and the Caribbean.

In 2003, the IAF's call for proposals attracted more than a dozen applications from grassroots organizations overseas with ideas on doing just that. The IAF has been funding such grants since the late 1990s, well before the sheer volume of money sent home by migrant workers grabbed the attention of the development profession.

The flow is indeed impressive. Last year remittances to El Salvador, for example, were estimated to total \$2 billion or 13 percent of the gross national product. However, as Valenzuela pointed out to the subcommittee, cash is just one feature of what the migrants send. "We have learned that remittances are not just financial transfers," he said, "but include 'remittances' of new ideas and practices (for instance, citizen participation or the role of women) and 'remittances' of new skills and experiences (for instance, construction techniques or computer applications) that can also transfer to the 'home-town' communities."

Since co-sponsoring the first-ever international conference on the uses of remittances in development in 2001, the IAF has organized similar events in Haiti and Mexico. Its *Approaches to Increasing the Productive Value of Remittances*, collecting the 2001 conference presentations, was the first comprehensive publication on the subject. An update planned for 2004 will include material from a series of dialogues IAF representatives have launched with immigrant groups in major U.S. cities and their counterparts overseas.

For more information on the IAF's involvement with this transnational phenomenon log onto the IAF Web site, click on news and events, then on special events.

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Congress created the IAF in 1969 as an alternative to traditional government-to-government assistance. It provides assistance directly to poor people in Latin America and the Caribbean. It is the only U.S. Government foreign assistance agency financing self-help projects designed by local community organizations. Since 1971, the IAF has funded more than 4,400 such projects in 32 countries. Its mandate includes sharing lessons learned from its vast experience.

Para clarificación en español o más detalles, llame al 703-306-4357.
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