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Background Paper

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Roundtable 1: Circulating Labour for Inclusive Development -

RT Session 1.2: *Supporting Migrants and Diaspora as Agents of Socioeconomic Change*

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This paper was prepared by the World Bank (Sonia Plaza, Dilip Ratha), IOM (Dina Ionesco) and IFAD (Robert Meins), with inputs from the RT 1.2 co-chairs, members of the RT team and the RT 1 Coordinator. The paper is intended to inform and stimulate discussion of Roundtable session 1.2 during the Mauritian GFMD summit meeting in November 2012. It is not exhaustive in its treatment of the session 1.2 theme and does not necessarily reflect the views of the GFMD organizers or the governments or international organizations involved in the GFMD process.

1. Executive Summary

This paper supports the preparation and discussion of **GFMD Roundtable session 1.2**. The paper builds on earlier GFMD discussions on diaspora and complements RT 1.1 on circulating labour for inclusive development. It is based on the assumption that the accumulated skills, ideas, networks and financial resources of migrants and diaspora can support and even catalyze socio-economic development in the home country. Increasingly, both developed and developing countries are stepping up policy, institutional and financial efforts to strengthen the capacities and resources of diaspora to achieve this.

In line with the GFMD 2012 objective of engaging the private sector more to help governments attain their development goals, a key focus is on promoting entrepreneurship and strengthening economic, trade and investment links between countries. The paper thus deals with private sector development through the involvement of diasporas and the role that governments can play in facilitating, capacitating, co-investing and partnering with their diaspora for economic, specifically private sector development outcomes. The focus on private sector and entrepreneurship is complementary to diasporas' philanthropic, social and cultural contributions to their home and host countries; and goes hand in hand with the RT 1 focus on skills circulation for development.

The paper identifies the main policy ingredients and the institutional, financial and partnership mechanisms to achieve diaspora engagement in development strategies. It examines how government or inter-agency institutions dedicated to diaspora, including consulates and embassies abroad, can strengthen links between diaspora and their home country, and ensure that the economic and business environment back home offers opportunities for entrepreneurial initiatives. It looks at incentives, programs and legal frameworks to attract diaspora willing to work and invest in their country or region of origin. It identifies practical vehicles and instruments to leverage and securitize remittances and offer options to invest in businesses that create jobs and support infrastructural development in the home country. Finally, the paper points to some possible outcomes and questions to guide the Roundtable session discussion at the GFMD Summit meeting.

The objectives of the RT 1.2 session are:

- a) Identify and rehearse effective schemes to encourage migrants and diaspora to invest in businesses, infrastructural development and other development initiatives in the country of origin.
- b) Encourage/forgo partnerships, specifically involving the private sector, to: i) strengthen the business environment at origin; and ii) incentivize diaspora to engage in the development efforts of the home country.
- c) Develop models to improve national legal and institutional frameworks i) to create a better environment and more accessible channels for migrant and diaspora investments, and ii) to better integrate migration, diaspora and development policies.

2. Background and Context

i. Definitions and terminology

There is no single, or legal, definition of "diaspora". The term conveys the notion of transnational populations, living in one place but connected with a "homeland", with a real or "imagined" affiliation to their country of origin. There are many other notions of diaspora, such as nationals abroad, permanent immigrants, citizen of (x) origin living abroad, non-resident persons of (x) origin (see IOM, 2006). The definition of diaspora is contextual to each country and is based on criteria of time, place of birth, citizenship, identities, feeling of belonging, types of links with the home country

etc.). By comparison, the African Union, uses a more collective definition which defines the African diaspora as “consisting of people of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent and the building of the African Union.”¹

The modern notion of “diaspora” has lost some of its historical characteristics of exile and irreversibility, as the migration phenomenon has also grown in complexity. The circular migration phenomena of today also blur the distinction between migrants and diasporas. The use of “diaspora” in this paper aims at a larger population than “migrants: i.e. second and third generations and migrants who are permanently settled and acquire a new citizenship, but still retain linkages with their country of origin. It also favours a more “collective” definition: diasporas as groups rather than individual migrants. The way governments define diasporas influences the policies they choose to facilitate their contributions to development. Importantly, diasporas can have different effects in different countries; and the behavior of migrants, diaspora and governments can be influenced by global and local economic developments.

ii. Background

Diaspora-related policies have seen a considerable expansion in the last twenty years, at the cross roads of migration and development, and at the heart of mainstreaming migration into development planning. Given the transnational nature of diasporas, policies are both host and home country-relevant and should not be viewed as only a developed-developing country dynamic.

Some destination countries are devoting resources to help diasporas promote development in their countries of origin. Canada, France, Germany, Italy, the Netherlands, Spain, the United States, and the European Union (EU), among other governments and institutions, are becoming more interested in working with the diasporas in their countries. A growing number of developing country governments are reaching out to their diaspora as well. Nigeria, South Africa, Eritrea, and Senegal have launched several plans to include their diaspora communities as partners in development projects. Countries like Chile, El Salvador, India, Morocco, Ethiopia, Ghana, Mali, Mexico, Nigeria, Rwanda, Senegal, Tanzania, and Uganda have established institutions at the agency, ministerial, council or committee level to interact with their diaspora.

Diaspora and migrant contributions to development strategies are now acknowledged widely in both home and host countries. The policy focus on these contributions has grown in the past twenty years, with the expansion of transnational studies and the increasing importance of migration movements world-wide. Numerous studies have focused on cultural exchanges, affective and philanthropic links, contributions to political life, conflict resolution and security (recognizing both positive and possibly negative impacts according to each context). The growing interest in diaspora strategies has allowed policy makers to look at diaspora contributions through the wider lenses of migration and development (see IOM, EU, GCIM, Bern Initiative, OECD, World Bank, etc.).

One of the initial policy targets was migrant remittances, with an important effort at the beginning of the 2000s to quantify these transfers (see Ratha, 2003, World Bank, 2006). More recently, the policy interest has widened beyond financial transfers, in particular to trade, investment, skills circulation, virtual exchanges or e-learning, and led to new programs to deal with mobility, facilitated migration, voluntary returns, network development support etc.

Another area of growing policy interest is the institutional approach to diasporas, or the creation of structures to target diasporas and their mobilization for development purposes (see IOM/MPI

¹Definition by the African Union in 2005; also see the definition of the African diaspora by Wikipedia available at: http://en.wikipedia.org/wiki/African_diaspora. The African Union considers its diaspora as the sixth regional economic community (REC) – see “*Statement at the African Union Consultation with the African Diaspora in the US: Building Bridges across the Atlantic*” available at: <http://www.unohrrls.org/en/orphan/791/>.

Handbook 2012). The focus is increasingly on the engagement of diasporas in transnational business and their contributions to the private sector, and enterprise and job creation strategies (IFAD FFR Brief 2012). This is particularly challenging, as not all diaspora are entrepreneurs. However, many are already contributing in some way to development, and have the assets and commitment to do more, but lack the expertise in establishing and managing a business.

An important player in development planning is the private sector, and diaspora can leverage their transnational experiences and social networks for entrepreneurial, business and job creation purposes, particularly at the level of local small and medium sized enterprises (SMEs). Diasporas build bridges for cross-border business, trade and investment between host and home countries. Diaspora-driven SMEs and diaspora networks facilitate the transfer of skills, knowledge and technologies and act as effective capacity builders. Given the diasporas' familiarity with both the home and host country, they can act as facilitators, middle persons and cost savers. Finally, diasporas can invest directly or indirectly in sectoral development back home through their remittances, savings and private investments.

However, there remain many open policy questions about how to encourage diaspora investment in a sustainable way that safeguards their hard-earned income, and about the most appropriate diaspora-targeted strategies for private sector development. When encouraging diaspora investment, it is important to consider the type of investment and client in order to devise the best marketing strategy. Some determinants of diaspora investment include: sense of duty, emotional attachment, social networks, visits to the origin country, disposable income, level of financial access, financial education, and risk.

Acknowledging the role of diasporas in transnational entrepreneurship is the first step towards policies to support them in such entrepreneurial and investment activities across borders. The next section of the paper will discuss how to maximize the different entrepreneurial and investment potential of diasporas.

3. Policies and Practices

This section will explore some of the essential elements of effective policies to engage diasporas for socio-economic development, in particular for private sector investment and business development. It will discuss what can be done to enhance diaspora contributions to private sector and business development. It will propose six main elements, underpinned by some examples of existing practices.

a) Build a common agenda

In order to build common agendas for action with diasporas, and create trust relations that are key for successful programs, a step-by-step approach with different types of activities can be applied:

- **The initial assessment phase- Diaspora Profiles/Surveys:** Choosing the focus of policy after assessing the needs

To devise comprehensive diaspora policies, policy makers need to understand diasporas, their profiles and their needs. The first stage of any successful and comprehensive diaspora policy is a fully fledged assessment of who the diaspora are, where they are, their interests, objectives and strategies, the actors and main interlocutors, their capacities, and the main obstacles to their involvement in development projects, etc. Without this assessment stage, activities can miss the target and fail because of a lack of understanding of diaspora interests, capacities and needs.

- **The Institutional approach:** Improving the engagement with diaspora via dedicated institutions and by using existing government facilities abroad, especially embassies and consulates.

Institutions targeting diaspora and facilitating collaboration between diaspora, government and private sector directly help to maintain links. These initiatives range from the creation of dedicated ministries to deal with migrant communities to adding specific functions to the ministry of foreign affairs, interior, finance, trade, social affairs, youth, and so on.² Some governments have also set up councils or decentralized institutions that deal with migrant community issues. Several of these initiatives have not maintained their momentum, or have been discontinued with a change of government.³

Experience shows that governments are also more likely to succeed in setting realistic but ambitious goals for diaspora engagement if they consult with diaspora members in setting these goals. Mexico, for example, has established the Consultative Council of the Institute for Mexicans Abroad (CCIME), comprising mostly leaders elected by diaspora communities in the US and Canada. The council makes recommendations to the government about its diaspora policies, and engages with the Institute for Mexicans Abroad (Instituto de los Mexicanos en el Exterior (IME)), ensuring that diaspora issues are integrated into national development strategies.⁴

Government institutions abroad, especially embassies and consulates, can play a key role in reaching out to the diaspora (Ionesco 2006). However, a survey of embassies in Abu Dhabi, Washington D.C., Paris, London, and Pretoria indicates a need to improve African governments' capacity and resources to sustain the activities of ministries and institutions dealing with their communities abroad (Plaza and Ratha, 2011). Some of the difficulties embassies face in reaching their diaspora include:

- i) Lack of coordination among departments, and between the embassy and consular offices;
- ii) Lack of adequate information on the size and profile of the diaspora (especially since registration is optional);
- iii) Migrants from politically unstable countries less likely than those from stable countries to engage with the embassy;
- iv) Inadequate staff dedicated to working with the diaspora; and
- v) A need for capacity building of embassies to reach out to the diaspora and facilitate investment, trade, and skill transfers.

Steps that could improve embassy engagement with diasporas include outreach programs to collect and disseminate more information, training of embassy staff to contact diaspora members and facilitate investment and trade contacts, and the use of embassies as a vehicle for marketing investment and financial mechanisms such as diaspora bonds.

The existence of these structures does not guarantee that resources are being invested sufficiently in diaspora matters, or that trust relations are successfully built. However, their existence shows the awareness that governments have of diaspora interests and potential contributions, and their willingness to engage with the diaspora abroad.

b) Create the “right environment”:

²Many countries have now created structures to work with the diasporas, they can be Ministries, advisory councils or other entities in government, such as the Ministry for Overseas Indian Affairs (MOIA), Ministry for Malians Abroad, the Chile Office for Chileans Abroad, the Ministry for Moroccans Living Abroad, Inter-ministerial Committee for Chilean Communities Abroad, and the Council for the Moroccan Community Abroad (CCME). Other countries developed diaspora programs such as Colombia Nos Une, a program of the Bureau of Consular Affairs and Colombian Communities Abroad in the Ministry of Foreign Affairs. Guatemala, Ecuador and El Salvador have all three programs with high level political commitment to engaging with diasporas. In other countries, in addition to governmental structures there are foundations such as the Overseas Korean Foundation (OKF) in South Korea, or the Hassan II Foundation for Moroccans Residing Abroad, aimed at facilitating work with diasporas.

³ Nigeria launched a dialogue with Nigerians abroad to incorporate their views in national development policies. A 2003–05 Ghanaian poverty reduction strategy paper proposed establishing a Non-Resident Ghanaian Fund for poverty projects, but it was never implemented. A 2007 Kenya Diaspora bill, designed to increase benefits from the diaspora, was never passed.

⁴ See IOM-MPI Handbook for more examples of practices.

To ensure that policy helps create a conducive environment for diaspora involvement in development strategies, particularly in business, governments and private sector need jointly to strengthen private sector investment and the incentives and facilities to attract diaspora assets and returns.

Supportive regulatory and policy environment (e.g. social and financial protections; dual citizenship; savings and investment access (particularly for women));

As with other potential investors and trading partners, diaspora seeking to invest in or trade with their home countries are often constrained by the poor business environment. They require a conducive business environment, a sound and transparent financial sector, rapid and efficient court systems, and a safe working environment (Page and Plaza 2006). Haas (2006) emphasizes that bad infrastructure, corruption, red tape, lack of macroeconomic stability, trade barriers, a lack of legal security, and lack of trust in government institutions affect migrants' decisions to invest in their home countries and to return.

According to the findings of case studies and interviews with the African diaspora (World Bank, 2011), procedures governing business licenses, registrations, and exports and imports remain complicated, often with excessive red tape and customs delays. Some diaspora associations even reported barriers to shipping donated goods, citing, for example, cumbersome import procedures for donated books. (All merchandise meant for charity purposes should fulfill the same inspection, quality-control, and certification processes required for other imports.)

Some African governments offer incentives to attract diaspora investment. For example, Ethiopia provides a yellow card, which grants diaspora the same benefits and rights as domestic investors. Additional incentives for both foreign investors and the diaspora include income-tax exemption from 2 to 7 years; 100 percent duty exemption on the import of machinery and equipment for investment projects; and 100 percent customs exemption on spare parts whose value does not exceed 15 percent of the total value of capital goods imported (Federal Negarit Gazeta 2003). Such policies have encouraged many in the Ethiopian diaspora to invest in small businesses in Ethiopia. Some countries are considering having one focal area in a government institution to handle all paper work relating to the diaspora across administrative levels, to facilitate diaspora access to investment opportunities at home.

The treatment of potential investors from the diaspora remains controversial. Some diaspora members have complained that countries like Burundi give more favorable treatment to foreign investors than members of their own diaspora. In many cases, it may be better to provide efficient procedures for all investors, without requiring proof of the investor's origin and nationality. Origin countries could still benefit from directing their scarce resources to providing broader support to diaspora than just consular services.

c) Facilitate information flows

The diaspora living in receiving countries need to access information on potential demand and investment opportunities in their home countries. Information on investment sectors that are considered a priority and in line with public strategies should be collected and made available, also as a way to promote mainstreaming and coherence at national and local level (information by region of origin).

Institutional providers of export market and investment information, such as embassies, consulates, and investment promotion agencies, can all provide convenient mechanisms for reducing asymmetric information. Some government agencies are attempting to improve their contacts with diasporas specifically to generate investment opportunities for origin-country firms. Both governments and the private sector have supported business forums to attract diaspora investors. For example, one of the

new roles of export promotion agencies in Ethiopia, Ghana, Nigeria, and Uganda is to provide accurate information and linkages opportunities to investors, including from diasporas.

d) Engage in a partnership approach

There are a myriad of partnerships between governments (also at local levels), private sector, international organizations, migrants and/or diaspora that work to support migrant/diaspora entrepreneurship, skills transfer and contributions to community development programs. Some of the most innovative partnerships exist at the local level and via cooperatives. Some of the biggest challenges and opportunities occur in the rural sector, as demonstrated by the Financing Facility for Remittances programme by IFAD, which promotes innovative partnerships between rural financial institutions and remittance operators to enable millions of families to use their capital more profitably.⁵

In recent years, more inter-agency partnerships have emerged to foster matching grant schemes, for example through development project competitions such as the US-based African Diaspora Marketplace (ADM). The International Diaspora Engagement Alliance (IdEA), a non-partisan, non-profit organization launched in 2011 by the US Department of State (USDOS) and managed by the Migration Policy Institute (MPI), helps connect diaspora to business competitions such as the African Diaspora Marketplace.

Diaspora support facilities are today offered by the private sector, as in the case of the Diaspora Business Centres in the Netherlands, Kenya, Ghana and Somalia, which connect diaspora entrepreneurs with SME opportunities in countries of origin. Nonprofit organizations such as the UK-based African Foundation for Development (AFFORD) also advise on and support sustainable diaspora business ventures; and governments such as Germany offer web-based and other toolkits to enable diaspora to grow and sustain their own cross-border business ventures.⁶

A broad selection of the policies, facilities, programs and toolkits that both foster partnerships and derive their strength from partnerships to empower diaspora are outlined in Annexes 1 and 2.

4. Policies, lessons learned, and the way forward

There are few well-defined programs that facilitate diaspora investment, trade and technology exchange. Five broad areas of policy action to facilitate such diaspora engagement offer some important lessons:

- 1) *Matching grant initiatives:* Existing programs have consisted of small grants or matching grant initiatives (for example, the Development Marketplace for African Diaspora in Europe, the African Diaspora Marketplace, the European Commission-United Nations Joint Migration and Development Initiative, IFAD's multi-donor Financing Facility for Remittances).
- 2) *Advisory services and training support for the diaspora:* There are a growing number of government, private sector, NGO and diaspora-led initiatives to provide training and advisory services to diaspora (such as CAIXA, PACEIM and IntEnt).
- 3) *Public and private sector mechanisms to encourage trade and investments by the diaspora:* There are some initiatives targeting the mobilization of diaspora resources for trade and investment in countries of origin. These include financial and non-financial activities implemented by investment promotion agencies, export promotion agencies, investment centres, investment forums, etc, such as tax incentives, and information and business training).

⁵ See IFAD's *Financing Facility for Remittance*, available at: <http://www.ifad.org/remittances>.

⁶ The MITOS tool kit will be available on www.giz.de/migration by the end of October 2012.

- 4) *Initiatives for promoting diaspora investments in capital markets*: Diasporas can act as catalysts for the development of capital markets in their countries of origin by diversifying the investor base, introducing new financial products, and providing reliable sources of funding (e.g., diaspora bonds and diaspora funds).
- 5) *Programs to facilitate research, innovation, technology transfer and skills development*: Japan, Korea, and Taiwan, China, are examples of economies that have relied on their diasporas as knowledge sources. Diaspora skills can be tapped by establishing networks of research and innovation with initiatives such as mentor-sponsor programs in certain sectors or industries, joint research projects, peer review mechanisms, and short-term visits and assignments.

Each of these mechanisms is demonstrated through existing examples and models in Annex 1. However, few of them have been subjected to impact evaluations. While many may continue to be viable and successful, such interventions need to be evaluated to avoid the risk of missing the main diaspora needs; and to make the right policy connections regarding diaspora and development.

There are still no conclusions about the performance of the many mechanisms presented above. A set of indicators are needed to gauge the benefits of such schemes, as well as their sustainability and impacts. Some of the anecdotal findings indicate that in some cases operating costs have tended to be high and implementation has been complicated and delayed.

5. Possible Outcomes and Questions to guide the Session

Policy can play various roles in facilitating diasporas' socio-economic contributions to development and in particular to transnational business development such as: enablement (building the right environment), inclusion (trust building, recognition and transferability of rights etc.), partnership (with diasporas, private sector, enterprises, chambers of commerce, investment agencies, between host and home countries etc.), mainstreaming (linking migration, development, trade, foreign direct investment, rural development, health, housing etc.), and as a catalyst (proactive engagement, leveraging, scaling up etc.).⁷ The following recommendations are based on lessons learned from analysis of diaspora policies and practices and the examination of available practices. Some possible practical outcomes and activities are also proposed.

i) Undertake diaspora-related surveys and assessments

- “Mapping diaspora profiles”: the socio-economic and demographic characteristics of diasporas (geographical, gender, economic, professional, skills, investment, savings, etc.)
- “Mapping diaspora organizations and networks”: who are the main and most active interlocutors, what are their capacities, how are they organized? etc. However, it is important to be inclusive of all type of organizations and networks.
- “Mapping existing obstacles to diaspora involvement” (e.g.: legal status in host country, dual citizenship, visa costs for the family, trust towards public policies in home and host countries, capacities, presence and efficiency of consular networks and support, availability of quality transport between countries, procedures and administrative hurdles, banking services and facilities in host and home countries).
- Note that such surveys need to be regularly updated, which is not often the case due to lack of resources.

⁷ IOM 2011, UNLDC-IV

ii) **Engage in pro-active partnership building**

- Devise communication initiatives to improve the relationship between consulates/embassies and diasporas abroad.
- Develop integrated strategies across initiatives to avoid duplication. Coordinate the work of different departments within embassies and governments to increase efficiency in building relationships with diasporas and their networks
- Engage with key development stakeholders: chambers of commerce, investment promotion agencies, trade associations, business councils, local clusters structures, universities, private sector (Banks and enterprises)
- Model public-private partnerships that can improve the business climate in countries of origin and encourage investments by the diaspora in those countries

iii) **Mainstream policies on diasporas in broader socio economic and development strategies**

- Relate to and mainstream diaspora policies in other policy areas: trade, foreign direct investment, business development, entrepreneurship support, infrastructure development, remittances/financial transfers, innovation and technology policy
- Adopt gender-specific approaches to transnational business creation and development (gender approaches to skills and to de-skilling issues, to savings, investments, transfers, job creation etc.)

iv) **Build capacities for diaspora involvement in development strategies**

- Build capacities of existing services and institutions dealing with migration and diaspora issues, including Embassy and Consular staff such as trade and economic attachés.
- Build capacity for research and data collection on diasporas' contribution to private sector development.

v) **Integrate diaspora policies into the migration management framework: bilateral, regional and global frameworks**

- Participating African countries to design/develop comprehensive national policies for engaging diaspora as business partners in development; and initiate actions to implement such policies within a specific timeframe. These could be part of a more regional African framework of cooperation.
- Develop an EU-coordinated approach or developed country approach to diaspora engagement.
- Ensure policy coherence under the proposed Deep and comprehensive free trade agreements (DFTAs) and the Mobility Partnerships with the EU (Egypt, Jordan, Morocco, Tunisia).
- Economic Partnership Agreements (EPAs) for African countries

vi) **Evaluate and gather good practices** to determine remaining/emerging issues and challenges for governments, and help develop efficiency/effectiveness indicators to identify scaling-up opportunities while acknowledging that each context is unique and programs should be adapted. Evaluations should be undertaken of:

- “matching grant schemes”, also engaging the diaspora.
- financial instruments to attract diaspora savings such as diaspora bonds
- information portals aimed at informing migrant/diaspora decisions to invest in countries of origin
- “business tools” targeted at diasporas
- financial services and credit options specific to diaspora investors.
- existing databases for the mobilization of skills in the diaspora

Questions to guide the RT discussion

- i) *What are the critical elements of a diaspora-supporting and empowering strategy?*
- ii) *How do partnerships between governments, private sector, migrants and/or diaspora work to support investments by migrants and diaspora in the development of their home communities?*
- iii) *How can diaspora bonds and other financial instruments and packages work to benefit the migrant, diaspora and home communities and economies? How secure/helpful are they in times of economic downturn? Could they be implemented by all countries, in any conditions?*

Annex 1. Examples of Diaspora Promoting Initiatives

There are few well-defined programs that facilitate diaspora trade, investment, and technology operations apart from small grants or matching grants initiatives (for example, the Development Marketplace for the African Diaspora in Europe, the African Development Marketplace, and the Joint Migration and Development Initiative). There is little information on such initiatives and few external evaluations of their effectiveness (Haas 2006).

a) Initiatives to promote entrepreneurship:

Some of the following initiatives are at the initial stage of implementation and remain to be assessed.

Matching grant initiatives

Matching grants (MGs) are one of the mechanisms used to incentive the participation of the diaspora to invest in their countries. MGs are short-term, temporary mechanisms that partially finance activities promoting improvements in the private sector. This mechanism has been used for SMEs and export activities at the country level. It has been applied to some of the initiatives such as the African Diaspora Marketplace (ADM). See the Textbox for the results of the evaluation, which include:

- a) an ex ante evaluation strategy is needed at preparation for a diaspora matching grant. It can have large returns for policy learning as data quality is likely to improve by access to a baseline survey;
- b) matching grant schemes need to be better tailored to diaspora capabilities (e.g. limited to those with entrepreneurship experiences?); and
- c) training activities need to link more to the support offered (to increase the duration of the impact).

Assessment of the African Diaspora Marketplace (ADM)

The African Diaspora Marketplace is an initiative that provides support to US-based African diaspora entrepreneurs with innovative and high-impact ideas for start-up and established businesses in sub-Saharan Africa. It is a business plan competition and a partnership between the United States Agency for International Development (USAID), Western Union and the Western Union Foundation. The business plan competition has awarded matching grants to fourteen (14) businesses. The grants were offered in the range of \$ 50,000 to \$ 100,000. These beneficiary businesses are located in seven (7) Sub-Saharan African countries. The Marketplace was recently assessed in order to draw lessons from the project experiences. Following are the key lessons drawn from the evaluation:

- 1) The description of the business in the proposal was less advanced than described. This created a problem for using the grant.
- 2) There was no clarity on whether the purpose of the proposal was to get the diaspora to participate in a partnership or to promote business development.
- 3) The timeline of 18 months for implementation was not sufficient.
- 4) Outcome indicators were not well developed. All the proposals indicated that they would generate new jobs. However, not all potential business can be expected to generate jobs in the first year.
- 5) The funded projects did not have access to technical assistance. Some participant stated that they would have benefited from mentors or assistance in various aspects of business.

The findings from the evaluation are no different from those of the World Bank's "Development Marketplace" program: e.g. when working with small grants and small businesses, support and capacity building are needed to prepare the business plans. The importance of a mentor for providing guidance along the way of the project was also an important finding of the World Bank⁸.

⁸ Inter-American Dialogue, Evaluation report: "Assessment African Diaspora Marketplace", November 4, 2011

Source: Taken from the Inter-American Development Bank's evaluation report: "Assessment African Diaspora Marketplace", November 4, 2011.

Other existing programs consisting of small grants or matching grant initiatives are, for example: the European Commission-United Nations Joint Migration and Development Initiative, IFAD's multi-donor Financing Facility for Remittances and the Fonds Sindibad. In the latter example, the Fonds Sindibad has, together with the French Development Agency (AFD), provided additional funds for innovative projects by Moroccans living in France.

Little evaluation of these programs has been conducted. A number of new programs have also been established.⁹

AFDB African program, IDB Caribbean Diaspora Marketplace

For example, the White House has focused on engaging with diaspora communities as a "core element" of U.S. foreign policy with an emphasis on the role that diasporas can play in their origin countries (for example, relief to Haiti following the January 2010 earthquake). The U.S. Department of State, the U.S. Agency for International Development (USAID) and the Migration Policy Institute (MPI) came together in 2011 to form a new organization called the International diaspora Engagement Alliance (IdEA), which promotes and supports diaspora-centered initiatives in entrepreneurship, volunteerism, philanthropy, diplomacy, and social innovation in countries and regions of diaspora origin. This organization provided the platform for launching diaspora-focused business plan competitions in four regions: the Caribbean, Africa, Latin America, and the Pacific Islands. These competitions award winning entries with a matching grant to begin or scale up an existing small- or medium-sized business in countries of heritage, requiring at least one of the partners to be a member of the diaspora and at least one partner to reside in the country or region of heritage. The competitions also provide winners with technical assistance. IdEA, soon to be a 501c organization, has partnered with firms in the private and public sectors to provide its member organizations with an e-mentoring network, a fundraising platform, and a diaspora volunteering program.

Within French development policy, the **Programme d'Aide à la Création d'Entreprises Innovantes en Méditerranée (PACEIM)** offers services to young graduates residing in France from the Maghreb and Mashrek countries (notably Tunisia, Morocco, Algeria, Lebanon) who want to create a business (SME) in their country of origin. The program is based on multiple partnerships with public and private organizations from France and other countries, that are specialized in business creation (business training, financial services, etc).

CAIXA and its partner, the Brazilian Support Service for Micro and Small Businesses (Serviço Brasileiro de Apoio à Micro e Pequena Empresa, SEBRAE), have been working to ensure that Brazilian migrants in the United States with entrepreneurial capacity receive business training through SEBRAE's online training system so that when they return to Brazil with businesses ideas, they will be able to tap into their savings. SEBRAE is also taking steps to ensure that remittance recipients in Brazil receive training to start and strengthen businesses. CAIXA offers support to migrants and their relatives with financial services tailored to their needs. To date, the program has established a partnership with a US bank, conducted needs assessments for migrants and their families living in Massachusetts, and developed six remittance-linked financial products tailored to the target population.¹⁰

⁹ The US-North Africa Partnership for Economic Opportunity (NAPEO), launched in 2010, offers US-Maghreb networking and investor platforms; innovation and technology incubation; access to finance (e.g. diaspora angel networks and diaspora direct investment); skills training for youth and entrepreneurs; entrepreneurship training for regional artists; and better linkages with US business schools, think tanks, and researchers.

¹⁰ Hall, *Ten Years of Innovation in Remittances*

IntEnt. - Based in the Netherlands, this organization was created in 1996 by Social-Economical Entrepreneurship in the Netherlands (SEON), FACET BV, and Triodos Bank, at the request of the former Dutch Minister of International Development, J. P. Pronk. Its purpose is to stimulate the kind of entrepreneurship among immigrants that will have a sustainable impact on development in their home countries. The organization offers fee-based support to diaspora entrepreneurs seeking assistance in developing business plans for implementation in Morocco, Turkey, Suriname, Ghana, Ethiopia, Curaçao, and Afghanistan. Its services include providing information about entrepreneurship, orientation sessions and training courses, counseling, advisory services, market information, referral and mediation, assistance during and after starting a business in the program countries, networking, management training, online services, and supplementary financing.¹¹

b) Mechanisms to encourage trade and investments by the diaspora

An area of rapidly increasing interest is the mobilization of diaspora resources for trade and investment purposes in countries of origin. There is a wide variety of financial and non-financial services by which governments, private sector and diaspora connect with, inform and support diaspora to this end, ranging from information centres, databases, promotional fairs and conferences, through training in business and investment tactics and joint arrangements between countries to connect diaspora with each other and with business contacts back home.

Some government agencies in Egypt, Morocco, and Tunisia have begun to improve their contacts with diasporas to generate investment opportunities for origin-country firms. For example, since 2002 Morocco has set up 16 regional investment centers that offer advice and assistance to Moroccans abroad in relation to specific investment projects. The Office for Tunisians Abroad in collaboration with Tunisian embassies and consulates, the Ministry of Higher Education and Scientific Research, and the Ministry of Public Health have established a database of high-skilled individuals in the Tunisian diaspora. Egypt targets its diaspora, mainly in the United States, through the General Authority for Investment and Free Zones (GAFI), and Tunisia has been using the Tunisian Agency for Industrial Promotion (API) and the Agency for the Promotion of Agro-Industry (APIA).

Also, France and Senegal established in 2006 a joint agreement on Migration and Development to support diaspora initiatives by Senegalese living in France (Programme d'appui au initiatives de solidarité pour le développement (PAISD)). Among other objectives, the PAISD supports migrants who invest in businesses at home. It provides advice, expertise to start a small business, training, and a follow up over 12 months.

The Immigrant Entrepreneurship Promotion (Promoção do Empreendedorismo Imigrante, PEI) programme was set up by the High Commission for Immigration and Intercultural Dialogue (Alto Comissariado para a Imigração e Diálogo Intercultural, ACIDI IP) in Portugal to help immigrants in Portugal to start their own businesses by connecting them with executives and entrepreneurs who can offer advice. The purpose of the program is to help immigrants acquire the entrepreneurial skills needed to create sustainable businesses and to connect potential entrepreneurs with entrepreneurship support programs.”¹²

Successful diaspora investment models have also been developed by non-governmental organizations such as IFAD's “*Atikha Overseas Workers and Communities Initiative*”¹³, and are being scaled up in collaboration with national governments. In this particular case, IFAD financed a project enhancing

¹¹ IntEnt, “Services,” www.intent.eu/wat-doet-intent.aspx?lang=en IntEnt, “English Summary,” www.intent.eu/indexuk.htm; IntEnt, Annual Report 2009” (quote/Reference IOM MPI Handbook)

¹² Alto Comissariado para a Imigração e Diálogo Intercultural, “*Promoção do Empreendedorismo Imigrante*”, available at: www.acidi.gov.pt/es-imigrante/informacao/promocao-do-empreendedorismo-imigrante; Handbook IOM-MPI.

¹³ <http://www.atikha.org/topics/projects/ifad>

the financial literacy of Filipino domestic workers in Italy, encouraging them to save, and providing them access to an investment vehicle. The investments were low risk as they were used scaling up pre-existing, profitable business ventures through a cooperative working in their home communities. This model is now being replicated in other countries with significant Filipino communities.

The Franco-Comoran programme of codevelopment (PFCC) established in 2011 aims at promoting diaspora initiatives for the development of Comoros Islands. Among other objectives, it intends to put in place a banking guarantee mechanism for migrants desiring to invest back home. The French Senegalese programme PAISD (*Programme d'appui aux initiatives de solidarité pour le développement*) also supports both “social investment” and “economic investment”. A study has just been completed by the French Development Agency and PAISD to develop mechanisms to promote collective productive investments in Senegal.

c) **Initiatives to promote investments in capital market**

Diasporas can act as catalysts for the development of capital markets in their countries of origin by diversifying the investor base, introducing new financial products, and providing reliable sources of funding. Origin countries could take advantage of the fact that diasporas tend to be a more stable source of funds than other foreign investors because their familiarity with the home country often gives them a lower perception of risk. Increasingly, governments and financial institutions are working together to reduce the costs of migration for optimal development impacts. The African Development Bank and the French Development Agency (*L'Agence Française de Développement (AFD)*), for example, have jointly completed a study on reducing the costs of migrant remittances to optimize their impact on development, looking at financial products and tools for the Maghreb region and the Franc zone, and are disseminating the study in the countries studied.

- **Diaspora Bonds**

Ketkar and Ratha (2010) define diaspora bonds as a debt instrument issued by a country—or potentially, a subsovereign entity or even a private corporation—to raise financing from its overseas diaspora. The governments of India and Israel have raised over \$35 billion dollars, often in times of liquidity crisis.¹⁴

Diaspora members are less concerned with devaluation risk because they are more likely to have a use for local currency (Kektar and Ratha 2010). Diaspora bonds are an innovative instrument that can tap into emotional ties—the desire to give back—and potentially help lower the cost of financing for development projects back home.

Diaspora bonds can be sold globally to diaspora members through national banks with banking licenses abroad, international banks, money transfer companies, and post offices. They can be marketed through embassies and consulates overseas, but also through civil society networks including churches, community groups, ethnic newspapers, stores, and business associations in places with large migrant communities. The bonds could be sold in various denominations to tap both poor and wealthier migrants, diaspora groups, and institutional investors. Diaspora bonds do not even have to be issued separately; a portion of an on-going domestic bond issuance could be marketed to the diaspora (Okonjo-Iweala and Ratha 2011). The money raised through diaspora issuances could be used to finance projects that interest migrants—typically housing, schooling, hospitals, and infrastructure projects that have a concrete benefit to their families or local communities back home.

- **Diaspora investment funds**

¹⁴ According to chapter 3 in Ketkar and Ratha (2008), the Development Corporation for Israel (DCI) has raised well over \$25 billion from diaspora bonds since 1951. Jewish diaspora investors paid a steep price premium (perhaps better characterized as a large patriotic yield discount) when buying DCI bonds. The State Bank of India (SBI) raised \$11.3 billion through three issues of diaspora bonds, particularly when ordinary sources of funding for India had all but vanished in 1991, following the balance of payments crisis, and in 1998, after the country conducted nuclear tests.

There is a shortfall of private equity capital in developing countries, especially in Sub-Saharan Africa. Mohapatra, Ratha, and Plaza (2009) report that portfolio equity flows to Sub-Saharan Africa have gone mainly to South Africa. Foreign investors appear to be averse to investing in Africa because of lack of information, severe risk perception, and the small size of the market (which makes stocks relatively illiquid assets). One way to encourage greater private investment in these markets could be through the African diaspora.

Several African investment funds have been proposed to attract investments from wealthy African migrants abroad.¹⁵ Such funds can take the form of regional funds, mutual funds, and private equity to be invested in African companies and pension funds.¹⁶ These investment funds are equity investments, unlike diaspora bonds. However, persuading diaspora investors to invest in African diaspora funds may require stronger investor protections to ensure proper management of the funds. Some mechanisms for building diaspora investors' confidence will need to be in place: (i) management of funds by a state agency, (ii) management of funds by a private company, and (iii) management of funds by a combination of a private company but with participation of members from the diaspora.

d) Programs to facilitate research, innovation, technology transfer and skills development

Japan, Korea, and Taiwan, China are examples of economies that have relied on their diasporas as knowledge sources. Diaspora skills can be tapped by establishing networks of research and innovation with initiatives such as mentor-sponsor programs in certain sectors or industries, joint research projects, peer review mechanisms, and short-term visits and assignments. For example, diaspora members have been invited to teach courses in Tunisian universities through small pilot initiatives. Morocco and Egypt have some experiences in involving their emigrant scientists in promotion of science and research at home. Diasporas may also provide origin-country firms access to technology and skills through professional associations, chambers of commerce, temporary assignments of skilled expatriates working in origin countries, distance teaching, and the return (mainly short-term) of emigrants with enhanced skills. In the aftermath of the Arab Spring, several diaspora groups have initiated support to science, innovation, education, and entrepreneurship programs in their countries of origin.¹⁷

- More recently, IOM and Guyana launched the Diaspora Engagement Project- GUYD, an initiative that seeks to engage Guyanese diaspora all over the world by documenting the skills, resources, interests and plans of those willing to support the country's development.
- **ChileGlobal — the Talent Network for Innovation** — promotes and facilitates the development of key economic clusters in Chile by reinforcing their links with Chileans (and some non-Chileans) residing abroad who are working to introduce innovative technologies to Chile.
- **Honduras Global**

¹⁵ For example, the Liberian Diaspora Social Investment Fund, the Rwandan Diaspora Mutual Fund (RDMF) and the Zambia First Investment Fund (ZFIF).

¹⁶ Several diaspora investment funds have been created or are in the process of creation and registration. For example, the Diaspora Unit Trust Funds Schemes (DUTFS), a collective investment scheme licensed by the Capital Markets Authority of Kenya, under section 12 of Regulations 2001. See <http://www.mobilepay.co.ke/tangaza/2010/04/kenyans-abroad-to-benefit-from-the-diaspora-investment-fund/>.

¹⁷ There are several organizations in the United States and Europe that are developing some new initiative in the transfer of technology and skills. For example, the Tunisia American Young Professionals (TAYP) and the North American Tunisian Engineers Group are organizing an entrepreneurship program aimed at graduating and graduate students in Tunisia's top engineering schools in July 2012. The Society for Advancement of Science and Technology in the Arab World (SASTA) is working on some initiatives to transfer skills and technology.

This is a network of highly qualified Hondurans living abroad who are motivated to contribute to the development of their country of origin by engaging in knowledge transfer. It was initially incubated within a GIZ private-sector promotion program but has been registered and running as an association since July 2011. (<http://hondurasglobal.com/>)

- Financed under the French migration agreement, the program "**senexpertise** " offers financial support for highly skilled Senegalese residing in France who desire to offer their expertise to Senegalese institutions (administration, programs, etc). The program finances short missions that help to build capacities of Senegalese institutions or organizations. (www.senexpertise.gouv.sn)

Annex 2. Table showcasing Practices

Institutional Initiatives				
Initiative	Type/category	Brief description	Comments/ Preliminary results / lessons learnt (if any)	Sources
Mexico: Consultative Council of the Institute for Mexicans Abroad (CCIME) and Institute for Mexicans Abroad (IME)	Institution and governmental program	CCIME is composed mostly of leaders elected by diaspora communities. The council engages in wide-ranging discussions with the Institute for Mexicans Abroad (IME, for Instituto de los Mexicanos en el Exterior) programs		
India: Ministry for Overseas Indian Affairs (MOIA)	Institution and governmental program	India has two statuses for diasporas: “Non Resident Indians” (NRI) and “People of Indian Origin” (PIO). This inclusive definition incorporates both foreign-born and expatriates living abroad and allows India to reach out broadly.		
Mali: Ministry for Malians Abroad and African Integration	Institution and governmental program	Created in 2004 was designed to address the needs of Malians abroad and to make them more aware of their potential role in the country’s development	The Malian authorities pay significant attention to migrants’ financial contributions to the country in the form of remittances and to their support of development in their locality of origin.	http://www.afrique-europe-interact.net/index.php?article_id=122&clang=1
Colombia: Colombia Nos Une, a programme of the Bureau of Consular Affairs and Colombian Communities Abroad in the Ministry of Foreign Affairs	Institution and governmental program			
Philippine Overseas Workers Welfare Administration (OWWA)	Institution and governmental program OWWA is attached to the Department of Labor and Employment	The lead government agency focused on the welfare of Overseas Filipino Workers (OFWs) and their dependents. Wide range of benefits and services: medical, education, training, disability and death benefits (USD 25 membership contribution), Education for Development Scholarships	- OWWA provides a comprehensive support network and services -pre-departure orientation and education programmes. -it deals with the issues of Filipino expats before they become expats. -promotes sharing of best practice ideas around optimizing the gains of migration and generation of employment opportunities.	http://www.weforum.org/best-practices/talent-mobility/overseas-workers%E2%80%99-welfare-association-owwa

		Program, etc.	-It is highly accessible, with a flat-rate membership fee, and membership is encouraged through all Filipino consulates and embassies overseas.	
Guatemala	Institution and governmental program			
Salvadoreños en el exterior El Salvador	Institution and governmental program			
Ecuador	Institution and governmental program			
Chile Office for Chileans Abroad and Inter-ministerial Committee for Chilean Communities Abroad	Institution and governmental program			
Mexico: Consultative Council of the institute for Mexicans Abroad	Institution and governmental program	100 members appointed or elected by the Mexican communities established in the US and Canada		
The European Commission-United Nations Joint Migration and Development Initiative (JMIDI)	International program IOM, ILO, UNHCR, UNFPA contribute to the management and direction of the programme	Support civil society organizations and local authorities seeking to contribute to linking migration and development	Local governments have not received the same level of attention as other stakeholders thus: Phase II of the EU-UN JMIDI, specifically targets local authorities, local organisations that have a stake in local development and migration issues	http://www.migration4development.org/content/about-jmidi
Framework Agreement on Migration and Development	Established in 2008 through a bilateral agreement between France and Tunisia	To support initiatives by Tunisians living in France for the transfer of remittances and investments in manufacturing, agricultural, and service activities.		
Dutch municipalities have established relations with local governments in source countries such as Turkey, Suriname, and Morocco.	Local to local twinning	At present, there are some 39 diaspora-focused municipal twinning initiatives in the Netherlands, and their number is increasing		
Germany: financed by German Federal Ministry for Economic Cooperation and Development, implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Program	Co-finance	Promotes the engagement of migrant organizations and links these activities at the municipality level; offers trainings and supports networking activities	Support of migrants' initiatives needs to be paired with capacity building measures.	

for the Promotion of development activities of migrant organizations				
Philippines Welfare Fund by Overseas Workers Welfare Administration (OWWA) the Pag-IBIG Fund (or Home Development Mutual Fund).	Welfare Fund	Largest welfare fund in the developing world, 25\$ mandatory membership contributions of foreign employers and migrant workers		
UN Economic and Social Council, Economic Commission for Africa, Ministerial Statement	High level inter-regional process And declaration on “Unleashing Africa’s Potential as a pole of global growth”	March 2012 Ethiopia		
Ministerial Meeting of the Global African Diasporas	Ministerial Meeting	Basis for Agenda on the global African Diaspora Summit Pretoria South Africa May 2012	Need for continuous consultation between Africa and the Diaspora, building of regional networks in other parts of the world, monitoring and evaluation mechanism for assessing progress and accelerating the pace of achievements in the different areas acknowledged. Emphasized the need to establish political criteria that will facilitate the desire to ensure effective participation of the Diaspora in the African Union	AU web site
South Korea: Overseas Korean Foundation (OKF)	Foundation	Utilize the capabilities of overseas Koreans for national development in line with its globalization policy		
Morocco: Hassan II Foundation for Moroccans Residing Abroad... (See also the Ministry for Moroccans Living Abroad http://en.marocainsdumonde.gov.ma and the Council for the Moroccan Community Abroad (CCME). http://www.ccme.org.ma/en/)	Foundation	Created in 1990, Morocco Hassan II Foundation for Moroccans Residing Abroad (FHII). Established by royal decree, FHII is officially described as a “nonprofit institution with a social vocation, endowed with a moral personality and financial autonomy.”		
Mobilization of Moroccan Expatriates to Back Development Initiatives at Home	Ministerial Program	Partnership- Ministry of Moroccans Residing Abroad and the Hassan II Foundation for Moroccans Residing	The EUR 1.2 million, two-year programme seeks to encourage Moroccan expatriates to invest their	IOM Morocco

(MEDMA2) Belgium, Morocco, IOM		Abroad, and with the support of public and private partners in Belgium, including the Solvay Brussels School of Economics and Management.	savings, knowledge and expertise into the setting up of private ventures that will further the development of impoverished regions in the north and east of the country	
France co-development policy and support to solidarity organizations (PRAOSIM)	co-development policy/program	Aims at encouraging the OSIMs to engage in the public policies of international cooperation and in the local development projects ii) develop partnerships for local development ; (iii) to actively play their role among the international development actors, etc.	The support of PRAOSIM reached 725 000 €in 2010 It covers: Algeria, Benin, Burkina Faso, Burundi, Congo, Congo RDC, Côte d'Ivoire, Egypt, Gabon, Guinée, Madagascar, Maurice, Morocco, Niger, Nigeria, Central African Republic, Rwanda, Chad, Togo et Tunisia. 147organizations trained (200bénéficiaires), in Paris, Lille, Dunkerque, Bordeaux, Marseille, Lyon and Toulouse, -39 projects selected for the regions of origin (1 Algeria, 6 Bénin, 2 Burkina Faso, 2 Burundi, 3 Cambodia, 1 Ghana, 4 Guinée, 2 Madagascar, 4 Morocco, 2Mauritanie, 1 RCA, 3 RDC, 2 Congo, 1 Chad, 4 Togo and 1 Vietnam). The privileged sectors : revenues creation(12 projects), water(5 projects) education (7) environment (3), training (5), multimedia (1), health (4) and youth	Paper on “experiences francaises
French co-development with Mali	Co-development program	45Malian university missions realized under UNDP’s TOKTEN program. In total, 26 projects financed - 385 000 €to migrants and local associations, 387 projects	387 projects financed since 2006 supporting the reintegration of 368 Malian beneficiaries of a specific aid	Paper on “experiences francaises
French co-development policy with the Union of Comoros (PCUC)	Co-development policy	2 million euros to : -help the migrants associations in their initiatives for the local development of their country of		Paper on “experiences francaises

		<p>origin</p> <ul style="list-style-type: none"> -engage the qualified Comorians migrants in the development of their country through partnerships with public institutions, Para-public and private actors - sustain the economic activities of the Comorians migrants -assist the implementation of the programme (support cell in France to mobilise Diaspora and a coordination cell in Comores to assist the implementation) 		
Mobilization of the Cape Verdean associations for local development in Cape Verde	France Co-development programme within the context of the implementation of the Agreement regarding the concerted management of migration and sustainable development	<p>Financing convention signed in 2010</p> <p>Foresees that France supports the implementation of development projects promoted by the nationals of Capo Verde established in France in collaboration with the beneficiary local populations and in line with the national and local development policies.</p>		Paper on “experiences francaises”
Project « Identification des travailleurs de la diaspora togolaise et appui à l’investissement des projets des migrants »	Cooperation for development between the Spanish Agency for International Cooperation for Development and the countries of West Africa	Aims at supporting the Government of Togo in engaging Diaspora in the development of Togo and put the basis of a political management of Diaspora	Implemented in partnership with NGO MARS	http://www.marsong.org/projets
General Council of Spanish Citizens living abroad and the Spanish Office of Return		Supports Spanish emigrates and facilitate their participation to support the socio-economic reintegration of returning emigrates and the assisted voluntary return programs that also offer business and SME support to migrants returning home from Spain.		
Invest in Med	Public- private Initiative to enhance Euro-Med Partnerships	The aim is to encourage European investments in the region and to build solid relations between the companies of the two shores of the Mediterranean	A 2008 initiative co financed up to 75% by the European Commission. Launched by the Med-alliance consortium (led by ANIMA and formed by ASCAME),	http://www.invest-in-med.eu/

		It involves 27 countries of the European Union and 9 Mediterranean countries under the New Neighbourhood Policy (Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestinian Authority, Syria and Tunisia	usinessMed, Eurochambres, UNIDO, GTZ, Euroméditerranée,	
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Transnational Business and Entrepreneurship Facilitation Initiatives				
Initiative	Type/category	Brief description	Comments/ Preliminary results / lessons learnt (if any)	Sources
Germany: GIZ, financed by BMZ, “MITOS” migration and private sector development toolbox	Government capacity building. Aimed at diaspora, returnees, governments, civil society, private sector	A set of policy instruments and tools to help leverage the potential of migration for private sector development.	Currently being tested in various countries	
Germany, Netherlands: GIZ on behalf of BMZ, Dutch Consortium of Migrant Organizations (DCMO), “Building Bridges – Diaspora for Business and Development”	Conference on 14 April, 2012 in Frankfurt, bringing together private sector representatives, governments of origin and destination countries, diaspora organizations, banks.	Cross-country and sectoral discussions to advance the role of diaspora in the private sector and promotion of business-to-business for co-development practice between Europe and Africa.	Intense discussions proved that there is huge interest in the topic of “Diaspora as bridge builders for North-South business and development”. The most important messages from the conference “Building Bridges. Diaspora for Business and Development” are: ... the private sector recognizes the potential of Diaspora members for venturing into new markets of the South. There is potential for Diaspora-business cooperation! ... however, the knowledge about the Diaspora’s assets is not very widespread yet in both the corporate sector and among development cooperation actors. Migrants organizations need to	

			<p>enhance their visibility!</p> <p>... the Diaspora members' knowledge about the corporate world is not very deep, either. All actors need to get to know each other better!</p> <p>... actors of countries of origin – both on government and private sector level – are not always actively involved in business development projects. Ensure ownership!</p> <p>... when dealing with the private sector and government representatives, professionalism is required.</p>	
Netherlands, Kenya, Ghana, Somalia: Diaspora Business Center	Commercial marketing platform consortium between African countries of origin and the EU (Netherlands)	Fosters business partnerships between diaspora and the home country; facilitates the creation of social enterprises and jobs by enhancing human and financial investments by the diaspora in their home countries. Partners include NGOs, banks, Business Councils, Universities, UN Women.		
Kenya Diaspora Investment conference in Washington	Conference and networking	Diaspora conference organized by the Kenyan Embassy in Washington, D.C., which since 2011 has become an annual event. The main goal is to share Kenya's Vision 2030 and for Kenyan diaspora to strategize on maximizing their potential.		
Serviço Brasileiro de Apoio à Micro e Pequena Empresa, (SEBRAE) CAIXA and its partner, the Brazilian Support Service for Micro and Small Businesses	Training, entrepreneurial capacity for diasporas	Supports Brazilian migrants in the US to receive entrepreneurial capacity building, and receive business training through SEBRAE's online training system for return to Brazil with business ideas		
Netherlands: IntEnt	Created in 1996 by Social-Economical Entrepreneurship in	fee-based support to diaspora entrepreneurs seeking assistance in		www.intent.eu/wat-doet-intent.aspx?lang=en IntEnt,

	the Netherlands (SEON), FACET BV, and Triodos Bank- Organization to stimulate diaspora entrepreneurship	developing business plans for implementation providing information about entrepreneurship, orientation sessions and training courses, counseling, assistance before and after starting a business, etc.		“English Summary,” www.intent.eu/ indexuk.htm ; IntEnt, Annual Report 2009 IOM MPI Handbook
Promotion (Promoção do Empreendedorismo Imigrante, PEI « The Immigrant Entrepreneurship program”	Business startup program established in 2009 by Alto Comissariado para a Imigração e Diálogo Intercultural, Portugal and EU	involves six countries: Portugal, Spain, Italy, Switzerland, Greece, and the Netherlands, and addresses financial management of immigrant households and immigrant entrepreneurs; the program is in its third phase, which will last from 2011 to 2012.		Reference Handbook IOM-MPI) www. acidi.gov.pt/es-imigrante/informacao/promocao-do-empreendedorismo-imigrante
Support to Enterprise Creation, Congo Brazzaville , France	Co-development Agreement between France and Congo Brazzaville	Support to Forum of young Enterprises in Congo , focused on SMEs Program mobilizing resources and knowledge of diasporas for business creation		Paper on “expériences francaises
Enterprise creation solidarity and development in the Maghreb region, France	Program supported by association Agency for international Cooperation and local development in Mediterranean	Morocco, Tunisia, Algeria Focus on youth employment		www.entreprendre-mediterranee.com
AFDB African program, IDB Caribbean Diaspora Marketplace	Promoting diaspora engagement in national development	engaging with diaspora communities as a “core element” of U.S. foreign policy with an emphasis on the role that diasporas can play in their origin countries		
International diaspora Engagement Alliance (IdEA)	Promoting diaspora engagement in national development	promotes and supports diaspora-centered initiatives in entrepreneurship, volunteerism, philanthropy, diplomacy, and social innovation in countries and regions of diaspora origin. provided the platform for launching diaspora-focused business plan competitions in four regions: the Caribbean, Africa, Latin America, and the Pacific Islands	IdEA, soon to be a 501c organization, has partnered with firms in the private and public sectors to provide its member organizations with an e-mentoring network, a fundraising platform, and a diaspora volunteering program.	
Regional investment centers for Moroccans abroad	Trade and investment support initiative	16 regional investment centers that offer advice and assistance to Moroccans abroad in relation to specific investment projects.		
General Authority for Investment	Investment facilitation via general	targets its diaspora, mainly in the United		

and Free Zones (GAFI), Egypt	facility	States		
Tunisian Agency for Industrial Promotion (API) and the Agency for the Promotion of Agro-Industry (APIA).	Investment facilitation via general facility			
ANIMA Investment Network	Inter-governmental agencies Investment Network multi-country platform supporting the economic development of the Mediterranean	gathers around 80 governmental agencies and international networks. – objective: to contribute to a better investment and business climate and to the growth of capital flows into the Mediterranean region	Diasporas: Gateways for investment, entrepreneurship and innovation in the Mediterranean (2010)	http://www.animaweb.org/

Skill development and circulation for transnational business development				
Initiative	Type/category	Brief description	Comments/ Preliminary results / lessons learnt (if any)	Sources
AfricaRecruit	Joint program with the Commonwealth Business Council (CBC) and NEPAD,	Facilitates the African Diaspora towards capacity building in Africa either through skills or investment		
Germany: GIZ and the German Federal Ministry for Economic Cooperation and Development, “Migrations et Développement Economique dans la Region de l’Oriental (MIDEO)”” €1.6 million grant from the European Union (EU) supported Morocco. The program lasted June 2008 -June 2011 and involved chambers of commerce, regional investment centers, private service providers, and the Hassan II Foundation. Goal: improve investment climate and increase Diaspora investment to foster economic development in Oriental region Major importance of networking, match-making, public-private dialogue.	€1.6 million grant from the European Union (EU)	Supported Morocco. The program lasted June 2008 -June 2011 and involved chambers of commerce, regional investment centers, private service providers, and the Hassan II Foundation. Goal: improve investment climate and increase Diaspora investment to foster economic development in Oriental region	Major importance of networking, match-making, public-private dialogue.	
Programme Entrepreneurs en Afrique (EEA), France “creations d’entreprises et développement solidaire au Maghreb”	Diasporas/migrant entrepreneurship program	banking guarantees for young Tunisian entrepreneurs		

MIDA programs (Migration for Development in Africa)	capacity-building programme	helps to mobilize competencies acquired by African nationals abroad for the benefit of Africa's development through strengthening institutional capacity.	Based on IOM's long experience in the Return of Qualified African Nationals (RQAN),	http://www.iom.int/jahia/Jahia/mida-africa/
TOKTEN, UNDP	United Nations Volunteer Programme (UNVP) (since 1994)	initiated by UNDP in 1977 to counter the effects of brain drain in the developing countries by temporarily bringing back talented expatriate nationals to their home countries based on the spirit of volunteerism	Transfer of Knowledge Through Expatriate Nationals (TOKTEN)	
Database of high-skilled individuals in the Tunisian diaspora.	Skills database	The Office for Tunisians Abroad in collaboration with Tunisian embassies and consulates, the Ministry of Higher Education and Scientific Research, and the Ministry of Public Health has established a database of high-skilled individuals in the Tunisian diaspora.		
Egypt one-stop shop for new business and investment transactions by the diaspora	One stop shop for investments	Egypt one-stop shop for new business and investment transactions by the diaspora at the Ministry of Investment		
Trade and market information from abroad by the Office for Tunisians Abroad (Office des Tunisiens à l'Étranger),	Trade council trade information Business support	Diasporas and private firms in these countries are asking their diasporas to provide market information in the countries where they now live. Activities include the establishment of diaspora trade councils and participation in trade missions, business networks, and business forums.		

Diaspora Investment in Agriculture (Atikha).	Diasporas and cooperative Rural policies (IFAD)	Atikha and its diaspora organization partners in Italy worked together to provide financial literacy training to a community largely consisting of Filipino women domestic workers.		http://www.atikha.org/topics/projects/ifad
TitanE	Diaspora support to economic development of local farmers	Indonesian diaspora organization in the Netherlands that provides support, in the form of resources, skills and networks, to nutmeg and mace farmers belonging to marginalized communities in the Central Moluccas in Indonesia		Conference on Building Bridges-Diaspora for business and development, April 2012, Frankfurt http://diasporabusinessdev.com
Indus Entrepreneurs Network	Expatriate skill network	Expatriates from Asia in Silicon Valley	Network of highly qualified professionals	

Infrastructural support initiatives				
Initiative	Type/category	Brief description	Comments/ Preliminary results / lessons learnt (if any)	Sources
Guyana Diaspora Engagement Project- GUYD	A Ministry of FA initiative Launched on 26 September 2012	An initiative that seeks to engage Guyanese diaspora all over the world by documenting the skills, resources, interests and plans of those willing to support the country's development.		
MIDA Ghana Health III project	Skills development programme	implemented by IOM in close cooperation with the Ministry of Health of Ghana and Ghanaian diaspora groups in Europe	development of human resources in the health sector in Ghana. Ghanaian and other African migrants in EU countries can transfer knowledge, skills and experience through temporary assignments to Ghana. Also, health workers from Ghana have the opportunity to engage in specialized training at health care institutions in the Netherlands, Germany or the United Kingdom.	IOM Netherlands

Temporary Return of Qualified Nationals (TRQN II)	Capacity development programme	Target countries are Afghanistan, Bosnia and Herzegovina, Ethiopia, Georgia, Sierra Leone and Sudan.	offers qualified migrants in the Netherlands the opportunity to help with the development of their country of origin. Realized through temporary return assignments where the migrants as so-called resource persons share their experiences, skills and knowledge with local organizations.	IOM Netherlands
Project Migration for Development in the Western Balkans (MIDWEB)	Capacity development of origin country	Offers a temporary placement opportunities for 60 qualified professionals from Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia and UNSC Resolution 1244 administered Kosovo, and who live permanently in Austria, Germany, Italy, the Netherlands, Switzerland or the United Kingdom. Participants can share their skills and expertise to contribute to the development of their country of origin.		

Financial Services, Remittances, Transfer and Investments				
Initiative	Type/category	Brief description	Comments/ Preliminary results / lessons learnt (if any)	Sources
The African Institute for Remittances (AIR)	Partnership WB, EU, AfDB, IOM and AUC Institute	build the capacity of the Member States of the AU, remittance senders and recipients and other stakeholders to develop and implement concrete strategies and operational instruments to use remittances as development tools for poverty reduction.	Launched in May 2012	

United for Solidarity (Unidos por la Solidaridad)	Matching grants	The Salvadoran government established the Social Investment Fund for Local Development (Fondo de Inversión Social para el Desarrollo Local, FIDSL) in 1990 to funnel diaspora remittances toward development projects.		
the African Diaspora Marketplace	Matching grants -partnership between the United States Agency for International Development (USAID), Western Union and the Western Union Foundation	-an initiative that provides support to US-based African diaspora entrepreneurs with innovative and high-impact ideas for start-up and established businesses in sub-Saharan Africa. -beneficiary businesses are located in seven (7) Sub-Saharan African countries.	-when working with small grants and small businesses, support and capacity building are needed to prepare the business plans. -the importance of a mentor for providing guidance along the way of the	Inter-American Dialogue, Evaluation report: “Assessment African Diaspora Marketplace”, November 4, 2011
The Fonds Sindibad and French Development Agency (AFD)	Matching grants	It was launched with the support of the European Investment Bank in 2002, endowed with €5 million (50 million DH) with a long term horizon through equity participation in innovative and high- tech businesses at an early stage. Aims at encouraging entrepreneurship among Moroccan expatriates. Target: innovative and young companies	It closed its investment phase in 2009.	
SEBRAE CAIXA US Bank	Financial services	Train remittance recipients in Brazil to start and strengthen businesses. CAIXA offers support to migrants and their relatives with financial services tailored to their needs. Source: Hall, Ten Years of Innovation in Remittances.		
AFFORD RemitPlusservices/projects (non-profit-making diaspora agency)	Services to harness diasporas finances		AFFORD has set up these services to harness migrant and diaspora finances, and plans to establish a RemitPlus Diaspora Mutual Fund	
The Central Bank of Ecuador (BCE) Alternative Remittance Distribution Channel for Small Ecuadorean Financial Intermediaries project in 2007.	Remittance transfer and investment facilitation via partnership between diasporas and cooperatives			
Postal networks (UPU West)	Money transfer service via	Utilize postal network to provide services	UPU-IFAD project involving Benin,	http://news.upu.int/insight/back

Africa)	postal services	in rural areas through post offices have the best geographical coverage of basic services.	Burkina Faso, Mali, Mauritania, Niger and Senegal, connected 355 post offices in rural areas to the UPU's worldwide electronic payment network	grounders/postal-financial-inclusion/
Support to young entrepreneurs via bank guarantees in Tunisia, France	French Development Agency Program for bank guarantee			
Support for Senegalese's migrant investment back in Senegal , France (2008)	Co-development program focused on private investment projects		The promoters have a very high qualification level (60% have at least back +4)	Paper on "experiences francaises"
Euromed Postal Services	Feasibility study	For an enhanced postal cooperation within the Euro-Mediterranean region (Study)	with support of Invest in Med, ANIMA and French La Poste	http://www.invest-in-med.eu/en/agenda/fiche-euromed-postal-%3A-for-an-enhanced-postal-cooperation-within-the-euro-mediterranean-region-study-700.html
PACEIM Program Programme d'Aide à la Création d'Entreprises Innovantes en Méditerranée	Encourage innovative business creation in the Mediterranean	aims to accompany and support the creation of 100 innovative businesses from the public research in the South and East of the Mediterranean by 2014.	It is supporting initiatives promoted by the scientific and technical diaspora, trained or working in Europe, in all sectors of industrial activity which includes a technological component	http://www.invest-in-med.eu/en/about-our-initiatives-67.html
Hatton National Bank (HNB) with Women's World Banking,	Financial services via Bank involvement	financial services based on the remittances received by female-headed households in Sri Lanka.		
Housing programme with collateral Colombia Nos Une Sociedad Hipotecaria Federal (SHF)	Collateral financing for housing based on remittance transfers			Handbook for engaging diaspora I in development
Development Corporation for Israel (DCI) diaspora bonds	Diaspora bonds	The initiative offered a flexible menu of diaspora bonds since 1951 to keep the Jewish diaspora engaged	Different from the Indian Government's rationale (see below)	http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1100792545130/Diasporabonds.pdf
The State Bank of India (SBI) diaspora bonds	diaspora bonds	an instrument for balance of payments support, to raise financing during times when there is difficulty in accessing international capital markets. Rationale: Diaspora bonds can be an attractive vehicle for countries to secure a stable and cheap source of external finance	India used this mechanism on three occasions since 1991 and have raised over US\$35 billion using these bonds.	http://siteresources.worldbank.org/TOPICS/Resources/214970-1288877981391/Ketkar-Ratha.pdf
Liberian Diaspora Social Investment Fund,	Diaspora investment funds	a social investment fund that provides an innovative approach to leveraging the	Owned and managed by Liberians, the fund will allow Liberians living in the	http://liberiandiasporafund.org/about_us.htm

		remittance from the Diaspora to invest in small to medium size businesses in Liberia that would help create jobs and in turn reduce the poverty level.	Diaspora to invest in specific businesses and sectors.	
Rwandan Diaspora Mutual Fund (RDMF)	Diaspora investment initiative	A 2008 Investment initiative of members of the Rwandan Diaspora acts as a pool of investment from Rwandan Diaspora and Rwandan nationals to mobilise funds to be invested in the country		http://www.rwandandiaspora.gov.rw/index.php?id=64
Zambia First Investment Fund (ZFIF).	Diaspora investment fund initiative	Initiated by the Zambian Diaspora The goals is: to provide capital to fundable projects initiated by Zambians	ZFIF envisages that Zambians in the Diaspora will invest money in the fund which in turn will be directed at providing capital to economically feasible and fundable projects in Zambia and for Zambians	http://www.mwape.com/zfif.html
Diaspora Unit Trust Funds Schemes (DUTFS)	Diaspora investment funds	A collective investment scheme licensed by the Capital Markets Authority of Kenya, under section 12 of Regulations 2001.		http://www.mobilepay.co.ke/tangaza/2010/04/kenyans-abroad-to-benefit-from-the-diaspora-investment-fund/
ChileGlobal — the Talent Network for Innovation	Network	Promotes and facilitates the development of key economic clusters in Chile by reinforcing their links with Chileans (and some non-Chileans) residing abroad		http://www.chileglobal.org/
Honduras: supported by GIZ on behalf of BMZ, Honduras Global	Network of highly skilled Honduran Diaspora	Goal is to foster transfer of knowhow from the highly skilled Diaspora to the country of origin	Officially registered as association only since July 2011.	

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