EXECUTIVE SUMMARY

This working paper discusses the roles that migrants and diasporas can play in supporting development efforts in their home countries or regions, for example through knowledge transfers, investments or remittances, and the policy environments to support these roles.

The first GFMD meeting mostly looked at “remittances and other diaspora resources” as private initiatives, whose development impact governments could leverage through partnerships, incentives and tools. This working paper takes a broader approach and addresses the enabling policy environment in (and between) home and host countries likely to empower migrants and diasporas to contribute to development. It does this along three tracks that address ideas and examples of enabling policies to:

- facilitate diasporas’ engagement in development activities;
- leverage the voluntary contribution that remittances can make to development;
- provide diasporas with investment opportunities for development.

Building upon the discussions of the Brussels GFMD meeting in 2007 and on best practices from GFMD participants, this working paper will present some policy options for actions that could enhance the positive impact of migrants’ and diasporas’ contributions to the development of their home countries. These suggestions will mainly focus on coordinated efforts by different actors at the domestic level (governments, civil society and diaspora organizations, private sector, research, etc.) and through international cooperation.

1. CONCEPTUAL FRAMEWORK

1.1 Definition
For purposes of the RT 1.2 session, the working definition of “diaspora” adopted at the first GFMD meeting will be used: «individuals originating from one country, living outside this country, irrespective of their citizenship or nationality, who, individually or collectively, are or could be willing to contribute to the development of this country. Descendants of these individuals are also included in this definition.»

This definition covers a broader group than “international migrants”- usually defined as people living in a country other than where they were born. For instance, “diaspora” can cover descendants of migrants, while “international migrants” could also refer to nationals born abroad but returning to their country of origin. It is important to understand these kinds of distinctions, to ensure that policies and programs are tailored accordingly, thus ensuring their implementation and sustainability.

While migration can have major economic impacts on both home and host countries, as shown for instance by the “Report on International Migration and Development” presented by the Secretary General of the United Nations in 2006, this working paper focuses on how to achieve and enhance the development impact that migrants and diasporas can have in their home countries whether through knowledge transfer, investments or remittances.

1.2 Diaspora and development

Diasporas’ development potential is closely linked to the evolution of globalisation. Recent revolutions in transport and communication, for instance, have brought societies and economies closer to each other. As a result, there has been a growing awareness over the last decade within the international community of the potential complementary role that diasporas can play in development efforts.

Diasporas’ development impact on home countries can take different forms: voluntary or involuntary; intellectual, economic, social or cultural. Manuel Orozco, for instance, characterizes these impacts as the “five Ts”: money transfers, tourism, transportation, telecommunication, and “nostalgic trade”.

Another categorization was given in a report by the North-South Centre of the Council of Europe under the rubric of “social remittances” (as distinct from financial remittances) which were defined as “ideas, practices, mind-sets, world views, values and attitude, norms of behaviour and social capital (knowledge, experience, expertise) that the Diasporas mediate and consciously or unconsciously transfer from host to home countries.” In the Philippines, there is growing interest in the “strategic philanthropy” of diasporas, which is described as the “investments that fund longer-term and sustainable solutions and social change in home countries, as opposed to charitable giving that addresses immediate needs, and beyond remittance transfers that fulfil familial obligations”.

Discussions on the financial contribution of migrants and the diaspora to development in their home country have traditionally confined themselves to “remittances”, even though the technical definition of this concept is slightly different. Indeed, in the development debate, “remittances” refer to three types of transactions: individual (mostly small and regular) financial transfers sent by diasporas to support relatives back home; money sent to finance small-scale business investments; and individual or collective philanthropic support to development projects. In practice, however, these flows may be difficult to disaggregate, leaving some aspects unaccounted for, such as money transferred to re-pay loans taken out to facilitate migration. Migrants and diaspora often also “remit” in-kind gifts or goods to be re-sold in the recipient country. Even though they will not be addressed as such in this working paper, domestic financial transfers, particularly in the case of internal migration, and financial flows from developing to developed economies are also important features of the remittance dynamic.

Remittances are the second largest source of external finance for developing countries - estimated by the World Bank to have reached $240 billion in 2007, just behind foreign direct investment ($460 billion) and twice as large as official aid ($104 billion). Unrecorded remittance flows are estimated to
add 50% to this figure\textsuperscript{x}. The impacts can be different from country to country depending on a number of factors\textsuperscript{x}.

1.3 Enabling environments

The first GFMD meeting mostly looked at “remittances and other diaspora resources” through the lens of partnerships, projects and tools to be implemented by different stakeholders. This working paper goes beyond this approach and looks at the general enabling environment in home and host countries, where such partnerships could take place to empower migrants and diasporas to become development actors. The working paper presents its discussion along three tracks:

- The enabling environment to facilitate diasporas’ involvement in development activities through policy coherence both in home and host countries, and workable partnerships between them. It will look at issues such as official recognition of the role of diasporas for development, portability of (temporary or permanent) social rights, etc., and will review projects actually empowering diasporas to become development actors.

- The enabling environment to leverage remittances as a voluntary contribution to development. Building upon the 2007 GFMD discussions, this section will more particularly look at strategies to create remittances ‘corridors’ for development.

- The enabling environment to provide diasporas with investment opportunities for development. This section will look at how home and host countries can create innovative and attractive investment opportunities for their diasporas, and the financial packages and mechanisms to support these opportunities.

2. EFFECTIVE PRACTICES

2.1 An enabling environment to facilitate diasporas’ involvement in development activities

Working with diasporas firstly requires some official recognition of their potential role as actors who link countries with each other at various levels, and the networking, familial, cultural and business skills and assets they bring to this. Beyond strategies to identify possible diaspora partners\textsuperscript{xii} and provide them with a dialogue platform for development (discussed during the first GFMD meeting), home and host countries would need specific policies related to the status of diaspora members, such as dual citizenship\textsuperscript{xii} and easier cross-border mobility (both physical and skills/assets-related).

2.1.1. Ensuring diasporas’ international mobility for development

In host countries, partnership strategies with diaspora organisations would gain in departing from the traditional conditionality upon return (to avoid deterring potential candidates), and rather give more emphasis to ways of enabling re-migration to the former country of residence, e.g. through valid residence permits, or provisions for sabbatical leave and portability of (temporary or permanent) social rights.

Besides such strategies, efforts to counter the brain loss experienced by sending countries are also being considered through new forms of circular migration aiming at distributing the skills, talents and earnings of migrants across countries. Such is for instance the approach of the European Union, discussed among (or with) developing home countries, to offer more flexible, partnership-based alternatives to the unilateral labour programs of the past.\textsuperscript{xiii} Key policy strategies that can make these work include longer and more flexible contracts, options for re-entry, portability of visas and of social welfare benefits at the host country end. Origin countries would complement these with policies that encourage migrants to maintain ties to their home country and to return either in person or through investments, skills circulation, assets transfers, etc. of benefit for the development efforts back
Variations of “circular” migration already exist, for example in certain bilateral seasonal labour arrangements, which aim to promote mutual development of home and host countries, such as between Spain and Morocco, or between Mexico and Canada.

Ensuring diasporas’ international mobility for development calls for a wide range of regulations, from the portability of social rights to the possibility of temporarily leaving one’s job, not to mention the basic pre-condition of being able to return to the host country. There is also a need to ensure policy coherence to avoid social or fiscal “traps” that diaspora members may find themselves in after participating in development activities.

Recently, for instance, there have been strong calls for transferable benefits, particularly of pensions and medical and life insurance. The majority of migrants face obstacles in the transferability of their pension and health care benefits, since existing bilateral or multilateral social security agreements cover only some 20 to 25 percent of international migrants. The lack of transferability is believed to discourage more engagement with countries of origin, primarily by inhibiting temporary and, especially, permanent return. To facilitate this mobility, Belgium is planning to launch soon a web portal with the title “Leaving Belgium”, which would provide all necessary case-specific information on the social security situation for those planning to leave Belgium temporarily or permanently. Such mobility can also be facilitated by specific programmes and institutions set up in the home country. The Philippines, for instance, have created a National Reintegration Center (NRCO) for Overseas Filipino Workers (OFWs) with the aim to optimize the benefits of overseas employment for OFWs, their families, communities and country. With the help of the Center, their investible assets, skills and goodwill for communities could be channelled to better uses.

2.1.2 Institutional support structures and Programmes

A number of host countries offer good policy, regulatory and institutional practices to enable migrants and diasporas to create their own assets and mobilize them for development. These include, among others, incentives and support for small scale enterprises by migrant communities or public-private partnerships, such as the agricultural cooperative efforts of Ghanaian diaspora in Italy (e.g. “Ghana Coop”). Some host countries also support hometown associations and other migrant/diaspora associations that collectively invest in development projects in the home country, such as the “Osims” in France (see footnote xi). But diaspora and home communities often create their own transnational support structures, such as the Nigerian “town unions”, which keep diaspora informed and engaged with development needs in Nigeria.

Home countries are also adjusting their institutional structures and policies to better harness the developmental potential of migrants and diasporas. In El Salvador, for instance, the creation and consolidation of the Vice Ministry of Foreign Affairs for Salvadorans Abroad has placed migration at the highest level of the political agenda. Presidential Forums with Salvadorans Abroad have been hosted by H.E. Elias Antonio Saca, President of the El Salvador, accompanied by Cabinet Members and representatives of the communities abroad. These have provided dialogue spaces with Salvadoran communities in Canada and Italy through thematic roundtable discussions and workshops. Through these events, more than 20 governmental institutions have presented an offer of work or program to increase the participation of Salvadorans abroad in the development efforts of their home country.

Consulates abroad are also used by many governments to inform and support diaspora and promote a change of attitude towards migrants and diaspora by host communities and policy makers. As seen by governments with strong migrant/diaspora-supporting facilities abroad, such as Morocco, Tunisia, El Salvador, Philippines, Mexico and others, these can also provide a ready link for diasporas with governments back home.

Working with diasporas on development for instance makes sense in facilitating knowledge transfer as a counter-balance to brain drain. Some countries have established partnerships between governments, international organizations, diasporas, private and civil society actors for professional diasporas to
return and/or circulate their skills to strengthen crucial sectors. In this regard, partnerships between home and host countries are also crucial to ensuring ownership of diaspora-supported development projects by home communities, and harmonization and alignment of diaspora activities with broader national development strategies. Partnership arrangements can for instance avoid that experts returning for local development project work do not compete with locally available skills and experts in the home country. Partnerships among host countries harboring diasporas of the same origin could also be envisaged.

Belgium, for instance, strongly supports the IOM Migration for Development in Africa (MIDA) Great Lakes program, which organizes temporary return missions of highly qualified diaspora, originating from the region and based in the EU or Switzerland, with specific expertise in health, education and agriculture in one of the three countries in the region (i.e. Democratic Republic of Congo, Rwanda and Burundi). An independent assessment of this program has been commissioned by Belgium as a follow-up to a recommendation of the first GFMD meeting and as support evidence for the present working paper.

This assessment of MIDA shows that, while it is difficult to evaluate the impact of such missions on the general development of these countries, there are some specific instances of success. For example, teachers from the diaspora with certain expertise have made it possible for academic curricula to be completed, and for students to graduate. More broadly, the program has created a culture of engagement of the diaspora in development activities in the region. Some experts have continued to pursue their involvement after their mission has ended by establishing partnerships between their institution in the host country and counterparts in the home country. The engagement of diaspora members was widely considered to be positive, notably by partner government authorities and institutional/individual beneficiaries, who, for instance, considered that diaspora experts were faster in establishing contacts and were considered more credible than the experts traditionally sent for such missions.

A similar initiative is the celebrated Transfer of Knowledge through Expatriate Nationals (TOKTEN) program, jointly administered by the Philippine Government and the UN Development Program (UNDP), which funded short-term knowledge transfer visits of overseas Filipinos from 1988 to 1994. TOKTEN programs reportedly benefited the solar energy sector, the tilapia industry, and irrigation systems in the Philippines. On its own initiative, the Commission on Filipinos Overseas (CFO) has also posted more than 230 overseas Filipino students, scholars, scientists, and other professionals with expertise in science and technology, education, agriculture and other fields in various programs in the Philippines. The Philippine Department of Science and Technology, through its BALIK Scientist Program, funds short- and long term assignments for overseas Filipinos in universities, hospitals, government agencies, and private companies back home.

Strategies to link with expertise available among the diaspora are also implemented by Mexico through its “Red de Talentos Mexicanos” program, which promotes relationships among professionals, scientists and entrepreneurs based in Mexico and abroad involved in the high technology industry, with the aim to better connect Mexico to the global knowledge economy.

Another example of partnership-based projects engaging diasporas in development activities can be found in the «Joint Migration & Development Initiative » launched in 2008 by the European Commission and the United Nations. This aims to complement the international dialogue on the benefits of migration for development by fostering civil society and local government actions to innovate and scale-up existing small-scale initiatives. In parallel, this program aims to identify and raise awareness of the role of small-scale actors in the area of migration and development and ensure that lessons learned and good practices codified under the program are fed into policy decisions through an innovative knowledge management program. The Joint Initiative's four areas of focus are remittances, migrants’ capacities and skills, migrant communities and networks and rights.
2.1.3 Capacity building

Capacity building of diaspora networks or organizations can also equip these better for assuming some kind of development-related role back home. Even where they may be well organised, people abroad may not have sufficient knowledge to identify, develop and manage relevant development projects. Capacity building could strengthen skills in how to form an association, and in project management, accountancy, fundraising, strategic planning, project monitoring and evaluation.

In conclusion, creating an enabling environment to facilitate diasporas’ involvement in development activities appears to require coordination among various governmental agencies, possibly including local authorities, and collaboration with non-government actors. It also requires cooperation between home and host countries, with support of other international stakeholders where needed.

2.2 An enabling environment to leverage the voluntary contribution of remittances to development

2.2.1 Creating “corridors” for development

The world remittance market must be seen as an addition of bilateral “corridors” that link remittances sending and receiving countries. Each corridor has its specific features, depending on conditions in the sending and receiving countries and the types of relations that exist between them. Therefore a differentiated approach is needed according to each specific situation.

However, remittances “corridors” also share some common elements and principles for governments of sending and receiving countries to leverage the voluntary contribution of remittances to development. In fact, as mirrored in the discussion of the first GFMD meeting, creating “corridors” for development requires governments to undertake several steps, in coordination with different stakeholders and through cooperation between sending and receiving countries.

First, strong financial sectors must be in place at both ends of the “corridors.” This may involve providing support to private and financial sector development in some countries in terms of infrastructure, general business conditions, governance, regulation, etc., and capacity building for different stakeholders, such as financial intermediaries, regulators, etc.

Enhancing access to financial services may also involve broadening the geographical coverage of these services to include rural areas, by entering into partnerships with different financial intermediaries, e.g., money transfer operators (MTOs), commercial banks, postal services, micro-finance institutions (MFIs), etc.

Switzerland, for instance, supports select diaspora associations with a view to improving remittance channels to developing countries of origin like Somalia, and undertakes numerous finance sector development projects to help bring savings and investment opportunities to the rural areas of migrant origin, in order to enhance the multiplier effect of remittances.

Second, these financial sectors must be connected among themselves, whether through agreements between central banks, subsidiaries abroad or by establishing partnerships between financial intermediaries from the sending and recipient countries. In this regard, an agreement was recently signed by Egypt, Jordan, Morocco, Qatar, Syria, Tunisia, the United Arab Emirates and Yemen to start electronic money transfer services using technology that has been developed by the Universal Postal Union (UPU). Other countries of the region might join the arrangement by the end of 2008.

Third, there is a need to generate awareness among the key players about the importance of remittances and the value of formal transfers. Governments can raise such awareness among financial intermediaries by making remittance-related development initiatives a clear public policy objective.
Conversely, financial literacy programs for remittance senders and recipients can help them profit more from available financial services. For such awareness-raising purposes, information needs to be disseminated effectively, e.g. through websites, or through ‘financial fairs’ to provide remittance senders with information on the different options to remit money formally.

Switzerland is working on a project to enhance transparency among the different remittance transfer systems, and to foster the financial literacy of migrants. Belgium, through the aforementioned IOM MIDA Great Lakes program, is planning to launch a website to compare the cost of remitting money in different corridors from Belgium. In Mexico, the National Commission for the Protection and Defense of Users of Financial Services (CONDUSEF) has developed a similar tool enabling online comparisons of the costs of remitting money.

Similarly, knowledge of other programs that facilitate remittances’ contribution to development like tax breaks and incentives must be shared. These programs can help formalize remittance transfers, thus making them a part of the broader development strategy of destination countries. A case in point would be the French ‘compte d’épargne co-développement’ and ‘livret d’épargne co-développement’.

Fourth, there is also a need for multi-stakeholder partnerships to develop a set of remittance-related development tools, incentives and policy options. (see below).

2.2.2 Data and Research

Underpinning all policy efforts in these areas is an urgent need for solid data on remittances at the corridor level.

Each corridor’s specific situation requires a tailored approach, which takes into account the nature of the diaspora, the extent of their activities, the availability of resources (financial, capacity, etc.), the opportunities for broad-scale partnerships among diaspora actors including alignment with local development efforts, and the necessary enabling environment to be in place at both ends. A further key research question is how the development impact of policies and practices in this area can be best assessed, possibly scaled up, and shared across different countries and regions.

Switzerland, for instance, conducted in-depth research on one specific remittance corridor involving a major diaspora group based in Switzerland, namely Serbians. The study looked at the various remittance channels to determine which are more productive. It also measured the impact of remittances on development by identifying how the money sent home was being used. In the examined case, remittances were mainly used to cover recurring living costs and basic needs. Only a small amount was used for savings and investments, which could be more of a key to leveraging the development impact of remittances.

France supported a recent survey by the African Development Bank on remittances by migrants between France and Morocco, Senegal, Mali and the Comoros. This aimed to establish an inventory of financial flows and to identify the mechanisms that govern remittance markets and the formal and informal channels used. The results of the survey support a more competitive market of services by banks and money transfer enterprises in order to increase the number of “banked” beneficiaries; the creation of favourable conditions for increased competition between Money Transfers Operators; more targeted development of sectors that could attract remittance investments and support to the various players in the remittances industry.

While remittances appear to be mostly used for consumption and not investment, recent research also demonstrates that they may have a weaker effect on savings, but a more positive, long term effect on investment and schooling as well as on health or housing. Support to education and health can be considered as support to development: allocation of remittances to schooling allows more children to access education and generally increases the schooling of children. However, this should not absolve
governments from their primary responsibility to ensure social and economic development of their people. The conditions need to be continually created for productive investment by diasporas in their home countries, thus enabling them to be voluntary actors in the development of these countries, including through the investments that they in turn generate.

2.2.3 Multi-stakeholder partnerships

Some governments have launched comprehensive strategies involving domestic, financial and civil society actors and development partners abroad.

The Mexican “Tres por Uno” program is a classic example of a partnership between the home country authorities and the diasporas to improve the development impact of the money sent home through matching the donations from migrants with public funding. For a country with a relatively low migration-to-remittances ratio, this community-based program, co-funded by hometown associations abroad and municipal, state and federal governments in Mexico, can be an effective way of targeting local needs identified directly by the community. Despite some drawbacks noted by experts, and the fact that it accounts for a relatively small proportion of remittances, this kind of partnership is estimated to have benefited 1 million inhabitants in 23 states in Mexico during the period 2002-2004. It is further estimated that between 2002 and 2005, the matching fund program pooled over US$220 million to finance about 5000 projects in over a thousand communities throughout Mexico. Furthermore, there has been a diversification of such programs to other 2 x 1 and 1 x 1 programs at state levels (e.g. in Jalisco), which by some reports are even larger than the federal 3 x 1 program.

The Government of El Salvador has implemented a broad-ranging diaspora initiative entitled “United for Solidarity”, which involves some 300 Hometown Associations, 70% of them in the USA. Under this program, the associations compete for funds intended to be used expressly for improving conditions in their communities of origin. Between February 2002, when the program was initiated, and January 2006, 57 projects were carried out, benefiting 30 municipalities through investments totaling USD15 million. These projects have helped to establish or improve health services, schools, homes for the elderly and basic infrastructure (roads, bridges and an important port in the town of Suchitoto (which has helped lead to improvements of the United for Solidarity mechanism).

Similarly, but from the diaspora host country perspective, Norway launched a project in 2008 aimed at doubling the money donated to development projects by Pakistani diaspora organisations based in Norway in order to support development projects in Pakistan. This project could, at a later stage, be replicated in other countries.

These operations may also require the enhancement (or creation) of intermediary structures for on-the-ground management and coordination of initiatives and to ensure harmonization and alignment of development efforts. In the Philippines, the Commission for Filipino Overseas’ (CFO) Link for Philippine Development (LINKAPIL) program mobilizes donations from the Filipino diaspora, recommends projects to donors, coordinates with government agencies and local partners for their implementation, and also monitors projects and submits progress reports. From 1990 to 2006, LINKAPIL is estimated to have facilitated more than 2,700 donations amounting to approximately $50 million.

For diasporas, such partners could further serve as a ‘guarantee’ for finding additional funding, whether through their own community or networks or from financial actors (see also below). Some home countries facilitate this through their ministry in charge of diaspora, which can also facilitate relations with potential donors.

In conclusion, leveraging the voluntary contribution of remittances to development impacts on a range of policy fields (capacity building, payment systems, identifying diaspora partners, etc.) and involves a wide range of stakeholders (local and national governments, central banks, money transfer agencies, commercial banks, micro-finance institutions, migrant and diaspora associations,
international organizations, etc.). This increases the relevance of national coalitions on remittances, which can provide platforms for different stakeholders to meet, dialogue, overcome existing obstacles and look for possible joint ventures.

These multi-stakeholder, corridor-based partnerships would benefit from a global exchange of experiences and support from relevant international organisations. In this context, the first GFMD meeting recommended using the GFMD website as a tool for countries to exchange experience and lessons learned.

2.3 An enabling environment to provide diasporas with investment opportunities for development

2.3.1 Broader sectoral development

Diasporas can also play an investment role in their home countries, whether as “first movers” who open the way for other foreign investors (for instance in a nascent tourism industry) or as “cultural interpreters” and “reputational intermediaries” to connect home countries with potential foreign investors. But their motivation to do so is significantly influenced by the economic, security and political context in the country of origin. Specific measures to improve the general investment climate need to be accompanied by proactive efforts to promote and stimulate the interest of diasporas in investing in their home countries.

Two recent studies analyzing returning migrants’ entrepreneurship in the Maghreb region - comparing returning migrants’ situations before and after migration (with regard to skills, professional circumstances and personal perception) - provide useful observations on the need to take into account generally enabling environments, beyond specific projects. For instance, these studies make an interesting link between diasporas’ entrepreneurship capacity on the one hand and individual migration history and policy on the other hand (i.e. level of skills when leaving the country; opportunities offered to acquire new skills in the host country, etc. but also business climate, administrative situation, etc. in the country of origin).

Starting with the dissemination of accurate information on investment opportunities and professional needs (through internet and websites or local media), efforts aiming to provide diasporas with investment opportunities for development need to be complemented by strengthened capacities and instruments to translate good intentions into concrete realities. For this, more financial instruments are needed that facilitate and adapt to the reality of diasporas, multiply the offer of financial services for them and their families, and strengthen formal banking systems.

2.3.2 Financial instruments and incentives

The financial sector provides fertile ground a) to continue innovating in the area of specific financial packages for diasporas such as mutual funds, investment funds, special accounts of savings, and other financial instruments that facilitate and increase the saving, and b) to promote productive investment, where remittances can serve as a guarantee.

Home country governments can further provide entrepreneurial diasporas with IDs to facilitate easier, cheaper banking, customs/import incentives, access to special economic zones and to foreign currency accounts. Awareness-raising and information on investment possibilities can be offered by governments but also by private sector or any other expert agency, also under commission by government (e.g. the Africa Recruitment Investment Forum). Here also, as mentioned above, these operations may require intermediary structures for on-the-ground management, harmonization and alignment of development efforts, and to serve as ‘guarantees’ for the diasporas.

Special property rights have been identified by Greece as an important means of attracting diaspora interest and engagement with the home country, especially where under previous political regimes
such rights had been restricted. Similarly, anyone who at one time held an Indian passport or whose
father or grandfather was a citizen of India can acquire unlimited residential and commercial land in
this country. In the Philippines, individuals born in the Philippines and/or to a parent who was still a
citizen at time of his/her birth can purchase either residential or commercial land.\footnote{1}

In El Salvador, the Vice Ministry of Foreign Affairs for Salvadorans Abroad has created capacities
among diaspora entrepreneurs in coordination with IOM, to develop a joint project in leader
management training for Salvadoran entrepreneurs based in Washington, Los Angeles, New York and
San Francisco. This is intended to expand their knowledge and skills to help link them with their home
country. Among others, this project has resulted in new business ventures, the organization of a “Fair
of Salvadoran Product”, the creation of a webpage aimed at familiarizing communities abroad with
investment opportunities, etc.\footnote{3}

Due to the significant growth in the trade of “nostalgic” products and their potential for the economic
development of El Salvador, the Vice Ministry has sought to build on the advantages and opportunities
that can be created through commercial treaties with other countries currently underway. Finally,
through the Millennium Challenge Account, El Salvador has received a donation from the
Government of the United States of $461 million. These funds will be used in 94 municipalities in the
Northern part of El Salvador to promote investments by Salvadoran communities abroad in diverse
projects in education, agricultural development, tourism, promotion of experts, promotion of small
business and community infrastructure.

2.3.3 Small-scale transnational ventures

In Italy, France and other large destination countries, small transnational business ventures have been
established in partnerships among diaspora, local government and the private sector, to benefit both
the local host community and poorer communities back home. The Italian Government, in
 collaboration with the Ghanaian and Senegalese Governments and with IOM’s support, launched two
migration for development (MIDA) programs in 2003 targeting African diasporas in Italy that include
local development and decentralized cooperation elements linking three regions, Lombardia, Veneto
and Toscana.\footnote{3} These link local communities in Senegal and Ghana with local communities in Italy to
use local entrepreneurial knowledge for business and job creation back home. The more such
initiatives proliferate, the more their benefits may reach a wider base of needy people, refuting any
fears that diaspora-funded benefits are likely to go only to those areas where migrants originate
from.\footnote{3}

As a contribution towards stronger diaspora entrepreneurship (from the host country perspective),
Belgium supports the World Bank’s Development Marketplace for the African Diaspora in Europe (D-
MADE), which provides Sub-Saharan African diasporas in Europe with access grants for
entrepreneurial projects to support development in Africa.\footnote{4} Belgium has also created a “diaspora
assistance unit” to advise diasporas on how to submit business project proposals, before redirecting
them to funding agencies\footnote{4}. Development assistance strategies of countries like Switzerland can also
support countries of origin and transit in improving their market integration and labour infrastructure
to improve the working environment for potential migrants and returnees.

2.3.4 Partners and intermediaries

Lack of knowledge, limited capacities, lack of access to the right partners etc. limit the strategic
potential of diasporas and their resources for development, but also the potential of other partners and
agencies to support these. Philippine studies for instance show that also donor policies need to be
adjusted before strategic development initiatives by diaspora, hometown associations and the agencies
supporting these are included into their agendas and budgets (e.g. “Few donors have links or
partnerships beyond those within their own village”),\footnote{3}
In fact, the role of non-governmental sectors, international organizations and the private sector, is critical in any diaspora initiatives linked to development. The importance of reliable intermediaries has been mentioned above. In the Philippines, for instance, key intermediary/facilitator agencies include both the government’s Commission on Filipinos Overseas (CFO) and the Ayala Group of Companies AFUSA (while CFO receives donations from overseas Filipinos in different countries, AFUSA operates only in the United States of America).

France promotes government back-up for non-governmental “supporting operators”, or financial intermediaries, at both the origin and destination ends of the migration track, particularly for purposes of informing and counseling potential investors. For example, professional management consultants, key business incubators that often receive support within the general framework of economic development, could be fostered more as enabling agents for migrants lvii.

3. POLICY CHALLENGES

Diasporas have long been active in the development of their country of origin, and today’s interconnected and knowledge-based economy offers more opportunities in this regard lviii.

However, the success of these initiatives is often conditional upon the existence of an enabling policy environment in and between home and host countries. For example, Greece points to the need for a culture of trust between diasporas and the respective authorities and agencies engaged with them, before the positive contribution of diaspora can be promoted. While diasporas and migrants - including those permanently re-settled- can bring huge benefits for development in origin and host countries through their various resources accumulated abroad, it is important to look at how governments can enable them to make such contributions, optimize these initiatives through multi-stakeholders partnerships, and scale up their effect on development.

Beyond individual programs launched by some governments and agencies to support diaspora efforts, there is also a need to examine which policies best enable the multi-stakeholder partnerships to flourishlix.

This discussion must however rely on some basic principles that can be drawn from the first GFMD meeting :

First, the need to address the aforementioned knowledge transfer, remittances, investment, etc. development-related activities altogether as, ultimately, the same actors, i.e. migrants and diasporas, are at the centre of these various activities. It is therefore vital to have a cross-sectoral view of the enabling environment to be in place.

Second, expectations and programs aimed at leveraging the development impact of diaspora and remittance-related activities must take into account a number of characteristics specific to these actors:

- Migrants and diaspora members are human beings, which means that their motivation may sometimes be more personal (familial, etc…) than economic. In this regard, it is also important to note that the patterns of their involvement in development activities may be influenced by gender, skills, etc. considerations.

- By definition, an international migrant lives in a country different from her or his country of birth. This may involve adaptation to a new society- sometimes requiring learning a new language- as well as an obligation to succeed in one’s job (to which the authorization to stay in the country of destination may be linked). Migrants may also have to take care of their family and relatives in the home and/or host country and further volunteer in hometown and similar organizations that maintain links with the country of origin. This situation also applies, to some extent, to their closest descendants lx.
Furthermore, diasporas are not a homogeneous phenomenon but are diverse in skill levels, networks and ties to the home country/region, which, to a certain extent, are also a function of the host country’s migration policy\textsuperscript{4}. 

Finally, diaspora activities are private initiatives, which can be complementary to development efforts through appropriate incentives and options. With regard to remittances, for instance, this requires acknowledging that they are private money, which means that governments or financial intermediaries can only provide incentives for the development use of these flows and not direct or appropriate them. Remittances can also result from hard-won earnings and be a financial burden on migrants\textsuperscript{5}. It should further be noted that there is no obligation to provide aid back home: diaspora members, for instance, do not “have to” become investors just because they have higher earnings in hard currency, as not everybody has the will or the capacity to become an entrepreneur or an investor.

A third principle derives from a general GFMD observation that governments should not consider migration as an alternative to their development efforts. Indeed, any involvement of diasporas in the development of their home countries depends on the general political, economic and security situation in the home country. Therefore, development efforts are needed (e.g. extending financial services, improving the business environment and governance, improving the working environment for potential returnees, etc.) in order to ensure that diaspora activities actually take place and that they are efficient. Development efforts are also vital to ensuring basic services are available to people who do not have emigrants among their relatives, and to avoid spreading the perception among local populations that emigration is the only means by which to support relatives and home community.

4. QUESTIONS TO GUIDE THE DISCUSSION – POSSIBLE WAYS FORWARD

4.1. Questions

1) How can home and host governments facilitate diasporas mobility for development with regard to knowledge transfer or investment?
2) How can governments initiate multi-stakeholder dynamics to leverage the voluntary contribution of remittances to development ?
3) How can we build the evidence base to support corridor-specific tailored programs and assess their development impact as well as their opportunities for replication and scaling up?

4.2. Possible ways forward

At the domestic level

- Provide capacity building training adapted to diaspora and remittance-related development activities (project management, financial literacy programs, etc.).
- Undertake assessment of domestic regulations with regard to the facilitation of diasporas’ mobility for development (portability of temporary or permanent social rights, etc.).
- Create a national coalition for diaspora and remittance-related development activities in order to increase domestic coherence among governmental agencies and between different stakeholders.
- Create investment opportunities for the migrants in their communities of origin, accompanied by the necessary financial products to facilitate the investment options.

At the international level
• Promote partnerships between home and host countries to facilitate diaspora mobility for development.
• Continue exchanging best practices among GFMD participants on diaspora and remittances-related development activities through the GFMD website.
• Develop a set of diagnostic tools and policy options on the empowerment of migrants and diasporas for development based on lessons learned from GFMD participants.
• Develop programs of international cooperation that support the management of the migrants' investments, not only from the point of view of technical assistance but also as support to investment, through financial programs.

Further research

• Analyze relations between diaspora members’ integration in the host society and their ability to play a role as development actors. Similarly, analyze the impact of diasporas or remittances-related development activities on host countries’ economies and societies.

• Support corridor-specific research on:
  o situation, skills and resources of the diaspora (disaggregated by gender, skill levels, etc.);
  o collection of data on remittances flows;
  o the impact of diasporas or remittances-related development activities on home countries (including social aspects such as the situation of women and on children or the impact on poverty, education, health, investment, etc.);
  o identification of possible multi-stakeholders partnerships and of factors that may prevent them.

• Analyze existing projects (ownership, sustainability, development impact, added-value with regard to other development strategies), by looking at their lessons learned, opportunities for scaling-up and replication in other contexts.

Notes and Bibliography

1 This paper has been drafted by the Government of Belgium in consultation with the Government of El Salvador and the Roundtable coordinator. It draws in part on comments and input offered by the Roundtable session team member governments and from studies and findings of other non-governmental experts and organizations. The aim of the paper is to inform and facilitate the discussion of Roundtable session 1.2 during the Manila GFMD meeting in October 2008. It is not exhaustive in its treatment of the RT 1.2 theme, and does not necessarily reflect the views of the GFMD organizers, or the governments or organizations involved in the GFMD process. Any reproduction, in part or whole, of this document, should cite the source.


3 Idem, page 103. As the GFMD is an informal non-binding process, this working definition does not involve any commitment from the governments and agencies participating in its works, nor does it substitute for the usual terminology they may use in their regular practice. This working definition is conceived as global and included in the migration and development context. It further does not impose any exclusive identity to diaspora members, nor should it be interpreted as a hindrance to their full integration in the host society. Finally, this definition should not be interpreted as creating an obligation for diasporas to be involved in the development of their home country. Also according to these principles, a specific terminology will be used in this working paper, as it was done during the first GFMD meeting. One hand, “sending” and “receiving” countries will relate to remittance flows (“sending” country being the one where the remittance sender is based) and, on the other hand, “home” and “host” countries will relate to diaspora activities (with “host” country being the one where the diaspora is based).


5 Orozco, M., Transnationalism and Development: Trends and Opportunities in Latin America, in Munzele Maimbo S., Ratha D., Remittances : Development Impact and Future Prospects, The International Bank for Reconstruction and Development/The World Bank, Washington DC, 2005, pp. 307-329. “Nostalgic” products can be defined as a “group of goods and services that are traditionally consumed by people in their home countries and that they would like to continue consuming abroad if they were available”. It can be seen in parallel with “ethnic” products which are products “demanded not only by migrants abroad, but also by other people who are interested in consuming products from a variety of countries.” Source : Cruz M., Lopez Cerdan C., and Schaten C., “Ethnic” and “nostalgic” international markets as an opportunity for
small enterprises; the cases of Mexico and El Salvador. ECLAC, paper presented at Inter-American Dialogue/World Bank workshop "The Caribbean Diaspora as a Development Agent." April 14, 2004 referred in Stubbs J., Reyes H., Migration in the Caribbean: A path to development?, IBRD/World Bank, En breve, May 2004, n° 48, 4 pp. The issue of “nostalgic trade” was also addressed during the first GFMD meeting.


ix See Ratha D., Matsas R., Making Remittances Work for Development: Moving Ahead the GFMD Agenda, in Studia Diplomatica, Migration and Development, EGMONT Institute, Belgium, 2008 (vol. LXI, n° 2). The difficulty of disentangling these flows is also addressed in Anonuevo E., Anonuevo A., op. cit.

ia Remittances are calculated as the sum of workers’ remittances, compensation of employees, and migrants’ transfers. For the methodology of this calculation, see World Bank, Global Economic Prospects 2006 : Economic Implications of Remittances and Migration, The International Bank for Reconstruction and Development/ The World Bank, Washington DC, 2005, pp. 105-110.

x Remittance flows present various characteristics that increase their potential benefit for development which have been presented in Report ..., op. cit., pp. 82-111.

xii In parallel, diasporas also increasingly look for organising themselves to become development partners. In Belgium, for instance, this has taken the form of the creation of a General Coordination of Migrants for Development (CGMD) aiming at grouping diasporas organisations from various origin active in development activities, and which adopted the “Charte des OSM” in March 2008 (available at www.cgmd.be). The French acronym OSM stands for « Organisation de Solidarité Internationale Issues de la Migration », i.e. international solidarity organizations originating from migration.

xiii Several countries grant dual citizenship as well as political rights for their diaspora. For instance, the Philippines enacted an Overseas Absentee Voting Act in 2002 (ensuring right of suffrage to all qualified Filipinos abroad) and a Citizenship Retention and Re-Acquisition Act in 2003 (enabling natural-born Filipino citizens who are naturalized as citizens of foreign countries the opportunity to retain their Filipino citizenship). Similarly, a draft bill granting the Greek diaspora the right to vote in elections is under consultation among the members of the Greek Parliament. Greece already recognizes dual citizenship for Greeks who live abroad and for foreigners who legally reside in Greece and wish to acquire Greek citizenship by naturalization. Greece issues special entry and residence permits to the members of diaspora, the so called “Special identity cards”, granting members of the Greek diaspora the right to reside in Greece, as well as, access to special benefits for social security, health and education (i.e appointment to the Civil Service). Moreover, special entry and residence permits are awarded to foreign nationals married to members of the Greek Diaspora in order to strengthen the links with the members of diaspora. Other countries allow diasporas to elect representatives in their legislative bodies, such as in Algeria, Angola, Cape Verde, Croatia, Colombia, Ecuador, France, Italy, Mozambique, Panama and Portugal. Source: Inputs from The Philippines and Greece to Session 1.2

xiv See the EC Communication “On Circular Migration and Mobility Partnerships between the European Union and Third Countries”, May 2007. See also the international workshop on Circular Migration planned for 8 September 2008 in Mauritius, as a follow-up to the Brussels GFMD (see the full report on the meeting on the GFMD 2008 website).

xv The NRCO is made up of several organizational units including: i) The Personal Reintegration Unit of the NRCO shall assist returning OFWs adapt to life in the country, taking advantage of their richer experience and qualifications. Consistent with Brain Gain Initiatives, they will be helped with local or overseas job search; technical assistance for self-employment or entreprenuership; access to credit/micro-finance; assessment of need for additional techno-skills training; counseling on business or savings mobilization schemes; and psycho-social counseling for those with personal or family issues and challenges, preferably with support and cooperation of Family Circles. ii) The Community Reintegration Unit shall offer OFWs opportunities to help accelerate the progress of their communities. This will be done by cooperating with other government agencies, particularly the Department of Tourism, the Philippine Retirement Authority, and the Commission on Filipinos Overseas, and Non-Government Organizations (NGOs); to encourage OFW returnees, OFWs who are still abroad, as well as Filipino immigrants, to share or contribute their expertise, skills and investible funds with communities or local government units (LGUs) in developing Small and Medium Enterprises (SMEs) and/or high impact community projects. Partnership with NGOs will especially be encouraged by the Unit to build more bridges of cooperation and services between OFWs and their communities. iii) The Economic Reintegration Unit shall network with financial institutions and other entities to identify or develop entrepreneurial opportunities or investments portfolios that will encourage higher savings and earnings for OFWs towards better and more secured future. The Reintegration Center shall likewise tap existing and potential service providers to develop and offer faster, safer and price - competitive remittance schemes to motivate more OFWs to transfer funds to the Philippines using formal channels. This unit shall also coordinate with our financial community to develop investment portfolios that would help OFW savings to grow into something that migrant workers can look forward to when they return. Greece also facilitates issues of repatriation, i.e. by means of granting housing loans with favourable terms, providing special courses for the learning of the Greek language, facilitating the study at Greek universities for children of emigrants and providing emigrants with professional training programs.

xvi For instance, in 2008, DFID initiated a £3m program with Voluntary Service Overseas (VSO), a UK-based international development charity, to support and help people from diaspora communities to work as volunteers in their countries of origin.
In Greece, the World Council of Hellenes Abroad (SAE), a governmental body, has important accomplishments regarding the coordination of action plans targeted at the improvement and strengthening of ties between the Greek Government and the organizations and members of Diaspora. Moreover, there is a General Secretariat for Greeks Abroad (GGAE), a governmental body responsible for the planning, coordination, and implementation of migration policy regarding diaspora. In Nigeria, the Nigerian National volunteer service is the government agency responsible for coordinating the activities of Nigerian diaspora, who wish to render some services in Nigeria. Since 2003, the organization, which is under the supervision of the Presidency has organised an annual diaspora event attracting large numbers of professional Nigerian diaspora from different parts of the globe. These tend to come at their own expense and from different fields, such as medicine, engineering, information technology etc. The homecoming also provides them an opportunity to meet with counterparts back home and exchange ideas and explore career opportunities. Some have, after regular visits, decided to transfer their practice to Nigeria. See input from Nigeria to Session 1.2

This new institution has the mission to: develop the component of foreign policy and integrate the Salvadorans in the world with El Salvador; defend their rights; promote their opportunities; strengthen their links with their country of origin; safeguard their interest; promote their projects; and strengthen their national identity. Since its creation, several projects and initiatives have been successfully carried out, which respond to the needs of the Salvadoran diaspora, on human rights and legal assistance; regulation of migratory status and unification of family; remittances and local development; social and humanitarian assistance; economic integration; consular services; unifying communities living abroad and civil participation; and national identity.

The first Presidential Forum took place in November 2004 and the second one in October 2006. More than 1500 residents from 20 countries around the world participated in these encounters. The most relevant conclusion of these dialogues is that they respond to specific needs of citizens a result of consultations carried out by the Embassies and Salvadoran Consulates of each jurisdiction, previous to the Round Table sessions. As of today, three round tables have been carried out. The first Round Table with Salvadorans in Canada took place in Toronto and the First Round Table with Salvadorans in Italy, which took place in Milan. The workshops designed responded to a wide range of topics: strengthening community ties, Salvadoran associations, opportunities for trade and investment, integration of communities in Italy and Canada, education and culture, return to the homeland and civil participation.

Some examples are: Tourist Incentives Law and the program: El Salvador, your meeting place; Promotion of Investments for Local Development and business Opportunities; Together for Productivity in association with the Ministry of Agriculture; The creation of programs to incorporate Salvadorians’ Affiliation abroad to Social Security and Pension Plans; The Creation of Program “Housing Close to You” and Social Fund for the Housing; National Dialogue for Culture: CONCULTURA; Informing Diaspora communities of opportunities available for Free Trade Agreements, Incentive for the Investment with the National Office for Investment for Salvadorians abroad: Ministry of Economy; Trusts and Available Lines of Credit of the Multisectorial Bank of Investments for Salvadorians abroad; Investment Opportunities through the participation in the Stock Market; Investor Handbook for Salvadorians abroad by the Vice Ministry of Foreign Affairs for Salvadorans Abroad.

With regard to virtual knowledge transfer Serbia introduced a project called Serbian Network for Knowledge where diaspora members provide “long-distance” thematic lectures, seminars, and training to local universities and research institutions.

A copy of this assessment will be made available to the GFMD participants.

See also UNDP’s brain circulation program TOKTEN, initiated some three decades ago, encourages temporary returns and investment of skills and ideas in sectors important for development in lower income countries.

See the Philippine input for this RT session: Diaspora Giving an Agent of Change in the Asia Pacific Communities?, by Estrella D. Añonuevo and Augustus T. Añonuevo

See input from Mexico to session 1.2

The program is implemented by UNDP under a partnership with IOM, UNHCR, ILO and UNFPA that are directly engaged in the management and direction of the program and contribute their institutional knowledge, expertise and extensive networks to ensure its success.

To support the efforts of local actors the program is launching a Call for Proposals in October 2008 to provide €11 million in the form of small grants for concrete initiatives in sixteen target countries. Eligible countries are Algeria, Cap Verde, Ecuador, Egypt, Ethiopia, Georgia, Ghana, Jamaica, Mali, Moldova, Morocco, Nigeria, Senegal, Sri Lanka, The Philippines, and Tunisia. Grants will range from 50,000 to 200,000 €. An online Community of Practice and Migration for Development Portal will be launched at a M4Dev Fair in Brussels in December 2008.

Milhaud C., L’intégration économique des migrants et la valorisation de leur épargne, 2006, page 49.

The first GFMD meeting looked at remittances and other diaspora resources as private initiatives that governments should facilitate, and whose positive impact on development they should leverage. It adopted the view that reducing remittance costs, if supported by appropriate capacity building both for the financial sector and for the remittance sender and recipient, can create incentives for migrants to use formal remittance channels. Improving the formalization of transfers can, in turn, provide options for individual savings, investment or support to local development projects - made by the remittances sender or recipient or by a local entrepreneur- or, at the macro-level, enable access to international financing. Increased formalization of remittance transfers also enables better policy planning for development and for responding to the possible negative impacts of these flows. See chapter on “Roundtable 2: Remittances and other diaspora resources” in Report of the First Meeting of the Global Forum on Migration and Development, Bruylant, Brussels, 2008, pp. 82-111.
Such as, for instance, the US-Mexico Federal Automatic Clearing House (FedACH) system, which enables even small banks to enter the remittance market by providing a network linking them to counterparts at the other end of the corridor. See more information in Hernandez-Coss R., The U.S.-Mexico Remittance Corridor, World Bank Working Paper N°47, The World Bank, Washington D.C., pp. 23-25.

In order to encourage remittances from the Nigerians diaspora, a number of big Nigerian banks have opened offices in some capitals with high concentrations of Nigerian diaspora in Europe, America and parts of Africa. The presence of these尼克 banks provide better banking opportunities to Nigerian diaspora and facilitate faster and cheaper remittances through the more trusted channel. See input from Nigeria to Session 1.2

Mexico, for example, cooperate with the Inter-American Development Bank (through its Multilateral Investment Fund) to implement programs of financial education. See input from Mexico to Session 1.2

The co-development savings account, introduced in 2006, enables the migrant to save up to €50,000 on this account and to benefit from a tax deduction as soon as these savings are invested in economic development projects. The tax deduction can amount to 25% of the net global income of the tax household. This measure concerns the nationals of some fifty countries. The co-development savings book, introduced in 2007, enables migrants to save for a minimum period of three years. The bank interests are then increased by a government bonus in the event the holder of the savings book takes out a loan to invest in a country that has signed an agreement with France for the issuance of the book.

This is also linked to the formalization of transfers, which enables better calculation of scale and flows of remittances, while accurate mapping of remittance flows may also provide incentives for financial intermediaries to enter this market, and in turn expand the options for formalization.

The Impact of Remittances in developed countries, Father Juan Jose Molina, Catholic Relief Services.

In the preparation of the GFMD Civil Society Day of 2007 (Brussels, Belgium) a proposal was put forward by Manuel Orozco (Inter-American Dialogue) to establish “National Coalitions for Remittances and Development” composed of civil society organizations, migrant-based groups, MTOs, financial institutions, government officials and donors”. See Orozco M., Remittances and Development: issues and policy opportunities, GFMD Civil Society Day.

Source: “Diaspora, Migration and Development”; Diaspora’s contribution on development of country of origin; establishing the necessary political, economic and institutional conditions for its achievement, Greece’s Input to Session 1.2

See Escobar Latapi, op. cit. 2008

See Anonuevo E., Anonuevo A., Diaspora Giving: An Agent of Change in Asia Pacific Communities, op. cit.

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Source: “Diaspora, Migration and Development” ...., op.cit.

The Nigerian Stock Exchange embarked on ‘Road Shows’ in major cities of Europe and USA with large concentrations of Nigerian diaspora to encourage them to invest in the Nigerian stock exchange. The road shows and seminars contributed in part to the huge investments today by many of the diaspora in the Nigerian stock exchange. A number of Nigerian banks embarked on similar missions, especially those that provide mortgage facilities with incentives for diasporas that wish to embark in the development of real estate in Nigeria. See input from Nigeria to Session 1.2

See the Filipino ID card issued by OWWA, that is also a VISA card to facilitate low cost remittance transfers.

These projects are currently being carried out in the western and northern parts of our country. The following achievements can be identified: Salvadorians living in California visited different municipalities identified by the United Nations Millennium Development Fund, which resulted in new business ventures, such as investing in processing plants of dairy products, and investing in several business opportunities in La Union, El Salvador; The territorial tours of the United States, with the sole purpose of reaching the offer and demand of Real Estate to help the financial system and the housing constructors, and in the process to promote the productive use of the remittances. To the date, twelve million dollars in sales have been achieved during the Housing Fairs, in addition to more several million dollars which are currently in the negotiating phase; The Vice ministry recognizes the importance of taking advantage of the experience and lessons learned related to the initiatives like the Housing Fairs, to expand them to other areas.
in the Salvadoran productive activities. In this topic, FAIRS OF HEALTH AND PRODUCTIVE SERVICES are in the process of being developed. It is our objective that the private sector and interested institutions widen this concept and participate designing, for example, investment profiles in specific projects to reinforce the use of the remittances like support of productive activities that can be promoted through our Consular and Embassies networks.

See IOM, MIDA Italy, Mobilization of Senegalese expatriates and of their hosting communities in Italy, 2004.

See also France’s input to this RT session, particularly the outcomes of a study commissioned by the French Microfinance Network (FMN) in the framework of the Program for the institutional strengthening of microfinance and its environment (PRIME), 2008; and information on specific products by local networks such as the Self-reliant Village Savings and Credit Banks (CVECA).

D-MADE is an initiative of the World Bank, supported by the Belgian Development Cooperation, the Dutch Ministry of Foreign Affairs, the German Federal Ministry for Economic Co-operation and Development and the French Development Agency. More information on http://www.dmade.org/


See the Philippine contribution on this issue by Anonuevo and Anonuevo.

The relevance of building enabling environment for diaspora and remittances-related development activities was also stressed in the report of the Civil Society Day. See, The Civil Society Day of the Global Forum on Migration and Development, End Report, King Baudouin Foundation, Belgium, pp. 42 and 49 et ss.

Note the recommendation of the first GFMD meeting to “create an enabling environment for diaspora activities for instance by providing multiple re-entry visas, dual citizenship, recognition of skills and portability of social welfare”. These discussions further stressed the need for enhancing coherence around diasporas activities “between government departments; between home and host countries; and between different donor or host countries, especially those harbouring diasporas of the same origin”. See “Theme 4 - Working with the diaspora for development” in Report of the first meeting ..., op. cit., pp 103-111.

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For instance, diaspora entrepreneurship and investments are considered to have played a key role in the recent growth of China and India. See, for instance, Kuznetsov Y., Diaspora Networks and the International Migration of Skills: How Countries Can Draw on Their Talent Abroad, World Bank, Washington DC, 2006, 237 pages.

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