

Background Paper

Diaspora Engagement on Country Entrepreneurship and Investment

Policy Trends and Notable Practices in the Rabat Process region

Authors

Valérie Wolff, International Centre for Migration Policy Development ICMPD
Stella Opoku-Owusu, African Foundation for Development, AFFORD
Diasmer Bloé, African Foundation for Development, AFFORD

Background paper coordinated by the Secretariat of the Rabat Process, ICMPD

*Background paper for the Rabat Process Thematic Meeting on Diaspora Engagement Strategies:
Entrepreneurship and Investment,
5-6 October in Bamako, Mali*

Project financed by the European Union



In the framework of the project
“Support to Africa-EU Migration and
Mobility Dialogue (MMD)”

Project implemented by ICMPD



Introduction

Diaspora entrepreneurship and investments are often hailed as drivers of economic development and positive change, and there is enough evidence to support this: 80% of FDI in China is from the Chinese diaspora, Indian diasporas in the USA have played an instrumental role in building up India's IT industry and creating a second 'Silicon Valley' in their country -- to name some of the well-known success stories. This is no different to African diaspora actors. **So who are these people and how have they become so engaged with their home countries?**

Often classified as '**diaspora entrepreneurs**', they represent the group of migrants or those of migrant origin who are entrepreneurs, live outside of their home country, yet stay involved.¹ It implies a transnational element of entrepreneurship between one or more countries of destination and country of origin. The African Union has defined the 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'.² The African Union considers the African diaspora as its sixth region.³ Diaspora entrepreneurs are the classical first-movers into the country, meaning early investors who are willing to take the additional risk before other investors would be willing to do. This type of behaviour is often attributed to their emotional link towards their home country, and their country-specific knowledge that can help them move into the market faster and more efficiently than non-native investors. It is their global ability coupled with their local knowledge that have made them **the success stories of modern times**.

Yet, diasporas' contributions go far beyond investments in monetary terms, it also includes raising collective remittances to support philanthropic activities to technology transfers, knowledge exchange, improved access to international capital markets, and increased trade links, to name a few. Chukwu-Emeka Chikezie has framed the **5Cs of Diaspora Capital** to highlight the varied forms of diaspora engagement, which are financial, intellectual, political, cultural and social capital that diasporas can bring to their home countries.⁴

The role of diasporas for the development in countries of origin has long been a topic of research in the area of Migration and Development, and numerous tangible actions over the years have taught us valuable lessons for diaspora engagement – some of which will be listed in this background paper.

Key global trends

There are **250 million first generation migrants in the world representing close to 3% of the world's population**. Diasporas, which takes into account also second and third-generation, make up an even

¹ Although there is a myriad of definitions on 'diaspora' and who they are, including how they feature in migration statistics, there are two principle set of characteristics that seems to hold true for all definitions: 1) in that the diaspora lives outside their country of origin and 2) in that they are involved with their country of origin. It should be noted that not all migrants are diaspora and not all diaspora are migrants.

² AU (2012): Global African Diaspora Summit. African Union Strives to Mainstream the Diaspora within the Continent's Development Agenda, accessible at: http://www.au.int/en/sites/default/files/Article%20for%20publication%20on%20Global%20Diaspora%20Summit%2017.05.12_1_.pdf (viewed on 03/04/2014).

³ The five regions are "North", "Southern", "East", "West", "Central"

⁴ Chikezie C.-E (2011) 'Reinforcing the Contributions of African Diasporas to Development' in Plaza, S., D. Ratha, Editors 'Diaspora for Development in Africa', The International Bank for Reconstruction and Development, the World Bank, DC, 269

http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/DfD_FullReport.pdf (accessed on 22. August)

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

higher number though it is hard to capture this in immigration statistics. South-South⁵ migration forms approximately 36% of the total stock of migrants, which percentage is approximately the same as for South-North flows. Intra-regional mobility as per 2013, according to the latest *Migration and Remittances Factbook*, in Sub-Sahara Africa was 65,6 percent. **Most of the migration flows in West Africa take place within the region (84%).**⁶ A similar pattern can be found for Central Africa, whereby most migrants move to neighbouring countries. Most of the West and Central African countries are receiving and sending countries. Despite this central characteristic of African migration, there has been little discussion on African diasporas within Africa, and only more recently the debate on South-South migration in the context of migration and development has gained traction.

It is estimated that more than **400 institutions in 56 countries engage diasporas through institutionalised programmes or structures**⁷, about a third of which have only started adopting policies for diaspora engagement over the past five years. **In West and Central Africa, around half of the countries have developed or have started the development of national diaspora strategies** under the lead of a diaspora-mandated Government office. The growth in diaspora programmes and institutions is closely linked to the increased level of awareness on **remittance flows, which were estimated in 2015 at over \$601 billion**, most of which were directed towards developing countries. Research shows remittances provide immediate help to the poor, especially in times of economic shocks and shift from consumption to venture capital funding where the informal sector exceeds 46% of GDP, particularly when coming from less-educated migrants (based on an analysis of 48 developing countries, from 2001-2009).⁸ Given the many different ways to remit, through commercial banks, money transfer operators, mobile money transfers, post offices or through informal channels, and the way of reporting on remittance flows from country to country, it has become increasingly difficult to estimate the total sum that goes into investments. Regardless of these uncertainties, enough empirical evidence shows that there are sizeable investments being made thanks to such remittances.

With the increased attention in this area, more and more policy makers in countries of origin are asking themselves how best to attract diaspora investments. Three main questions often arise when it comes to devising the right mix of policies and strategies to engage those people: **1) who are the key stakeholders to bring about these changes, 2) how can existing obstacles be removed to bring in more Diaspora Investments, and 3) what kind of incentives can be put in place to attract Diaspora Investments.**

Diaspora engagement – who to engage?

Policy makers often pose the question which groups to target for diaspora engagement. While Investment Promotion Agencies with a clear mandate to attract investments to the country focus on diaspora investors, mostly the highly skilled, consulates and other bureaus in charge of diaspora affairs within

⁵ Statistics follows the World Bank's definition of the "South" which includes upper-middle-income, lower-middle-income and low-income countries.

⁶ Devillard A., Bacchi A., Noack M. (2016) "A Survey on Migration Policies in West Africa", Second edition, ICMPD (Vienna) and IOM (Dakar)

⁷ Identified as part of a survey of states participating at the Global Forum on Migration and Development (GFMD) for the handbook MPI and IOM (2012): *Developing a Road Map for Engaging Diasporas for Development. A Handbook for Policymakers and Practitioners in Home and Host Countries*, accessible at: <http://www.migrationpolicy.org/pubs/thediasporahandbook.pdf> (viewed on 26/08/2013).

⁸ Martinez, C., Cummings, M. E., & Vaaler, P. M. (2015). Economic informality and the venture funding impact of migrant remittances to developing countries. *Journal of Business Venturing*, 30(4), 526-545.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

various ministries look at the more holistic picture of 'who their diaspora' are, and how best to involve them. There are a sizeable number of countries that have put in place incentives for investment and

Example: The Global Database of Nigerians in Diaspora is a comprehensive database that was set up by the Nigerians in Diaspora Organisation with the aim of involving the Nigerian Diaspora in the development of both the public and private sector. This database was set up before Nigeria successfully launched its diaspora bond in 2013

voluntary contributions for their country's development, and many of them focus on remittances and on wooing the highly-skilled. However, **including the not-so-highly-skilled diaspora members in diaspora engagement policies is essential**, not just for the inherent obligation to protect their citizens abroad, especially those in a vulnerable situation, but also as a way to recognise that their hard-earned cash, know-how and engagement has an impact and value in the society of their home countries. The often-neglected low-skilled diaspora members have an important role to play in the country's development, albeit with a different propensity for involvement in the development activities of their countries of origin. While an affluent diaspora member may make the choice for investment depending on the exchange

rate movements, other less affluent diasporas may send more remittances for household investments helping their families and friends in times of economic downturn, and thereby providing support in areas with high social return, such as education, the development of a small and medium-size business, health or other.

The introduction of a specific diaspora investment instrument may only reap the wanted results when it is preceded by a thorough analysis of its diaspora – **who are they, where are they and how can we reach them**. The potential contribution of the diaspora should be based on a sound mapping of its profile and main characteristics that should include its size, location, status, remittance flows, and level of integration in the destination countries, amongst other.⁹

For example, **diaspora bonds tend to be used more by high-skilled emigrants**, who may reside in specific host countries and who are well integrated. Establishing a certain level of trust with their diaspora is essential to ensure a higher probability of diaspora investors who would be willing to purchase hard currency bonds from their home country. For example, Nigeria's diaspora bond offerings have been tripled from 100 to 300 million USD due to interest from its diaspora members. Such a diaspora-state relationship needs to be nurtured over time. Those countries with a hostile diaspora are less likely to succeed in raising financing through diaspora bonds. Confidence-building measures for diaspora investors could include the possibility to earmark their proceeds to specific projects (e.g. infrastructure, set up of a hospital) next to establishing an appropriate level of transparency on the use of funds, accountability and governance structure. The debate over the issuance of country-specific bonds has now been taken up at regional level in the expectation that pooling efforts for regional diaspora bonds through a trusted intermediary may help to overcome some of the lack of confidence in national Governments.

⁹ More details in: Noack M., Wolff V. "Enhancing Diaspora Engagement: Operational guidelines for South-South and triangular cooperation" (2014) https://www.icmpd.org/fileadmin/ICMPD-Website/ICMPD-Website_2011/ICMPD_General/News/AMEDIP/Enhancing_Diaspora_Engagement_EN_Electronic.pdf. To be noted that development gains tend to be greater the more successfully the diaspora members have been integrated in the receiving country.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

Notwithstanding, **the introduction of a government-led diaspora investment vehicle can only work if there is a certain level of stability, in economic and political terms.**

How to engage and what incentives can be offered?

First and foremost, it must be stressed **that diaspora are not the panacea of all ill-befallen economies**, rather, a conducive business environment, including macroeconomic stability and good governance need to be in place in order for diaspora investments to flourish. Home-grown solutions are needed rather than relying on diasporas to solve the issues from the outside.

According to Black and Castaldo (2009), **some of the major hindrances for diaspora investments are the (lack of or stringent) regulations, inadequate (or lack of) laws and policies.** The World Bank 'Doing Business' index shows the level of difficulty for an entrepreneur to open and run a small to medium-size business when following relevant business regulations. The higher the rank, the more conducive is the regulatory environment to the starting and operation of a local firm. The ranking is based on several indicators along the life cycle of a business, which includes starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts, and resolving insolvency. **With the exception of Ghana, all countries under examination in West and Central Africa rank in the lower tier between 126 (Cabo Verde) and 185 (Central African Republic).**

Aside from improving the parameters for doing business, investment incentives can be offered, albeit, not restricted to diaspora members or one's that favour diaspora investors over national investors. Such **incentives can be income tax exemptions, duty or customs exemptions on import of machinery or other types of investments, or even allowing saving accounts in foreign currencies.** Extending voting rights to the diaspora are also considered measures that can bind someone (more) to their home country, and permitting **multiple citizenships** can facilitate increase trade flows and investments to the home country.

A number of success stories also seem to suggest that **it is not the quantity of remittance inflows, but the quality of engagement that matters.** Take the example of India, where remittances only make up 3.4% of the GDP¹⁰, yet India experiences a major economic boost through diaspora investments. Many countries are starting to recognise the soft power of their diaspora for nation branding aside from the economic benefits for their countries. India, for example, had no relationship with their diaspora before 2002, but that changed after the set-up of the Indian High Level Committee of the Indian Diaspora and the establishment of a separate Ministry of Overseas Indian Affairs. The Government took important steps in **getting to know their diaspora**, upon which it developed an action plan to leverage the Indian diaspora's engagement in India. Next to implementing important changes in their regulation, amongst

Cabo Verde's notable economic growth has garnered international recognition, and this is often attributed to three key factors: sound economic policies, functioning institutions as well as good governance that have improved living conditions considerably. Transparency, inclusive growth and equitable distribution have helped to build trust.

¹⁰ Annual Remittances Data, The World Bank (accessed on 17 August 2016)

<http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

other **reforms in its venture-capital regulations**, and in **offering diasporas long-term visas**, it started an **award system** to acknowledge the most successful Indians around the world. All these measures

helped to promote the notion of 'Global Indianness' and in creating an Indian brand.

The Migration EU eXpertise (MIEUX), a joint EU-ICMPD initiative (Third Phase: 2016-2019) aims to strengthen the migration governance capacities of governments in various regions, including in Africa, by providing short-term technical assistance on migration matters. It is a demand-driven initiative through which Governments can request support, amongst other in the area of Migration and Development. The Democratic Republic of Congo, Benin, Togo, Ghana and the Ivory Coast have made such requests within that framework. It has supported capacity development in such areas as mainstreaming migration into development planning, drafting diaspora strategies and strategies for the productive use of remittances, and institutional cooperation and policy coherence for development.

To quote Kingsley Aikins¹¹, it is about being **'high-tech' and 'high-touch'** in order to reach out effectively to the diaspora: web-platforms and databases are not enough for successful engagement; Governments need to take the initiative in getting to know these people, also in person. Governments can do much to cultivate and nurture their relationship with the diaspora by engaging with these communities and **facilitating the creation of diaspora networks**.

Aside from the government-led policies and incentives, the **private sector, NGOs and migrant associations have an**

important role to play to leverage diaspora resources for the benefit of their home country. Such examples are the **establishment of crowdfunding and impact investment platforms that target the diaspora**, e.g. the Diaspora Business Centre that combines business and social interests with professional know-how by diaspora experts. In the advent of modern technologies, networks of kinships have grown and have become a potent cluster that can connect with the home countries faster, cheaper and more easily than ever before. Information and communication technology introduced by the private sector are being increasingly used to facilitate low-cost remittance transfers. As per the latest *Migration and Remittances Factbook*, however, it becomes clear that the Central and West Africa region still lags behind in terms of access and use of telecommunication services. The median internet users (per 100 people) in these two regions was 7.05, and the mobile cellular subscriptions (per 100 people) was 77.25.¹² **Bad connectivity through ICT** has a negative effect on the capability of diaspora entrepreneurs to link up with their home countries or for the introduction of new and cheaper ways to remit.

¹¹ Kingsley Aikins is CEO of Diaspora Matters: <http://diasporamatters.com/>

¹² Own compilation and calculation based on the Migration and Remittances Factbook 2016, The World Bank

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

Example: Mali - Cooperating and Communicating with Diaspora Communities

Mali has set up institutional mechanisms for consultations involving diaspora communities, including for the development of the National Policy on Migration.

Democratic Republic of Congo, Burundi, Ghana and Rwanda, provides comprehensive strategic approaches to engage diasporas for development. It mobilizes the expertise, knowledge and skills of diaspora members in key areas affected by 'brain drain' to strengthen the capacities of local public and private institutions. Another example is the World Bank's Development Marketplace (D-MADE), a competitive grant program that rewards creative and innovative development projects. It has supported over 1 100 projects submitted by African diaspora (amongst other Europe-based African Diaspora) and was implemented together with local partners. It has benefitted a number of West and Central African countries, such as Cameroon, Ghana, Benin, Senegal, Burkina Faso and Togo.

Examples of diaspora engagement in the Rabat Process and wider African region:

In West and Central Africa, there are numerous good examples of diaspora engagement: **Cabo Verde**, which has more nationals living abroad than in their countries of origin, has benefitted from a steady remittance inflow from its diaspora which has been critical to the country's growth performance.¹³ **Nigeria** with a remittance inflow of USD 20 billion per year and thus the largest remittance recipient country in Africa, has successfully offered diaspora bonds. In the wider Africa region, **Ethiopia** has made strides by offering diaspora members the same benefits and rights as domestic investors through the issuance of yellow cards, and by introducing investment incentives for diaspora members, such as duty exemptions and discounted airfares for diaspora actors and diaspora entrepreneurs. These measures are said to have encouraged many in the Ethiopian diaspora to invest in small businesses in their country of origin.

Also, **international organisations can assist to scale projects** based on successful business models, in addition to their ability to pool resources as a **neutral intermediary** and to support capacity development measures. MIDA, for example, an IOM program which has been implemented in Benin, the

The Liberian Diaspora Social Investment Fund established by The Khana Group and the Liberian Diaspora Fund helped to channel remittances from the diaspora toward investments in small and medium enterprises in Liberia. The funds from the diaspora (75%) were matched with 25% by multilateral organizations such as the US Overseas Private Investment Corporation, the World Bank, USAID and other. In addition to the funds, it offered business skills training and mentorship with already established entrepreneurs.

¹³ African Development Bank, "Cape Verde: A Success Story" p. 25 <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Cape%20Verde%20-%20A%20Success%20Story.pdf>. Cabo Verde has been able to attract considerable diaspora savings which helped to deter major financial shocks from the economic and financial crisis of 2008/2009

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

Ghana has implemented a number of initiatives to woo their diaspora with the support of the Government at highest level: Firstly, the Ghanaian Government passed the bill granting dual citizenship for Ghanaians living abroad in 2000 and passed the 'Representation of the People Amendment Law (ROPAL) Act (699)' in 2005 to enable Ghanaians living abroad to vote in national elections, though this has faced controversy and is yet to be implemented. Secondly, it set up a special diaspora unit, the Diaspora Affairs Bureau situated in the Ministry of Foreign Affairs, which hosts and maintains a diaspora website that provides vital information such as labour market openings and opportunities for migrants' investments, amongst others. The Bureau also holds regular consultations with their diaspora. The MIEUX project, a joint initiative between the European Union and the International Centre for Migration Policy Development, has supported these consultative processes that provide the Ghanaian diaspora to share their views and to feed directly into the Ghanaian Diaspora Engagement Policy. The set-up of this structure started with a project to 'link the Ghanaian Diaspora to the Development of Ghana'. Within this framework a profiling exercise took place with the support of Ghanaian diaspora associations in the six countries with the highest concentration of Ghanaian emigrants. Thirdly, the Ghana Investment Promotion Centre offers a one-stop-shop for diaspora members who wish to invest in Ghana. Fourthly, a National Remittances Credit Registry housed by the Ministry of Finance and Economic Planning in Ghana has been set up to assist the Government of Ghana to diversify the country's investments for remitting diasporas, to design and operate a centralised database compiling national remittances flow and to capture these to generate financial benefits and investment opportunities to remitters, recipients and the country as a whole. Additionally, the Ministry of Finance and Economic Planning has been working with the Bank of Ghana to reduce the cost of remittances while enhancing its use for investments. Specific financial bonds have been offered targeting the diasporas. Finally, cooperation has been set up with the Netherlands through the SPARK programme and Italy. For example, Ghanacoop links the competences of Ghanaian migrants residing in the Province of Modena, Italy with local government and businesses to set up agrarian cooperatives.

The Regional Context

With the increased political interest and varied programmes and initiatives in place, comes **the need to devise comprehensive and regionally grounded strategies**. Regional Economic Communities (RECs) significantly impact migration and have the potential to create favourable frameworks for mobility and diaspora engagement. Most of the RECs, such as the Economic Community of West African States (ECOWAS) have established agreements on free movement. Important migration-related issues within RECs are: promoting free movement, also through awareness-raising campaigns; improving border management to facilitate the safe and efficient movement of people, services and goods; fostering links between higher education institutions, diaspora and alumni associations; developing regional agreements on mutual recognition of diplomas and facilitating labour migration.¹⁴

Economic Community of West African States (ECOWAS) and the Economic Community of Central African States (ECCAS)

The African Union (AU) defines the African Diaspora as "peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the

¹⁴ Handbook 'Enhancing Diaspora Engagement: operational guidelines for South-South and triangular Cooperation', International Centre for Migration Policy development ICMPD, 2013

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

development of the continent and the building of the African Union.” **AU’s Migration Policy Framework for Africa and the African Common Position on Migration and Development sets the tone** on Africa’s relationships with its diaspora and its role in development.¹⁵ With pillars on the diaspora, brain drain, and remittances, it prioritizes documenting trends, creating socio-economic conditions that attract, facilitating resettlement, and integrating migration and development policies into national plans. It operationalizes its policy initiatives via the Department of Citizens and Diaspora Organizations – Diaspora Division and continues to work with the African Development Bank (AfDB), European Commission, International Organization for Migration, and The World Bank, specifically on the formation of the African Institute for Remittances.

Diaspora Engagement

At the regional level, the diaspora is recognised as promoters and advocates on the international stage, holders of critical technological and tacit knowledge, and investors with lower information barriers and positive (patriotic) bias towards home countries. Notwithstanding, a diaspora engagement framework is still under construction. Many international organizations, including the AfDB, have commissioned numerous studies on leveraging migration and diaspora for development, particularly on leveraging remittances. Additional reports focusing on a more comprehensive approach inclusive of non-economic levers of change could be an added value.

Some of the ECOWAS Member States have a comprehensive national migration strategy in place such as Burkina Faso, Ghana, Liberia, Mali, Niger and Nigeria while **diaspora engagement strategies** are less developed. Wherever diaspora policies are established, they often tend to rely on diplomatic channels. However, experience has shown that it can be a challenge for **formal diplomatic networks to tap into informal migrant channels and understand their diaspora**. Nonetheless, the current role of the diaspora in development should not be overstated. The diaspora (and its remittances) impact is most evident in absorbing economic shocks (such as recent downturns of commodity prices) and expanding domestic democratic discourse.¹⁶ **For the diaspora to play a greater role in investment, motivation of active diaspora members must be understood, patriotic bias leveraged, trust gained, initiatives and products maintained, and country rule of law and business systems strengthened.**

At regional level, ECOWAS has no established directive on diaspora engagement, but **ECOWAS has the most advanced framework for cooperation on migration**. ECOWAS has developed a migration strategy as set out in the 2008 ECOWAS Common Approach on Migration, the ECOWAS Vision 2020 and the ECOWAS Strategic Plan 2011-2015. In the Common Approach, it is clearly stipulated that ECOWAS is developing expertise and looking at leveraging financial resources of West African Diasporas with a view to contributing to the development of their countries of origin and effectively combating brain drain. This expertise would take into account best practices and proposes joint measures notably with regard to the facilitation of financial transfers and investments in the region as well as supporting the Diaspora’s involvement in development projects. In the ECOWAS Vision 2020, it is foreseen that ECOWAS Member States systematically utilise the competences, skills and capitals of the diaspora for development purpose. Finally, the ECOWAS Strategic Plan 2011-2015 mentioned the mobilization of

¹⁵ Mangala, J. R. (2016). The African Union’s diaspora diplomacy and policymaking: Operationalizing the migration–development nexus. *The Journal of the Middle East and Africa*, 7(2), 175-206.

¹⁶ de Lange, D. E. (2013). Embedded diasporas: Shaping the geopolitical landscape. *Journal of International Management*, 19(1), 14-25.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

ECOWAS citizens in the diaspora for an all-inclusive participation in the affairs of the Community as a key condition for successful development and regional integration.

In addition, ECOWAS has supported proposals to facilitate diaspora engagement and contributions, such as the 2012 ECOWAS-Spain Fund on Migration and Development. Most data collection and mapping on diaspora concentrates on intra-regional migration. This is understandable as over 84% of migrants relocate within the region and ECOWAS' main focus continues to be deepening and accelerating regional integration and enforcing its ethos of "free movement of goods and people" whilst enabling the right of entry, residence, and establishment for all regional migrants, predominantly low skilled and informal workers.¹⁷ The ECOWAS Treaty sees the right of establishment, equal treatment of nationals and Community citizens, also in the context of economic activities. As part of that treaty, Member States are required to develop measures for increased intra-community trade, e.g. through the establishment of credit guarantee schemes, a regional payment mechanism, the protection of international investments, easing the administrative barriers for business – meaning an improvement for diaspora entrepreneurship. An effective inter-regional mobility within the ECOWAS region, and measures to facilitate the movement of persons within the wider African-region can have positive effects on diaspora investments.

Example: ECOWAS-Spain Fund on Migration and Development

The aim was to maximize positive effects and limit negative consequences that migration brings to countries as well as to migrants and their families. Eligible institutions included NGOs, academic institutions, research centres, diaspora organisations, migrants associations, regional networks

Also ECCAS is formed to promote and strengthen harmonious cooperation and development between member states.¹⁸ However, diaspora approached/strategies are in its infancy with limited instruments for formal remittance transfer, and few data points on remittance intent and use. **Generally, knowledge of the collective diaspora is wanting and initiatives on engagement,**

investments, networks, empowerment, and partnership are nascent (centred on dialogue and papers), country specific, and facilitated through international (generally north-south) cooperation.

Regional Readiness

Throughout the West African Economic Monetary Union (WAEMU), where remittance flows represent 4% of the average GDP (2010), **officials are considering ways to facilitate and channel remittances towards development.**¹⁹ Recent initiatives include pilot public-private partnerships facilitating intra-regional remittance corridors.²⁰ Yet migrants in advanced countries transfer ten times more than their

¹⁷ Migration and Development Policies and Strategies in the ECOWAS Region: The Role of Data. (Presentation) Geertrui Lanneau, International Organization for Migration. September 2015.

¹⁸ Central Africa – Regional Integration Strategy Paper (2011-2015). African Development Bank. February 2011.

¹⁹ West African Economic and Monetary Union – Staff Report on Common Policies from Member Countries. International Monetary Fund. March 2014.

²⁰ Scharwatt, C., & Williamson, C. (2015). Mobile money crosses borders: New remittance models in West Africa.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

regional counterparts. Time series data analysis of WAEMU show that from 1975-2011, remittances have been used primarily for consumption and had little impact on income or investment patterns.²¹ Note that although not readily considered in investment literature, a significant percentage of remittance is used for human capital and property investments and technology²². It is therefore paramount to go beyond macro and expand and consistently use household surveys on migration and remittances (intent and use).

The **African Institute for Remittances (AIR)** was launched in 2015 with the goal to strengthen capacities of African governments, banks, remittance senders and recipients, and to enable them to make better use of remittances as development tools for poverty reduction. The AIR will facilitate investment of scale through targeted campaigns including diaspora bonds that benefit from patriotic discount pricing. AIR's proposed outcome is more efficient and safer remittances' transfer systems.²³ As fees range from 12.5 – 20% and up to 75% of remittances are transferred through informal channels, this is an essential endeavour (formal channels to West and Central Africa total 13 billion USD).²⁴ Operations for AIR has begun in Kenya and the Nairobi Action Plan on Remittances (July 2016) confirmed AIR's commitment to provide technical support to ten countries to lower remittance costs to 3% or below.²⁵

ECCAS differs with substantial refugee and displaced populations in several countries and formal remittances representing less than 1% of regional GDP,²⁶ likely due to banking regulations and consequently high use of informal networks. As such, much of the work has been to leverage mobile banking, modernize and diversify remittance mechanisms, and learn more about its migrant and diaspora populations.

It should be noted that remittance as venture capital proves to be “more of a consolation prize than a fast track to a robust entrepreneurial economy” and its contributions to long-term impact on capacity and local development is more ambiguous (i.e. may depend source, recipient, and who is responsible for use²⁷) and needs to be deliberately and consistently cultivated. Historically, diaspora trade networks have proven invaluable when navigating weak legal frameworks. In addition, host countries are more likely to trade and invest in their diaspora's immigrants' home countries, and home country systems which enable diaspora capital investment in productive projects have reaped benefits.²⁸ Consequently, remittances (and the know-how of diaspora members who send them) are of great interest for enriching domestic investment and capacities and internationalising local enterprises.

Key Findings

²¹ Donou-Adonsou, F., & Lim, S. (2016). An empirical analysis of remittance flows into West African Economic and Monetary Union: a panel time-series approach. *Applied Economics*, 48(11), 1018-1029.

²² West African Economic and Monetary Union – Staff Report on Common Policies from Member Countries. International Monetary Fund. March 2014.

²³ African Institute for Remittances (AIR) Project – African Union. (<http://pages.au.int/remittance/about>)

²⁴ Remittances in Africa – A Catalogue of Studies and Technical Assistance by the World Bank, Development Agencies and Government in Africa. March 2011. The World Bank Group and The European Commission.

²⁵ Nairobi Action Plan on Remittances. Africa-Europe Diaspora Development Platform. July 2016.

²⁶ Knoema Data Atlas. Migrants' remittances, annual, 1980-2014: Personal Remittance - Percentage of Gross Domestic Product. <https://knoema.com/UNCTADMIGREM2015/migrants-remittances-annual-1980-2014?location=1003410-eccas-economic-community-of-central-african-states>

²⁷ Naudé, W., Siegel, M., & Marchand, K. (2015) Migration, entrepreneurship and development: A critical review. United Nations University Working Paper Series. 2015-033.

²⁸ Why countries should make the most of their diasporas. Ricardo Haussmann, Professor, Harvard University. Thursday 25 June 2015 <https://www.weforum.org/agenda/2015/06/why-countries-should-make-the-most-of-their-diasporas/>.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

Diaspora engagement is a growing part of regional economic development and investment policies, especially in developing countries. Requisite to any action are realistic expectations on the impact of an active diaspora, understanding that it brings dividends where home country objectives are clear, systems are strengthened, and general socio-economic conditions are hospitable. **Change must come from within. South-south learning should be encouraged** in these contexts. However, considerations need to be given to initiatives' applicability, replicability, and scalability and diversity within home and host countries and their respective governance systems, diaspora demographics, and motivations.

Results of this assessment show that engagement efforts and investment models tend to target the diaspora "elite" and, sometimes, are separate from migrant issues. Research demonstrates that **"low skilled" migrants and their remittances may have a higher impact on poverty alleviation and local entrepreneurship and investment due to their recipient demographics and size of home country's informal sector.**²⁹ They should be prioritised for poverty alleviation. Regional and country knowledge of migration patterns, diaspora realities (first generation versus next generation versus returning), and readiness is growing but insufficient, as only around half of the countries are currently developing policies. Rigorous implementation is required at domestic and international points of service.³⁰ Moreover, tracking of program results – both from public and non-government sectors – is extremely poor. Without proper data collection, it is difficult to demonstrate tangible impact.

In an ideal scenario, engaged and motivated diaspora entrepreneurs can operate in a well-functioning framework through which they can make informed business decisions on the basis of sourced investments and opportunities for knowledge transfer in countries of origin.

Policy recommendations

Although policy makers may be working from unproven assumptions of migrants as "super-entrepreneurs" (spirit and resilience dependent on personal leanings and host and home country barriers),³¹ policies which develop the knowledge of motivated, entrepreneurial migrants should reap dividends.³² Based on the assessment results, the following policy recommendations are put forward for the Rabat Process Thematic Meeting on Diaspora:

- 1) **Develop municipal-, country- and regional-level diaspora engagement plans that are coherent, practical and timely.**
- 2) **Ensure policy coherence by mainstreaming diaspora-related matters in national and local development policies, as well as sector policies to create an enabling business environment** that is conducive for diaspora entrepreneurship and investments. Within this framework, ensure that diaspora policies/ offices sit within appropriate departments, such as finance or other business-related units.

²⁹ Vaaler, P. M. (2013). Diaspora concentration and the venture investment impact of remittances. *Journal of International Management*, 19(1), 26-46.

³⁰ Migration for Development: Mapping Local Authorities' Practices in the Area of Migration and Development. Joint Migration and Development Initiative. UN/UNDP Brussels.

³¹ Ibid.

³² Aikins, K., & White, N. (2011). *Global diaspora strategies toolkit*. Ireland Funds, Dublin.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

- 3) **Systematically collect, monitor and analyse diaspora entrepreneurship/investment initiatives and remittance flows** (e.g. by expanding household surveys to gather information on remittance). Collect data on diaspora businesses through existing investment hubs, such as one-stop shops.
- 4) At regional level, **examine more closely South-South diaspora engagement patterns**, in particular on matters relating to remittance and investment flows, trade and (migrant/diaspora) entrepreneurship.
- 5) **Develop local authorities' knowledge for programming effective diaspora entrepreneurship and investment schemes** allowing for a systematic way to measure their readiness to attract diaspora capital. Consider peer-to-peer learning and exchanges, in particular South-South exchanges and mentorship programmes that match migrant entrepreneurs with local entrepreneurs to share complementary skills and competencies on entrepreneurship and investment. This could take the form of internships, scholarships, secondments, sponsorships or other.
- 6) **Enable direct diaspora investment in viable, productive, and strategic sectors and investment projects** by diversifying and providing suitable and targeted financial products. Develop specifically targeted fact sheets on 'how to do business in...', targeting key areas that diaspora are interested in.
- 7) **Develop the technical skills of migrant/diaspora entrepreneurs**, in particular women and youth-led start-ups and social enterprises through coaching, mentoring, workshops and other.
- 8) **Facilitate access to financial resources for diaspora entrepreneurs**. This could include capital injection into the economy for the purpose of developing the SME sector, e.g. expanding bank's capitalisation for on-lending and investments, provision of local and transnational grants and other forms of capital, streamlining regulations to allow the development of local capital markets, and providing tax incentives to facilitate the creation of SMEs.
- 9) **Remove unreasonable administrative barriers for SMEs with streamlined regulatory procedures and establishment of one-stop-shops for businesses**, thus ensuring fullest possible participation and fullest possible access to information for all diaspora and migrant entrepreneurs, including migrant women and migrant youth, thus enabling better and easier navigation of the local business environment.
- 10) **Remove structural and citizenship barriers** (such as the denial of dual citizenship) for diaspora entrepreneurs.
- 11) **Establish broad partnerships between private sector, governments, civil society, and non-profit organisations**, in particular diaspora/migrant business networks in order to facilitate diaspora/migrant entrepreneurship and investment, e.g. through the establishment of networking events.

| |
|---------|
| ANNEXES |
|---------|

Appendix

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

1. Selected Country Analysis³³

Benin

In 2015, 5.36% of Beninese citizens emigrated, with primary destinations being Nigeria and, within OECD countries, France. Its Ministry of Foreign Affairs, African Integration, Francophone and Overseas Beninese, along with numerous civil society and private groups, acts as official facilitator for an active diaspora whose remittances account for 3.98% of GDP. Benin proactively initiates diaspora research and programs to buttress public policy, leverage remittances, and solicit diaspora expertise for local development. Most important, Benin permits dual citizenship and its diaspora is encouraged to participate in democratic discourse. Resulting impact is felt in the (sometimes questionable) “internationalization” of local politics.³⁴ However, there is little evidence of local impact of the diaspora’s entrepreneurship and investment.

| | |
|---------------------------------------------|---------|
| Actions to enhance development impact | Present |
| Actions to build diaspora investment models | Nascent |
| Actions to enhance outreach and knowledge | Present |

Côte d'Ivoire

Côte d'Ivoire is a lead destination for African immigration, accounting for 9.6% of the domestic population. In 2015, 3.61% of Ivoirians emigrated, with primary destinations being Burkina Faso and, within OECD countries, France. Diaspora remittances account for 1.1% of GDP, reflecting the country’s middle income status (FDI accounts for 1.53% but significant percentage of profits are repatriated). Similar to Benin, Ivory Coast permits dual citizenship.³⁵ The role of the diaspora has shifted overtime – from political contributors to entrepreneurs to, now, knowledge-sharers and innovators.³⁶ Most important, however, has been the economic and political stability fostered and maintained post-conflict. In cooperation with international organizations, the government is drafting its National Strategy on Migration and Development which will “mainstream migration issues into development planning” and its Ministry of Foreign Affairs and Ministry of African Integration and Ivoirians Abroad look to foster stronger economic diplomacy and leverage immigration and emigration respectively. This is matched by strong non-government/civil society organizations. However, there is little evidence of the impact of targeted government initiatives on diaspora and/or migrant investment. Although occurring, these are based on individual investors identifying opportunities and flexibility to succeed in the current business climate.

| | |
|---------------------------------------------|---------|
| Actions to enhance development impact | Present |
| Actions to build diaspora investment models | Present |
| Actions to enhance outreach and knowledge | Present |

The Gambia

In 2015, 4.31% of Gambians emigrated, with primary destinations being Spain; diaspora remittances account for 22.5% and FDI 3.4% of GDP (2014), which reflect the current domestic economic climate. Banking systems have also taken note and provide “diaspora accounts” for Gambians abroad, further

³³ Country statistics and program information are from the following sources: International Organization on Migration – Global Migration Flow Chart (migration information and destinations), The World Bank (FDI inflows, remittances received, Doing Business, Enterprise Surveys, and tertiary educated emigration), and International Centre for Migration Policy Development - Migration EU Expertise (MIEUX).

³⁴ Plaza, S., & Ratha, D. (2011). Harnessing diaspora resources for Africa. The World Bank. Washington D.C.

³⁵ Ibid.

³⁶ Ammassari, S. (2004). From nation-building to entrepreneurship: the impact of élite return migrants in Côte d'Ivoire and Ghana. *Population, Space and Place*, 10(2), 133-154.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

easing remittance transfers.³⁷ It is assumed that a large percentage of tertiary educated (67.8% in 2000) and increasing number of young adults continue to emigrate. Notwithstanding, immigrants form 9.6% of the population and were primarily from neighbouring francophone countries. Due to longstanding political tensions, the government has not initiated significant diaspora engagement discourse or activities and diaspora investment and entrepreneurship is ad hoc and individually driven. However, civil society and non-governmental aspects of the Gambian diaspora remain politically active.³⁸

| | |
|---------------------------------------------|--------|
| Actions to enhance development impact | Absent |
| Actions to build diaspora investment models | Absent |
| Actions to enhance outreach and knowledge | Absent |

Ghana

In 2015, 2.84% of Ghanaians emigrated, with primary destinations being Nigeria, and, within the OECD, United States of America. Conversely, only 1.46% of its population are immigrants. Personal remittance continues to impact local livelihoods, accounting for 13.2% of GDP (FDI accounts for 8.43%). Ghana, through its relevant ministries (Ministry of the Interior and Ministry of Foreign Affairs and Regional Integration, together with its Diaspora Affairs Bureau and the Ghana Investment Promotion Centre), development partners, and non-government organizations, continues to proactively acknowledge, welcome, and engage its diaspora (and the African diaspora as a whole).^{39,40} Diaspora-led organizations are instrumental in knowledge sharing and network building whilst facilitating circular migration, diaspora entrepreneurial investments, and vital knowledge transfer. Although exemplary, implementation challenges exist and include unfulfilled and/or unsustainable policy declarations, unmet expectations on good governance (i.e. doing business environment, safety and security), and ambiguous understanding of engagement norms.⁴¹ To remedy these issues, the government created a National Migration Policy, which aims to better leverage remittances, create frameworks for diaspora engagement and investment, and clarify understanding of the responsibilities of dual citizenship and its impact on development. A Diaspora Engagement Policy is also being drafted which should improve diaspora data and analysis, enhance trust, leverage expertise for key sectors, and build capacities for effective participation in national development. The Ghanaian diaspora – through circular migration, personal consumption, investment (real estate), and entrepreneurship, and facilitating international trade and investment – do contribute to the country's development. The government, understanding the necessity of knowledge transfer for exploiting technological progress and accelerating local innovation, has fully embraced “make or buy” decision making to fill capacity gaps. Continuing this trend will require tapping into (new generation's) motivations and highlighting benefits.

| | |
|---------------------------------------------|---------|
| Actions to enhance development impact | Present |
| Actions to build diaspora investment models | Present |
| Actions to enhance outreach and knowledge | Present |

Sierra Leone

³⁷ Sylvia Chant. Gambian Diaspora: Signs of Separation and Symbiosis. March 30th, 2015.

<http://blogs.lse.ac.uk/africaatlse/2015/03/30/gambian-diaspora-signs-of-separation-and-symbiosis/>

³⁸C. Omar Kebbeh. The Gambia: Migration in Africa's "Smiling Coast". Migration Policy Institute. AUGUST 15, 2013.

<http://www.migrationpolicy.org/article/gambia-migration-africas-smiling-coast>

³⁹ Nauja Kleist (2013) Flexible Politics of Belonging: Diaspora Mobilisation in Ghana, *African Studies*, 72:2, 285-306, DOI: 10.1080/00020184.2013.812883

⁴⁰ Vezzoli, S., & Lacroix, T. (2010). Building bonds for migration and development. Diaspora engagement policies of Ghana, India and Serbia (Doctoral dissertation, International Migration Institute, Gesellschaft für Technische Zusammenarbeit (GTZ)).

⁴¹ Ankomah, P., Larson, T., Roberson, V., & Rotich, J. (2011). A creative approach to development: the case for active engagement of African diaspora in Ghana. *Journal of Black Studies*, 0021934711425488.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

In 2015, 2.2% of Sierra Leoneans emigrated, with primary destinations being the United States of America, whilst 1.41% of the country's population were immigrants. Diaspora's remittances account for 1.24% of GDP and FDI 11.6%. The government has, in rhetoric, sought out, engaged, and encouraged active participation of the diaspora in development. The Office of the Diaspora Affairs was created in 2008 as a one-stop-shop for information on business and investment opportunities.⁴² It hosts a "talent database" which, from online surveys, get information on diaspora member's skills and interests in development and sectors for investment. Sierra Leone drafted a National Migration Policy to optimise benefits for national development and, post Ebola and in partnership with the World Bank, commissioned a Sierra Leone Diaspora Investment and Trade Study to ascertain diaspora demographics, interests, and motivations and target initiatives accordingly.⁴³ Partnerships with international non-government organizations (including donors, think-tanks, diaspora groups, and countries (Ethiopia)) have led to various initiatives to increase trade, investment, and knowledge-sharing with domestic entrepreneurs, as well as combating Ebola Virus Disease's immobilising effect on local businesses and diaspora investment. However, current impacts (beyond anecdotal) are limited.

| | |
|---------------------------------------------|---------|
| Actions to enhance development impact | Present |
| Actions to build diaspora investment models | Nascent |
| Actions to enhance outreach and knowledge | Present |

Togo

In 2015, 5.77% of Togolese emigrated, with primary destinations being Nigeria and, within OECD countries, France, whilst 3.79% of the country's population were immigrants. Togolese diaspora's remittances account for 9.53% (FDI 1.32%) of GDP. Lead by the Ministry of Foreign Affairs, Cooperation and African Integration, the government has made mobilizing its diaspora a priority action through its diaspora program and platform and is drafting a migration and development strategy to deliver an effective framework for diaspora management.⁴⁴ Along with diaspora engagement and promotion across diplomatic missions and with international partners, civil society organizations like the Socio-economic Forum in the Diaspora (French acronym FOSED) are the voice for the diaspora, highlighting best practices, investment opportunities, partnerships, and strengthening domestic political representation. Primary foci have been to solidify networks for economic development; however domestic governance and economic stability continue to influence relocation and investment decisions.

| | |
|---------------------------------------------|---------|
| Actions to enhance development impact | Present |
| Actions to build diaspora investment models | Nascent |
| Actions to enhance outreach and knowledge | Present |

Cameroon

In 2015, 1.39% of Cameroonians emigrated, with primary destinations being France, whilst 1.64 % of the country's population were immigrants. Diaspora remittances accounted for 0.78 % of GDP (FDI was 2.12%). Cameroon possesses an educated and internationally networked diaspora which contributes through remittances, technology transfer, social projects, and, to a lesser extent, political involvement.⁴⁵ As such, much of its efforts are dedicated to utilizing the skills and motivations of diaspora "elites". Through work with international organizations, Cameroon is examining research and creating products to leverage remittances and promote financial inclusion and investment. The government also partners on pilot projects that target specific human capital needs, bringing in expertise from the diaspora to learn, train, collaborate, and innovate in selected industries. Conversely, diaspora civil society organizations,

⁴² Office of Diaspora Affairs - Office of the President. <http://www.diasporaaffairs.gov.sl>.

⁴³ The World Bank. Infographic - Sierra Leone Diaspora Investment and Trade Study. February 2016.

⁴⁴ Le Ministère des Affaires Etrangères, de la Coopération et de l'Intégration Africaine. <http://www.diplomatie.gouv.tg/fr>.

⁴⁵ Ollong, K. A. (2013). The Cameroonian Diaspora: an assessment of its role in local development. *Journal of Globalization Studies*, 4(2).

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

and private consultancies seek opportunities for private sector investment and development, as political involvement is not welcomed. Subsequent impact in investment, trade and culture are primarily diaspora-driven through groups such as the Cameroon Forum and via personal projects, with the government following suit. For example, the Ministry of External Relations (foreign affairs) has a diaspora division but channels users to diaspora groups for more information.⁴⁶ Leading on diaspora and migration issues and cooperating with its diaspora is vital, as many roadblocks require diplomatic solutions. This must be reconciled with current political, social and economic environments and followed by deliberate engagement and direction from policy makers. Overall, Cameroon hosts a poor macro environment and is lacking in state-sponsored and consistent diaspora engagement directives. This void has been filled by an active and entrepreneurial diaspora which continues to encourage private sector development (especially via co-ventures) and investment from its members.

| | |
|---------------------------------------------|---------|
| Actions to enhance development impact | Present |
| Actions to build diaspora investment models | Nascent |
| Actions to enhance outreach and knowledge | Nascent |

Framework for Analysis

| |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>African Level</i> |
| Operationalize The African Institute on Remittances |
| <i>Regional Level (ECOWAS and ECCAS)</i> |
| Regional strategy to encourage the involvement of the diaspora in local development |
| <i>Macro Environment</i> |
| <ul style="list-style-type: none"> - Good governance - Access to financial capital - Environment/Attitudes towards entrepreneurship - Human and social capital - Industry - Infrastructure |
| <i>Diaspora Engagement Policy</i> |
| <ul style="list-style-type: none"> - Outreach to and knowledge of their diaspora <ul style="list-style-type: none"> o Diaspora member investment characteristics (giving (to individuals or institutions), entrepreneurs (by chance or plan), capital markets, tourists and consumers of homeland goods, philanthropists, volunteers, advocates for homeland, innovators, and/or local capacity builders) o Diaspora concentration abroad - Understanding and tapping into motivations of diaspora international entrepreneurship: Altruistic, social recognition, demographic, entrepreneurial opportunities, friendliness and receptivity of homeland, social networks (home and host), level of integration in host country, level of support in host country - Understanding of diaspora's skills: Opportunity identification (market need, resources and fit that adds value) and flexibility to marry hybrid of host and home environments and form strategies and networks that exploit differences, understanding of product/services development, task-related partner selection, businesses strategies, and entry modes - Understanding diaspora's remittances: Origin, destination, household recipient, role in improving |

⁴⁶ Ministère des Relations Extérieures – Camerounais à l'Étranger: Associations et Regroupements. June 2016. <http://www.diplocam.cm/accueil/index.php/fr/component/content/article?id=79>.

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> – access to finance for local entrepreneurship – Support of the diaspora – Diaspora Engagement Policy: Based on diaspora member characteristics |
| <i>Diaspora Engagement Activities</i> |
| <ul style="list-style-type: none"> – Engage diaspora – Enhancing development impact of diaspora contributions <ul style="list-style-type: none"> ○ Country specific actions to enhance development impact of migrant diasporas ○ Reliable giving structures and spaces for diaspora partnership ○ Diaspora involved in public policy (esp. re development) ○ Strengthen diaspora’s capacity and entrepreneurship (via financial and investment education of migrants and their families) – Diversifying diaspora investment <ul style="list-style-type: none"> ○ Diaspora investment models with aligned incentives (specifically in African agriculture, agri-businesses, and agro-industries) ○ Programs to explore, identify, and promote innovative financial instruments to increase volume of and channel remittances for development purposes – Leveraging diaspora savings for national and local development and lowering cost of remittances <ul style="list-style-type: none"> ○ Utilize all forms of remittances, economic and non-economic (social/networks in home and host countries, technical, and political) ○ Programs reducing transaction costs of economic remittances (cheaper, safer, legally-compliant, and faster) ○ Programs maximizing impacts of remittances |
| <i>Current Diaspora Investment and Impact</i> |
| <ul style="list-style-type: none"> – Results and systemic gaps – Role of non-governmental actors |

Sample of Diaspora Programming

| <i>Country</i> | <i>Enhance Development Impact of Migrant Diaspora</i> | <i>Build Diaspora Investment Models</i> | <i>Enhance Outreach to and Knowledge of Diaspora</i> |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Benin | MIEUX-II: support authorities in designing public policies to increase development impact of remittances (January 2013–present) | Benin Diaspora USA | Ministry for Foreign Affairs, African Integration, the Francophone Community, and Beninese Abroad |
| Cameroon | Cameroon American Council – USA | Cameroon Forum Cameroon American Chamber of Commerce | Ministry of External Relations |
| Côte d’Ivoire | MIEUX-II: support authorities in drafting process of National Strategy on Migration and Development while developing a methodology for mainstreaming migration issues into development planning (March 2014–present) Maison d’Oeuvres pour le Développement Economique et du Leadership pour la Côte | Investment Promotion Centre | Office of the Diaspora |

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

| | | | |
|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------|
| | d'Ivoire | | |
| Gambia (The) | Atlanta Gambian Emergency Relief Association | | |
| Ghana | MIEUX-II: support development of Ghana's National Diaspora Engagement Policy (June 2014–present) Diaspora Affairs Bureau – ghanniandiaspora.com | Ghana Investment Promotion Centre National Remittances Credit Registry | National Migration Policy |
| Sierra Leone | MIEUX-II: capacity building assistance to strengthen migration management capabilities and draft National Migration Policy (March 2012–present) Association of Sierra Leonean Healthcare Professionals Abroad | Commissioned Diaspora Investment and Trade Study | Office of Diaspora Affairs Diaspora talent database |
| Togo | MIEUX-II: support for drafting national migration and development strategy (January 2013–present) Diaspora Togolaise pour la Démocratie et le Développement | | |

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

2- Overview Central and West Africa

| Source country | Benin | Burkina Faso | Cabo Verde | Cameroon | Central African Republic | Chad | Congo, Democratic Republic of Congo |
|------------------------------------------------------|-------------------------------------------|---------------|------------|----------|--------------------------|--------------|-------------------------------------|
| Top destination country, 2013 | Nigeria | Côte d'Ivoire | Portugal | France | Cameroon | Cameroon | Republic of Congo |
| Income group | Low | Low | Middle | Middle | Low | Low | Low |
| GDP growth (avg. annual % 2011-14) | 5.3 | 5.2 | 2.2 | 5.1 | -6.9 | 5.5 | 7.9 |
| Remittance flows in %of GDP, 2014 | 3.2 | 3.2 | 10.5 | 0.8 | Missing data | Missing data | 0.1 |
| Mobile cellular subscriptions (per 100 people, 2014) | 101.7 | 71.7 | 121.8 | 75.7 | 31.4 | 39.8 | 53.5 |
| Internet users (per 100 people, 2014) | 5.3 | 9.4 | 40.3 | 11 | 4 | 2.5 | 3 |
| Ease of doing business | 158 | 143 | 126 | 172 | 185 | 183 | 184 |
| Diaspora policy or strategy in place (Y/N) | Yes (National Policy for Beninese Abroad) | Yes | Yes | Yes | No | No | In progress |
| Multiple Citizenship allowed (Y/N) | Yes | Yes | Yes | No | Yes | Missing info | No |

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

| Source country | Gabon | Côte d'Ivoire | Gambia, The | Ghana | Guinea | Guinea-Bissau | Liberia |
|------------------------------------------------------|--------------|---------------|-------------|---------|---------------|---------------|-----------------------------------|
| Top destination country, 2013 | France | Burkina Faso | Spain | Nigeria | Côte d'Ivoire | Portugal | Guinea |
| Income group | Middle | Middle | Low | Middle | Low | Low | Low |
| GDP growth (avg. annual % 2011-14) | 5.6 | 6 | 2.8 | 8.7 | 2.6 | 2.4 | 6.3 |
| Remittance flows in % of GDP, 2014 | Missing data | 1.1 | 21.2 | 5.2 | 1.4 | 6.2 | 24.6 |
| Mobile cellular subscriptions (per 100 people, 2014) | 210.4 | 106.2 | 119.6 | 114.8 | 72.1 | 63.5 | 73.4 |
| Internet users (per 100 people, 2014) | 9.8 | 14.6 | 15.6 | 18.9 | 1.7 | 3.3 | 5.4 |
| Ease of doing business | 162 | 142 | 151 | 114 | 165 | 178 | 179 |
| Diaspora policy or strategy in place (Y/N) | No | In progress | No | Yes | No | No | Yes (Diaspora Engagement Program) |
| Multiple Citizenship allowed (Y/N) | No | Yes | Yes | Yes | No | Missing data | No |

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

| Source country | Mali | Mauritania | Niger | Nigeria | Senegal | Sierra Leone | Togo |
|------------------------------------------------------|---------------|--------------|---------|-------------------------------------------------------------------------|---------|--------------|-------|
| Top destination country, 2013 | Côte d'Ivoire | Senegal | Nigeria | United States | France | Guinea | Ghana |
| Income group | Low | Middle | Low | Middle | Middle | Low | Low |
| GDP growth (avg. annual % 2011-14) | 2.9 | 5.6 | 6.4 | 5.2 | 3.6 | 11.3 | 5.4 |
| Remittance flows in %of GDP, 2014 | 7.4 | Missing data | 1.8 | 3.7 | 10.3 | 1.3 | 8.8 |
| Mobile cellular subscriptions (per 100 people, 2014) | 149 | 94.2 | 44.4 | 77.8 | 98.8 | 76.7 | 69 |
| Internet users (per 100 people, 2014) | 7 | 10.7 | 2 | 42.7 | 17.7 | 2.1 | 5.7 |
| Ease of doing business | 143 | 168 | 160 | 169 | 153 | 147 | 150 |
| Diaspora policy or strategy in place (Y/N) | No | No | Yes | No, but an Investment Promotion Agency that links to diaspora investors | No | Yes | Yes |
| Multiple Citizenship allowed (Y/N) | Yes | No | No | No | Yes | Yes | Yes |

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

Statistics taken from

^[1] The remittance corridor United States to Nigeria was estimated to be \$5.7 billion, one of the highest remittance corridor in the region.

^[1] Compilation through Devillard A., Bacchi A., Noack M. (2016) A Survey on Migration Policies in West Africa, IOM and ICMPD, Second edition, Senegal and Austria p.58 and Wolff V.

Other sources: <http://www.multiplecitizenship.com/countrylist.html>;

<http://www.cic.gc.ca/english/resources/publications/dual-citizenship.asp>; and

<http://allafrica.com/stories/201001200400.html>

http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/4549025-1450455807487/Factbook2016_Countries_A-L.pdf

http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/4549025-1450455807487/Factbook2016_Countries_M-Z_Glossary.pdf

Annual Remittances Data, The World Bank

<http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

Ease of doing business:

<http://www.doingbusiness.org/rankings>

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

Abbreviations

African Institute for Remittances (AIR)

African Union (AU)

African Development Bank (AfDB)

Economic Community of Central African States (ECCAS)

Economic Community of West African States (ECOWAS)

European Commission (EC)

European Union (EU)

Information and Communications Technology (ICT)

International Centre for Migration Policy Development (ICMPD)

International Organization for Migration (IOM)

Migration EU eXpertise (MIEUX)

Migration for Development in Africa (MIDA)

Regional Economic Communities (RECs)

West African Economic Monetary Union (WAEMU)

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

References

Journal Articles

- Ammassari, S. (2004). *From nation-building to entrepreneurship: the impact of élite return migrants in Côte d'Ivoire and Ghana*. *Population, Space and Place*, 10(2), 133-154.
- Ankomah, P., Larson, T., Roberson, V., & Rotich, J. (2011). *A creative approach to development: the case for active engagement of African diaspora in Ghana*. *Journal of Black Studies*, 0021934711425488.
- Blenko, Marcia W., Michael C. Mankins, and Paul Rogers. *The decision-driven organization*. *Harvard Business Review* 88, no. 6 (2010): 54-62.
- de Lange, D. E. (2013). *Embedded diasporas: Shaping the geopolitical landscape*. *Journal of International Management*, 19(1), 14-25.
- Donou-Adonsou, F., & Lim, S. (2016). *An empirical analysis of remittance flows into West African Economic and Monetary Union: a panel time-series approach*. *Applied Economics*, 48(11), 1018-1029.
- Mangala, J. R. (2016). *The African Union's diaspora diplomacy and policymaking: Operationalizing the migration–development nexus*. *The Journal of the Middle East and Africa*, 7(2), 175-206.
- Martinez, C., Cummings, M. E., & Vaaler, P. M. (2015). *Economic informality and the venture funding impact of migrant remittances to developing countries*. *Journal of Business Venturing*, 30(4), 526-545.
- Nauja Kleist (2013) *Flexible Politics of Belonging: Diaspora Mobilisation in Ghana*, *African Studies*, 72:2, 285-306, DOI: 10.1080/00020184.2013.812883
- Ollong, K. A. (2013). *The Cameroonian Diaspora: an assessment of its role in local development*. *Journal of Globalization Studies*, 4(2).
- Vaaler, P. M. (2013). *Diaspora concentration and the venture investment impact of remittances*. *Journal of International Management*, 19(1), 26-46.

Reports

- *A World Bank Group Flagship Report (2016), Doing Business 2016: Measuring Regulatory Quality and Efficiency. Regional Profile 2016, Economic Community of West African States (ECOWAS), 13th Edition, The International Bank for Reconstruction and Development/The World Bank, DC*
- Agunias, D. R., and K. Newland (2011). *A Handbook for Policymakers and Practitioners in Home and Host Countries*, MPI, IOM
- Aikins, K., & White, N. (2011). *Global diaspora strategies toolkit*. Ireland Funds, Dublin.
- Black, R., and A. Castaldo (2009). *Return Migration and Entrepreneurship in Ghana and Côte d'Ivoire: The Role of Capital Transfers*. *Tijdschrift voor Economische en Sociale Geografie* 100 (1): 44-58
- *Catalogue of Good Practices in African Diaspora Development*. Africa-Europe Platform. October 2013.
- *Central Africa – Regional Integration Strategy Paper (2011-2015)*. African Development Bank. February 2011.
- Chikezie C.-E (2011). *Reinforcing the Contributions of African Diasporas to Development in Plaza*, S., D. Ratha, Editors. *Diaspora for Development in Africa*. *The International Bank for Reconstruction and Development, the World Bank, DC*, 269
http://siteresources.worldbank.org/EXTDECPROSPPECTS/Resources/476882-1157133580628/DfD_FullReport.pdf (accessed on 22. August)
- *Declaration de Rome. Processus de Rabat – Dialogue Euro-Africain sur la Migration et le Développement*. November 2014.
- Devillard A., Bacchi A., Noack M. (2016). *A Survey on Migration Policies in West Africa*. Second edition, ICMPD (Vienna) and IOM (Dakar)

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

- Formson-Lorist, C. *Consolidating and Showcasing Diaspora Entrepreneurship for Development*. African Diaspora Policy Centre.
- Fourth EU-Africa Summit – Declaration. Brussels. April 2014.
- Frankenhaeuser, M., & Noack, M. (2016) *Promoting Diaspora Engagement: What have we learnt?* International Centre for Migration Policy Development.
- General Assembly (21.10.2015): Resolution adopted by the General Assembly on 25 September 2015 70/1. *Transforming our world: the 2030 Agenda for Sustainable Development* http://www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E
- *Migration for Development: Mapping Local Authorities' Practices in the Area of Migration and Development*. Joint Migration and Development Initiative. UN/UNDP Brussels.
- *Nairobi Action Plan on Remittances*. Africa-Europe Diaspora Development Platform. July 2016.
- Noack, M., & Wolff, V. (2014). *Enhancing Diaspora Engagement - Operational guidelines for South-South and triangular cooperation*. International Centre for Migration Policy Development. Vienna, Austria
- Plaza, S., & D. Ratha, (2011). *Harnessing diaspora resources for Africa*. The World Bank. Washington D.C.
- Plaza, S., D. Ratha, Editors (2011). *Diaspora for Development in Africa*. The International Bank for Reconstruction and Development, the World Bank, DC
- *Rabat Process: Euro-African Dialogue on Migration and Development*.
- *Remittances in Africa – A Catalogue of Studies and Technical Assistance by the World Bank, Development Agencies and Government in Africa*. March 2011. The World Bank Group and The European Commission.
- Scharwatt, C., and Williamson, C. (2015). *Mobile money crosses borders: New remittance models in West Africa*.
- The World Bank. *Infographic - Sierra Leone Diaspora Investment and Trade Study*. February 2016.
- *Valletta Summit on Migration – Action Plan*. November 2015.
- Vezzoli, S., & Lacroix, T. (2010). *Building bonds for migration and development. Diaspora engagement policies of Ghana, India and Serbia* (Doctoral dissertation, International Migration Institute, Gesellschaft für Technische Zusammenarbeit (GTZ)).
- *West African Economic and Monetary Union – Common Policies of Member Countries*. (Country Report No. 15/100). International Monetary Fund. April 2015.
- *West African Economic and Monetary Union – Staff Report on Common Policies from Member Countries*. International Monetary Fund. March 2014.
- Naudé, W., Siegel, M., & Marchand, K. (2015) *Migration, entrepreneurship and development: A critical review*. United Nations University Working Paper Series. 2015-033.

Presentation

Migration and Development Policies and Strategies in the ECOWAS Region: The Role of Data. (Presentation) Geertrui Lanneau, International Organization for Migration. September 2015.

Website Articles

- African Development Bank, African Development Fund (2012) 'Cape Verde: A Success Story' <http://www.afdb.org/fileadmin/uploads/afdb/Documents/Project-and-Operations/Cape%20Verde%20-%20A%20Success%20Story.pdf> (accessed on 12. August 2016)
- C. Omar Kebbeh. *The Gambia: Migration in Africa's "Smiling Coast"*. Migration Policy Institute. August 15, 2013. <http://www.migrationpolicy.org/article/gambia-migration-africas-smiling-coast>
- John Shook. *Toyota's Secret: The A3 Report*. July 01, 2009. MIT Sloan Management Review. <http://sloanreview.mit.edu/article/toyotas-secret-the-a3-report/>
- Sylvia Chant. *Gambian Diaspora: Signs of Separation and Symbiosis*. March 30th, 2015. <http://blogs.lse.ac.uk/africaatlse/2015/03/30/gambian-diaspora-signs-of-separation-and-symbiosis/>

Diaspora Engagement on Country Entrepreneurship and Investment - Policy Trends and Notable Practices in the Rabat region

BACKGROUND PAPER

- *Why countries should make the most of their diasporas.* Ricardo Hausmann, Professor, Harvard University. Thursday 25 June 2015 <https://www.weforum.org/agenda/2015/06/why-countries-should-make-the-most-of-their-diasporas/>

Websites

- African Institute for Remittances (AIR) Project – African Union. <http://pages.au.int/remittance/about>
- International Centre for Migration Policy Development - Migration EU Expertise (MIEUX). <http://www.icmpd.org/our-work/capacity-building/multi-thematic-programmes/mieux-iii/>
- Le Ministère des Affaires Etrangères, de la Coopération et de l'Intégration Africaine. <http://www.diplomatie.gouv.tg/fr>.
- Ministère des Relations Extérieures – Camerounais à l'Etranger: Associations et Regroupements. June 2016. <http://www.diplocam.cm/accueil/index.php/fr/component/content/article?id=79>.
- Office of Diaspora Affairs - Office of the President. <http://www.diasporaaffairs.gov.sl>.
- This is Sierra Leone - <http://www.thisissierraleone.com/category/diaspora/>
- Association of Sierra Leonean Healthcare Professionals Abroad - <http://www.toshpa.org.uk>
- Ghanaian Diaspora - <http://www.ghanaiandiaspora.com/diaspora-groups/>
- Cameroon Forum - <http://www.cameroon-forum.org>

Data Websites

- Annual Remittances Data, The World Bank <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data> (accessed on 17 August 2016)
- International Diaspora Engagement Alliance – Diaspora Map. <http://map.diasporaalliance.org>
- International Organization on Migration – Global Migration Flow Chart. <https://www.iom.int/world-migration>.
- Migrant Integration Policy Index. <http://www.mipex.eu>
- The World Bank – Foreign direct investment, net inflows (% of GDP). <http://data.worldbank.org/indicator/BX.KLT.DINV.WD.GD.ZS>
- The World Bank – Personal remittances, received (% of GDP). <http://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS>.
- *Doing Business, Enterprise Surveys, and tertiary educated emigration*).
- Knoema Data Atlas. Migrants' remittances, annual, 1980-2014: Personal Remittance - Percentage of Gross Domestic Product. <https://knoema.com/UNCTADMIGREM2015/migrants-remittances-annual-1980-2014?location=1003410-eccas-economic-community-of-central-african-states>
- *Migration and Remittances Factbook 2016*, The World Bank