

SUPPORTING DIASPORA ENTREPRENEURSHIP TO BOOST ACP COUNTRY DEVELOPMENT

INSIGHTS FOR POLICYMAKERS

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LIST OF ABBREVIATIONS

ACP	African, Caribbean and Pacific
AFD	<i>Agence Française de Développement</i> (French development agency)
APIX	Investment Promotion Agency (Senegal)
CGCECI	<i>Confédération Générale des Entreprises de Côte d'Ivoire</i>
CRE'AFRIQUE	French Programme supporting diaspora entrepreneurs
DDI	Direct Diaspora Investment
EUDIF	European Union Global Diaspora Facility
FAISE	<i>Fonds d'Appui à l'Investissement des Sénégalais de l'Extérieur</i> (Senegal)
GICAM	<i>Groupement Inter-Patronal du Cameroun</i> ; entity representing the private sector in Cameroon
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> (German International Development Cooperation Agency)
ICR	Investment Climate Reform (ICR) Facility
IOM	The International Organisation for Migration
IPA	Investment Promotion Agency
LAC	Latin American and Caribbean
LMIC	Low- and Middle-Income Country
MEET AFRICA	<i>Mobilisation Européenne pour l'Entrepreneuriat en Afrique</i>
OFAD	<i>Organisation des Femmes Africaines de la Diaspora</i> (African Diaspora Women Organisation)
SDG	Sustainable Development Goal
SME	Small and Medium-sized Enterprise

ABOUT THIS REPORT

This report is written as part of the series of reports on “*Innovative approaches to support entrepreneurs*”. In addition to innovative tools, such as crowdfunding and honour loans, which policymakers need to regulate to respond to the challenge of providing funding to all entrepreneurs, policymakers also need to acknowledge that some groups

of entrepreneurs have particular financial and extra-financial needs, which require special consideration. This is the case of diaspora entrepreneurs who represent a growing share of entrepreneurs in African, Caribbean and Pacific (ACP) countries. Supporting and promoting their activities through innovative policies appears to be an opportunity for growth.

EXECUTIVE SUMMARY

KEY FINDINGS:

Members of the diaspora – emigrants and descendants of emigrants who actively maintain links with their country of origin/heritage – are making a meaningful contribution to the socio-economic development of African, Caribbean, and Pacific (ACP) countries.

The main economic contributions from members of the diaspora are made through financial remittances. The East Asia and Pacific region recorded the highest amounts of money sent in 2021 (\$133 billion), followed by Latin America and the Caribbean (\$131 billion), and Africa (\$49 billion).

Diasporans also contribute to their countries of origin through other avenues: investment, know-how, technology transfer, partnerships between their networks in countries of origin and destination, and entrepreneurship.

Diaspora entrepreneurship is defined as entrepreneurial initiatives undertaken by a diasporan in their country of origin while residing in the host country. In ACP countries, supporting this type of entrepreneurship is an investment worth making, since diaspora entrepreneurs represent a valuable resource, with a distinctive advantage being their integration into different socio-economic and cultural contexts.

Diaspora entrepreneurs launching a business or expanding their business activities in their country of origin are driven by the desire to create a sustainable source of income and to make a positive impact in their country of origin beyond profit-oriented factors. According to our interview-based research, their businesses are generally oriented towards agriculture and related activities, although tourism is a priority among diaspora entrepreneurs from Caribbean countries.

Diaspora entrepreneurs often face specific challenges, such as the lack of networking opportunities due to insufficient local connections/relationships in their country of origin with institutions and key industry players. Other examples include barriers tied to their legal status (specifically, their nationality), double taxation of one source of income from the same business (both in their country of residence and in their country of origin), social perception (being treated as a foreigner), etc. They also share the same challenges as local entrepreneurs, like lack of access to finance, tedious administrative procedures, and so forth.

Female diaspora entrepreneurs tend to experience these obstacles as well as gender-based challenges such as strong stereotyping against women entrepreneurship and female foreigners both in the origin and host country, sometimes legal discrimination in their origin country, more limited access to assets, and limited solutions to support their household responsibilities.

Despite a growing interest in supporting diaspora entrepreneurship, efficient diaspora policy frameworks remain necessary to reap the full potential of diaspora entrepreneurs for the development of their countries of origin. When provided with proper support, they can share innovative ideas and make a meaningful contribution to the development of ACP countries.

Diaspora entrepreneurs often face challenges that also affect entrepreneurs in their country of origin. Thus, policies related to the diaspora should be implemented without putting local entrepreneurs at a disadvantage to preserve the equilibrium in the local entrepreneurship ecosystem, aligned with national (development) policies, and tailored to each ACP state's context and priorities.

Diaspora entrepreneurs also often face the same challenges as other foreign entrepreneurs and investors. Therefore, some recommendations are equally relevant for both groups and must not be implemented only for diaspora entrepreneurs to avoid unequal treatment.



Main recommendations for governments and their partners, as well as policymakers and key players based in ACP countries from which diaspora entrepreneurs originate:

- »»»»» **1 Improve access to diaspora-related information and diversify opportunities for diaspora engagement in their country of origin.** *(see page 17)*
- »»»»» **2 Build a business-friendly and gender-inclusive environment by developing a concerted and coordinated multi-stakeholder national approach.** *(see page 19)*
- »»»»» **3 Facilitate access to entrepreneurial education and skills development for diaspora entrepreneurs in their country of origin. Representation in countries of residence can play a role in facilitating this process.** *(see page 22)*
- »»»»» **4 Foster knowledge, skills, know-how, and technology transfers between diaspora entrepreneurs and nationals based in the country of origin** (e.g. by promoting immersion trips, pairing diaspora entrepreneurs with local professionals or entrepreneurs). *(see page 24)*
- »»»»» **5 Boost the visibility of opportunities available to diaspora members interested in investing or launching businesses in their origin country.** *(see page 25)*
- »»»»» **6 Ensure stakeholder coordination to enhance capacity building at the national level in countries of origin to facilitate access to relevant content, entrepreneurial training and education, and skills development for diaspora entrepreneurs in their country of origin.** *(see page 26)*
- »»»»» **7 Ensure that diaspora women benefit from entrepreneurship programmes.** *(see page 26)*

INTRODUCTION

Scholars, governments, and policymakers around the world have become over the last years increasingly aware of the diaspora’s potential¹. Many are contributing to the conversation about how to engage diaspora members in a mutually beneficial relationship between countries of residency and countries of origin. The number of international migrant workers² continues to grow; in 2019 they were estimated to be 169 million globally, +12.7% compared to 2013 according to the International Labour Organisation³. Diaspora communities are increasingly being recognised as potential change agents and development partners.

The remittances sent by diaspora communities represent a significant share of GDP in ACP countries. The money sent by migrants to their home country, especially streams to low- and middle-income countries (LMICs), reached a historic \$647 billion globally in 2022, according to the World Bank’s Migration and Development Brief from June 2023⁴. Besides their critical role in times of crisis, remittances have proven to be a significant factor in the socio-economic development of several countries.

FIGURE 1: Remittances in Sub-Saharan Africa, East Asia and Pacific, and the Latin American and Caribbean (LAC) region in 2021 (% fee to send 200 \$)

INDICATORS	SUB-SAHARAN AFRICA	LATIN AMERICA AND THE CARIBBEAN	EAST ASIA AND PACIFIC
Remittance inflow in 2021	\$ 49 billion	\$ 131 billion	\$ 133 billion
Countries with high remittance as a share of GDP in 2021	Gambia, Lesotho, Comoros, Cabo Verde	El Salvador, Honduras, Jamaica and Haiti	Tonga, Samoa, The Marshall Islands, The Phillipines, Fiji
Cost of sending \$ 200 to the region (average)	7.8 %	5.6 %	5.6 %
Remittance Projections for 2022	+7.1 %	+9.1 %	3.8 % (excluding China)

Source: World Bank Press release, May 11, 2022

Beyond remittances, economic contributions from members of the diaspora are also channelled through diaspora direct investments, known as a source of economic, social, and political capital through global networks. Diaspora investments can take various forms including equity funding, loans, diaspora bonds, knowledge, or skills⁵.

On the other hand, diaspora networks and organisations can play a meaningful role in economic development as well, opening opportunities for investments, trade, outsourcing, and strategic partnerships between the country of origin and country of residence.

1 Diaspora (IOM definition): Migrants or descendants of migrants whose identity and sense of belonging, either real or symbolic, have been shaped by their migration experience and background. They maintain links with their homelands, and to each other, based on a shared sense of history, identity, or mutual experiences in the destination country. Source: *Glossary on Migration*.
 2 International migrant workers are defined as migrants of working age, who during a specified reference period, were in the labour force of the country of their usual residence, either in employment or in unemployment; for the purposes of this report, the term “international migrants” refers to usual residents in a given country who are foreign-born (or foreign citizens when place of birth information is not available). Source: *ILO Global Estimates on International Migrant Workers*.
 3 *ILO Global Estimates on International Migrant Workers*.
 4 *Migration and Development Brief 38*.
 5 *Diaspora finance for development: from remittances to investment*.

Widu combines funding and coaching to support new and existing small businesses in Africa.

This project supports job creation in Africa by channelling remittances sent by the African Diaspora in Europe into very small and small businesses of family members or friends living in participants' African countries. Through this initiative, implemented by Deutsche Gesellschaft für internationale Zusammenarbeit (GIZ) GmbH on behalf of the German Federal Ministry for Economic Cooperation and Development (BMZ), African entrepreneurs are also able to receive grants and coaching sessions.

In France, for example, the Forum of Migrant International Solidarity Organisations (FORIM) supports projects run by the diaspora through the programme of support for international solidarity organisations of immigrant origin (PRA/OSIM). The PRA/OSIM is a national programme, supported by the French development agency (AFD) and designed to strengthen, support, co-finance and capitalise on local development projects run by International Solidarity Organisations of immigrant origin (OSIM).

To highlight the effects of migration on the development of countries of origin, and in particular the contribution made by migrants by promoting and capitalising on their practices,

it deploys more than 75 micro-projects annually in the sectors of education, health, water supply, agriculture, etc. Each project received a grant up to €15,000.

Diasporans therefore influence national economies through different channels. These include remittances sent to relatives based in their home country, foreign direct investment (small and medium-sized investments)⁶, participation in trade initiatives, as well as knowledge and skill transfer. This paper focuses more specifically on the economic development contribution that members of the diaspora can make through their entrepreneurial initiatives in ACP countries.

WHO IS A DIASPORA ENTREPRENEUR?

For our purposes, we define diaspora entrepreneurs as emigrants⁷ and descendants of emigrants who actively maintain ties with their country of origin, where they undertake entrepreneurial initiatives while residing in the host country.

When doing business, diaspora entrepreneurs may share similar experience with Returnee-migrant entrepreneurs, who return home from overseas and start a business in their country of origin after time spent in their host country for education, work, etc⁸. Although ACP governments can find value in harnessing resources from both, our research focuses on supporting diaspora entrepreneurs, particularly those who created a business in their country of origin from their country of residence, and those who already have a business in their country of residence and decide to extend their activities in their country of origin.

Given the connection to their countries of origin, diaspora members are often more inclined than other foreign investors to engage in business activities in high-risk or emerging markets⁹. Their pull towards entrepreneurship can also be influenced by their social and cultural background; research suggests that youth from countries with high levels of self-employment, or with a family history of entrepreneurship, are more likely to follow the same path¹⁰. Our desk study revealed several reasons driving the ACP diaspora towards entrepreneurship. Overall, the most common reasons are the desire to seize economic opportunities (sometimes outside their home country), generate a sustainable income, and make a positive impact.

Although diaspora members do business in a variety of sectors, for almost all respondents, the agricultural sector and its derivatives (agribusiness, product processing) are popular amongst the African diaspora.

6 There are more and more diaspora groups creating investment vehicles targeting diaspora and / or local businesses, e.g. REDA Capital, CIWAZA capital.

7 Emigrant (definition in a global context): resident (national or alien departing or exiting from one State intending to remain abroad for a period exceeding one year. Source: European Commission.

8 *Returnee Entrepreneurs – Characteristics and Success Factors, Semantic Scholar.*

9 *Diaspora – Some basic facts; Diaspora and Migrant Entrepreneurs as Social and Economic Investors in Homeland Development.*

10 *Beating the odds: Supporting youth on the move to become successful entrepreneurs.*

FIGURE 2: Main sectors targeted by diaspora entrepreneurs (interview data)



FIGURE 3: Reasons why young members of the diaspora choose to launch a business back home (interview data)



Specificities of women entrepreneurs

The interview with **Suzanne Bellnoun**, founder and president of the *Organisation des Femmes Africaines et de la Diaspora* (Organisation of African Diaspora Women) presents her perspective on the challenges experienced by diaspora women entrepreneurs:

Q:

Please tell us more about what policies need to entail to benefit young diaspora women entrepreneurs?



A:

“Hi, and thank you for focusing on the situation of young diaspora women entrepreneurs. Decision-makers tend to overlook them! We created the Organisation des Femmes Africaines et de la Diaspora 12 years ago to help African women entrepreneurs in France overcome obstacles and develop their business in France and/or Africa.

An important obstacle diaspora women entrepreneurs face is double stereotyping: stereotypes against women migrants in their host country, and stereotypes against women and young women in their country of origin or heritage.

In France, for example, African women tend to be perceived as illiterate people who have a lot of children, live in polygamous families with a lot of domestic violence. Their children are perceived as creating a lot of problems in French banlieues, or suburbs. African diaspora women are mostly seen as a problem, not as positive contributors to French society. Even when our children become successful like the football star Kylian Mbappe, society does not recognise the role played by mothers!

One day, I called a government agency in France, and presented our organisation. The woman on the phone reacted by saying ‘Really? African women create businesses in France?’ She could not believe that we diaspora women can be entrepreneurs.

Diaspora women entrepreneurs are also stereotyped in their country of origin, especially when they want to develop their business in a male-dominated sector where nobody expects to see them. Young diaspora women entrepreneurs, when they arrive to Cameroun for instance, they are not accepted as entrepreneurs by the Cameroonian administration, despite their very high education level, and important prior work responsibilities in France. Also, they don’t know the cultural codes and how to navigate things and behave in their country of origin or heritage.

Nevertheless, I have witnessed a positive change recently: young diaspora women tend to be very well-educated and do better in school than their male counterparts.

Last but not least, I have worked on a programme funded by the French Development agency for diaspora entrepreneurs originally from Cameroun, and I was in charge of the gender component of it. The first thing we did was to create a quota for women entrepreneurs, which resulted in having 34% of women among programme beneficiaries. Everybody was surprised to see so many women in the programme, but I know for sure that many more diaspora women would like to develop their business. Diaspora women are very entrepreneurial and with adequate support, most diaspora entrepreneurship programmes would attract 50% of men and 50% of women.”



WHO ARE THE OTHER KEY STAKEHOLDERS IN THE ENTREPRENEURSHIP AND DIASPORA ECOSYSTEM?

To bring their entrepreneurial project to fruition, diaspora entrepreneurs rely on a variety of stakeholders in their country of origin and in their country of residence¹¹.

Some examples are given below:

- **Funders:** development banks, private funds, donors, crowdfunding platforms, international development agencies;
- **Migration-related institutions:** ministries of foreign affairs, embassies, diaspora units;
- **Education and training institutions:** diaspora entrepreneur programmes, universities, startup or innovation hubs, incubators, accelerators;
- **Diaspora policymakers:** ministries of foreign affairs, private sector organisations, academia, diaspora organisations;
- **International cooperation or development agencies:** GIZ, French development agency (AFD), USAID, etc;
- **Diaspora networks and organisations:** investor networks, professional networks;
- **Public service operators in charge of entrepreneurship, economic development, or investment:** chamber of commerce, investment agencies, employers' organisations, etc;
- **NGOs,** non-profit associations;
- **Investment promotion agencies (IPAs).**

The primary aim of this report is to help policymakers in ACP countries better understand the benefits of building a business environment that enables diaspora members to make a contribution to their country and give suggestions on the possible ways to achieve this.

Our goals are to:

- Demonstrate that encouraging diaspora entrepreneurship is essential;
- Inspire new initiatives by showcasing projects and experiences implemented in ACP countries or in other regions, including those from development partners which aim to facilitate diaspora entrepreneurship¹²;
- Increase awareness of obstacles and needs of diaspora entrepreneurs in the ACP zone to improve access to business opportunities;
- Explain the regulatory challenges (among others), including those specific to diaspora women entrepreneurs;
- Provide recommendations that will enable policymakers to shape frameworks promoting diaspora entrepreneurship and investment, as well as addressing the barriers faced by young people from the diaspora and their associated business organisations.

¹¹ Detailed table available in *Annex 1*.

¹² Detailed table available in *Annex 2*.

METHODOLOGY

This report is based on data collection including extensive desk research, using sources such as the EUDiF Mapping of diaspora engagement, and United Nations Population Division data. In addition, research was supplemented by a series of 29 semi-structured individual interviews, with key stakeholders within the entrepreneurship and young diaspora ecosystem in ACP countries and abroad.

Our panel included:

· Diaspora networks and organisations:

African Caribbean Pacific Young Professionals Network (ACP YPN), Fédération des Haïtiens d'Europe (FEDHE), AFFORD, Organisation des Femmes Africaines et de la Diaspora;

· Diaspora entrepreneurs programmes:

Pass Africa, Meet Africa;

· Local key players and experts based in ACP countries:

Ministry of External Affairs, International Trade and Civil Aviation and Diaspora Affairs – Diaspora Affairs Saint Lucia, Ministry of Foreign Affairs and Foreign Trade – Jamaica, Confédération Générale des Entreprises de Côte d'Ivoire;

· Returnee and transnational diaspora entrepreneurs.

Limitations of the study

Despite limited availability during the data collection, we managed to interview 29 stakeholders, thanks to the extensive networks participating in this study. However, in-country players repeatedly emphasized the limited quantitative and qualitative data regarding their diaspora (their location, area of expertise, etc.).

PART I

RECOGNISING THE POTENTIAL OF DIASPORA ENTREPRENEURS IN ORDER TO IMPLEMENT RELEVANT ENGAGEMENT POLICIES

1. ACKNOWLEDGING THE POSITIVE IMPACT OF DIASPORA ENTREPRENEURS

There are numerous reasons why policymakers should implement measures in favour of diaspora businesses and investments:

- Diaspora entrepreneurs' activities yield economic benefits, both for their country of origin and their host country. They create jobs, invest, and foster networks, but also stimulate innovation, foreign currency inflows and trade.** With more than 700 start-ups funded and over 100 companies established since 2009, the Migration & Diaspora Programme in Germany¹³ demonstrates the ability of diaspora entrepreneurship to create jobs. This programme, commissioned by the Federal Ministry for Economic Cooperation and Development (BMZ¹⁴), currently operates in 22 partner countries, including ACP countries such as Cameroon, Ethiopia and Ghana.
- Diaspora entrepreneurs contribute to the development of small and medium enterprises (SMEs) in their countries of origin and in their host countries' economies,** as mentioned in an article in the Technological Forecasting and Social Change journal¹⁵. The paper also indicates that diaspora entrepreneurial activities enhance foreign currency inflows and economic development in their countries of origin, as well as deploying self-employed businesses, SMEs, and niche market products in their countries of residence¹⁶. Diaspora businesses can even facilitate the internationalisation of businesses based in their country of origin (see [sidebar below](#)).

Diaspora entrepreneurs support to local enterprise in the Caribbean Region.

Several businesses launched by Caribbean diaspora entrepreneurs proved to benefit local enterprises¹⁷. A well-known example of this dynamic is Golden Krust Bakery and Grill¹⁸, who decided to partner with regionally-based manufacturers and suppliers, and to combine the offerings from over 100 restaurant chains across the US with Caribbean-made products.

The Caribbean diaspora also helped to drive individual and corporate entrepreneurship by opening new internationalisation opportunities for Caribbean-based businesses. Not surprisingly, many businesses targeting the diaspora market or using the diaspora as key determinants in location and investment moves are some of the most dynamic businesses in the Caribbean and among its diaspora. A few examples are Grace Kennedy & Company Limited, Lasco Jamaica Limited, Jamaica National and Telesur¹⁹.

The diaspora therefore provided a niche market for Caribbean exports and paved a way toward global export and mainstream markets.

Source: Enterprise and entrepreneurship in the Caribbean region: Introduction to the special issue

13 Migration & Diaspora Programme: <https://www.giz.de/en/worldwide/82985.html>

14 <https://www.bmz.de/en>

15 Diaspora entrepreneurs' push and pull institutional factors for investing in Africa: Insights from African returnees from the United Kingdom.

16 Diaspora entrepreneurs' push and pull institutional factors for investing in Africa.

17 (Minto-Coy 2018a, 2018b).

18 Golden Krust Bakery and Grill is a US-based company.

19 (Minto-Coy 2011 and 2016b).

- **Contributions from diaspora entrepreneurship can surpass personal benefit, and positively affect the economic and social development of countries**, as it nurtures business development and spurs competition with its innovative ideas. Moreover, Direct Diaspora Investments (DDI)²⁰ can build economic, social, and political capital by fostering strategic partnerships between businesses based in their country of residency and country of origin.
- **Overall, supporting diaspora entrepreneurs is an investment worth making, because they represent a valuable resource** since they are well-established in different socio-economic and cultural environments. Some of these entrepreneurs are supported by initiatives based in their country of residence. As a result, they're not exclusively depending on their countries of origin's resources or support. They can nevertheless provide valuable assets: advanced technology, skills, know-how, partnerships, and unique network opportunities, all of which are often needed in their country of origin.

2. IMPLEMENTING MEASURES TO STIMULATE DIASPORA ENTREPRENEURSHIP

Diaspora engagement policies can play an essential role in championing diaspora entrepreneurship in ACP countries and serve as an additional incentive for diaspora members to more actively engage in their home economy. These policies should comprise a set of government measures required to develop relationships with their diaspora and boost their engagement for development. These measures include building a more business-friendly environment, boosting the visibility of opportunities in home countries, fostering knowledge, skills and technology transfers; hence making it easier for diaspora members to par-

ticipate in their home country social and economic development.

Unfortunately, diaspora engagement policies (most especially entrepreneurship-related measures) are either absent or in draft form in some ACP countries. For instance, the EUDiF's diaspora engagement mapping done in the Pacific region²¹ revealed that none of the twelve countries examined at the time had an official policy or strategy for diaspora engagement. Moreover, only Samoa had an institution dedicated to diaspora concerns.

Showcasing two comprehensive diaspora engagement policies in ACP countries:

- » [2.1. Ghana removes obstacles with its Diaspora Engagement Policy \(DEP\)](#)
- » [2.2. Jamaica aims to harness diaspora potential with a National Diaspora Policy](#)

²⁰ DDI are investments that an individual (or firm) living abroad makes into her/his country of origin. Source: What is Diaspora Direct Investment (DDI), IGI Global.

²¹ Diaspora Engagement.

2.1. Ghana removes obstacles with its Diaspora Engagement Policy (DEP)

Nearly six years after the first workshop on diaspora²², Ghana adopted its diaspora engagement policy²³, designed in 2020 with diaspora member's inputs collected through a survey. The policy promotes diaspora entrepreneurship and diaspora youth engagement and is endorsed by the Diaspora Affairs Office of the President and the Ministry of Foreign Affairs and Regional Integration in collaboration with GIZ Ghana.

Objectives of the Ghanaian Diaspora Engagement Policy (DEP)

The policy intends to foster capacity building and boost the relationship between the diaspora and their homeland in a mutually beneficial way. It focuses on empowering Ghanaian residents abroad, so their contribution to national development can be made through a structured approach: channelling of their skills and knowledge, remittances to foster entrepreneurship, support innovation, and develop priority sectors of the economy.

The DEP was developed following Gamlen's (2006)²⁴ framework on diaspora engagement policies which covers three categories of programmes:

- building state-centric diaspora communities and designing corresponding state institutions to deal with those communities,
- extracting obligations from the diaspora (promotion of investment, remittances, skills transfer) and
- levelling the opportunities playing ground between diaspora members and the locals, by pushing communication on the opportunities to the former.

The policy does not have any specific measures in place to support diaspora women entrepreneurs.

A few key points from this DEP intended to facilitate diaspora investments and entrepreneurship in Ghana are listed below:

To leverage investment benefits and privileges:

- Strengthen Ghanaian missions abroad to provide support to small and medium size entrepreneurs registering their businesses in the host country (see [recommendation 1.2 for examples of measures](#)).

- Collaborate with diaspora business and professional groups on marketing investment opportunities in Ghana;
- Extend preferential treatment (e.g., ease of conducting business in Ghana) to 'former Ghanaians' who have lost their citizenship through acquiring another citizenship.
- Initiate institutional reforms in relevant sectors such as agriculture, manufacturing, education, health, financial and other services;

To promote transnational networks and skills transfer for sustainable development:

- Provide clear and concise information, preferably through the Ghana Investment Promotion Centre and the Diaspora Affairs, Office of the President (DAOOP) Bureau, on steps in initiating business/development ventures in Ghana.
- Inform permanent emigrants of the benefits of dual citizenship to guarantee full rights/privileges in Ghana for entrepreneurial activities.
- Give preferential consideration to competent diaspora experts when recruiting international consultants for development projects and related activities in Ghana.
- Provide opportunities for younger generation migrants to contribute to Ghana's development through short-term professional and cultural engagements.
- Promote collaboration between diaspora professionals/associations and those in Ghana to strengthen knowledge transfer and support by providing up-to-date data on human resource needs in Ghana.
- Create a platform for interaction between young people and their counterparts in Ghana, especially regarding skills development and transfer.

²² Workshop organised by the Ministry of Foreign Affairs & Regional Integration and the International Centre for Diaspora Policy Development (ICMPD) in Accra sponsored by the European Union (EU) through its Migration EU Expertise (MIEUX) Initiative. Source: A Continental Policy Forum and Workshop on the Role of Academic Diaspora in Revitalization of Africa's Higher Education: The Case of Ghana, Nigeria, Zambia.

²³ Diaspora Engagement Policy.

²⁴ The DEP used Gamlen's framework building upon the example of the United States or Switzerland that have mandatory payment systems by which they levy taxes on their emigrants. In Ghana, the focus is more on promoting diaspora participation towards their home country development.

2.2. Jamaica aims to harness diaspora potential with a National Diaspora Policy

In the Caribbean region, Jamaica is among the countries with an institution dedicated to the diaspora²⁵. While Saint Lucia is in the draft stages of its diaspora policy, in June 2022 the Jamaican government announced that it had finalized its diaspora policy²⁶.

Jamaican national diaspora policy

This policy highlights the government's dedication to supporting diaspora initiatives beneficial for national development and the wellbeing of the diaspora community. The purpose of the policy is to see transformative engagements and partnerships, provide an enabling environment for the empowerment of the Jamaican Diaspora to realise their fullest potential while optimising contributions to national development by 2030. The major objectives of this policy are to increase diaspora engagement and participation in national development planning, facilitate and recognise diaspora institutional mechanisms, networks and partnerships, enhance service delivery to diaspora members, create enabling environments that optimise diaspora investment, trade, and advocacy and promote specific programmes and activities for engagement of youth and young people, etc. The policy does not have any specific measures in place to support diaspora women entrepreneurs.

The Jamaican diaspora policy covers specific goals regarding economic flows, investments, and trade.

In that regard, the government and partners are encouraged to:

- Develop a database of persons in the diaspora that can be utilised to disseminate opportunities in technical, scientific, and professional areas, academic and entrepreneurial exchanges, job placements and consultancies, as well as in research and development in Jamaica.

- Create an enabling environment for attracting diaspora investments to foster entrepreneurship, business development, innovation, and direct investment (including Diaspora bonds²⁷, financial instruments) for priority sectors of the economy.
- Partner with private entities to facilitate research, dialogue, and development for the safe and efficient transmission of remittances and promote financial literacy for migrants and transfer recipients to enhance volume, management, and development impact of remittances.
- Develop digital platforms for information sharing and support between local institutions (private and public) and diaspora actors.

The Jamaican policy also comprises measures for building relationships with third- and fourth-generation diaspora:

- Devise special programmes connecting youth in the diaspora with youth in Jamaica and promote initiatives to encourage second-, third-, and fourth-generation to become citizens of Jamaica.
- Develop public-private partnerships to encourage mentorship and coaching of youth in the diaspora, facilitate development of a database of young professionals to leverage their skills and expertise.
- Using social media platforms to engage young people.

In the second part of this report document, stakeholders in countries of origin who wish to increase diasporan engagement through investments and entrepreneurship will be able to broaden their knowledge of the obstacles faced by diaspora entrepreneurs and learn from initiatives carried out by other countries. More importantly, it delivers recommendations for improving the business environment and diaspora entrepreneur contributions to their countries of origin.

²⁵ Diaspora Engagement.

²⁶ Jamaica Cabinet Approves National Diaspora Policy, CNW Network.

²⁷ A diaspora bond is a bond issued by a country to its expatriates. These bonds allow developing countries in need of financing to specifically target their diaspora members. For example, the Jamaican government issues Diaspora Bonds as a debt investment instrument. These bonds allow Jamaicans living overseas to loan money to the Government for a defined period of time at a fixed interest rate through the Jamaica Stock Exchange (JSE).

PART II

RECOMMENDATIONS FOR ACP POLICYMAKERS TO MORE EFFECTIVELY PROMOTE DIASPORA ENTREPRENEURSHIP

The recommendations below aim to equip policymakers in countries of origin with measures they can include in a national diaspora engagement policy to support diaspora entrepreneurship and harness its potential for development

purposes. These recommendations should be implemented without putting local entrepreneurs at a disadvantage, aligned with national (development) policies, and tailored to each country's context and priorities.



Recommendations to policymakers for a more effective promotion of diaspora entrepreneurship:

1

Improve access to diaspora-related information and diversify opportunities for diaspora engagement in their country of origin.

(see [page 17](#))

2

Build a business-friendly and gender-inclusive environment by developing a concerted and coordinated multi-stakeholder national approach.

(see [page 19](#))

3

Facilitate access to entrepreneurial education and skills development for diaspora entrepreneurs in their country of origin. Representation in countries of residence can play a role in facilitating this process.

(see [page 22](#))

4

Foster knowledge, skills, know-how, and technology transfers between diaspora entrepreneurs and nationals based in the country of origin (e.g. by promoting immersion trips, pairing diaspora entrepreneurs with local professionals or entrepreneurs).

(see [page 24](#))

5

Boost the visibility of opportunities available to diaspora members interested in investing or launching businesses in their origin country.

(see [page 25](#))

6

Ensure stakeholder coordination to enhance capacity building at the national level in countries of origin to facilitate access to relevant content, entrepreneurial training and education, and skills development for diaspora entrepreneurs in their country of origin.

(see [page 26](#))

7

Ensure that diaspora women benefit from entrepreneurship programmes.

(see [page 26](#))

1. IMPROVE ACCESS TO DIASPORA-RELATED INFORMATION AND DIVERSIFY OPPORTUNITIES FOR DIASPORA ENGAGEMENT IN THEIR COUNTRY OF ORIGIN

1.1 Support the production and dissemination of specific data regarding the diaspora

In countries of origin, involving the diaspora in national development raises a unique set of challenges for policy-makers. Policymakers are expected to find the best way to engage and incorporate the diaspora's interests with current national development strategies, as well as build partnerships and trust amongst stakeholders²⁸.

Yet, most countries of origin struggle to gather accurate data regarding their diaspora communities, which are heterogeneous groups of people with specific characteristics (gender, different age groups, personal and professional backgrounds, interests, connection to their country of origin, etc.). They lack data on the geographical distribution of their diaspora, socio-professional categories (students, entrepreneurs, etc.), gender distribution, diaspora organisations, diaspora investment practices in their country of origin, etc.

During interviews, several respondents emphasized the shortage of quantitative and qualitative data about the diaspora, confirming the need for practical measures and resources to tackle that issue.

“As a ministry, we do not have data when it comes to where our diaspora live, who they are, etc., and it is important for us to know them better in order to serve them better.”

*Mr. J.B., Diaspora Affairs Unit,
Ministry of External Affairs, International Trade
and Civil Aviation and Diaspora Affairs –
Saint Lucia*

“At the moment, we do not have a disaggregated list of diaspora entrepreneurs according to age or gender. Anecdotal evidence suggests that there are numerous young people from the diaspora involved in investment. Diaspora members are involved in various activities, for example, mentorship, non-profit, business creation, remittance etc. The data is not readily available to distinguish and provide credible insights. This, like many other areas, requires research, which in turn requires a significant budget.”

*Mr. L.W., Diaspora Affairs Department,
Ministry of Foreign Affairs and Foreign Trade –
Jamaica*

To efficiently engage their diaspora communities for national development, origin country governments can support in-depth research, and the sharing of knowledge regarding their diaspora. Therefore, governments need to build institutional relations with local and international actors such as diaspora groups (entrepreneurs, women entrepreneurs organisations, professional networks, students, community associations, etc.), diplomatic representations abroad, diaspora entrepreneurship programmes, NGOs, etc. that can share relevant data in diaspora. Governments also need to create channels and tools to organise the gathered information on a regular basis. This will enable policy-makers to build ad hoc diaspora engagement strategies and national reforms for a business-friendly environment. For instance, the Fijian government recently focused on engaging the diaspora through the project presented [below](#).

The “Engaging with Diaspora for Fiji’s Development” project collects critical data to tend towards better engagement.

Source: IOM FIJI 2021 YEAR IN REVIEW

For this project, launched in 2019 and expected to conclude in 2022, several Fijian ministries assisted by the International Organisation for Migration (IOM), mapped and engaged with diaspora groups in Australia to promote development, while supporting Fiji’s commitment to the Sustainable Development Goals (SDGs).

The Fijian diaspora is amongst the largest diaspora groups of highly-educated migrants working in OECD countries²⁹. This initiative included a survey of Fijians in Australia conducted by IOM to strengthen the relationship with diaspora communities, and to collect critical data such as size, composition, attitudes, qualifications, professional interests, their aspirations and challenges related to getting involved in Fiji’s development, etc..

28 Policies for promoting diaspora investment in countries of origin (Strategije promoviranja ulaganja dijaspore u njihove zemlje porijekla).

29 Diaspora Engagement.

1.2 Multiply outreach opportunities, diversify the means to engage diaspora communities

Origin country governments and their partners can:

- **Promote diaspora outreach initiatives and adjust the communication strategy to reach different diaspora subgroups (women and men entrepreneurs, professionals, students, etc.).** Using both physical entities (e.g., consulates) and online channels to share relevant information (e.g., business opportunities in the country of origin, diaspora entrepreneur support schemes, etc) can be beneficial for an optimum reach.

Creating or improving diaspora consultation mechanisms (e.g., diaspora surveys, events) can also contribute to maintaining the dialogue with diaspora communities. These exchanges can build trust, spark their interest in investing in their country of origin, and help collect their feedback to fine-tune national strategies. That way, the diaspora can contribute and gain a greater understanding of their origin country's environment, which is critical, especially for diaspora entrepreneurs aiming to provide relevant products or services for the local market.

But quite often, embassies and missions are short-staffed and activities to engage the diaspora will be of low priority unless supported by national diaspora policy.

- **Foster collaboration opportunities between diaspora members/organisations and locals in their country of origin.** By supporting such initiatives (events, projects, peer groups, etc.), governments are acknowledging that their diaspora are valuable partners. Participants are able to share support, experiences, ideas, network, etc. in a mutually beneficial dynamic.
- **In some specific cases, another option can be to give diaspora professionals, including entrepreneurs, a seat at the table in strategic areas of their industry³⁰.** Their participation in major infrastructure projects can foster innovation, skills transfer and improve a country's competitiveness on the international scene. Moreover, diaspora representatives could be allowed to take part in relevant discussions on national issues (e.g., unemployment, development, etc.) and policymaking. This measure requires certain requisitions as a diaspora community that is organised on a sectoral basis as well as a clear framework within which the diaspora can act. For instance, to nurture relationships between diaspora youth communities and Jamaicans living on the island, Jamaica created the [Global Diaspora Youth Council in 2019](#). This body is also a means for the diaspora to participate in Jamaica's development at the policy level across several sectors, as well as addressing issues affecting the diaspora in their country of residence.

30 Some ACP countries actively engage the diaspora to help identify foreign direct investment opportunities in key sectors e.g. Trinidad and Tobago Global Diaspora Business Advocate Programme.

2. BUILD A BUSINESS-FRIENDLY AND GENDER-INCLUSIVE ENVIRONMENT

2.1. Lift nationality-related barriers for diaspora entrepreneurs in their country of origin with suitable laws and regulations on residency, dual citizenship, etc.

Depending on where they want to do business, diaspora entrepreneurs' activities can be conditioned by their nationality. In fact, some essential procedures (such as opening a local bank account), or travelling to the country without a visa, etc. are either strictly reserved to nationals, or easier for them. Moreover, dual citizenship may determine access to support mechanisms (e.g., financing programmes) in their country of origin, as some can be intended for nationals.

In practice, the diaspora sometimes resolves to rely on relatives, rather than engaging in certain procedures in their own name, as confirmed by respondents from GICAM and Suzy-Farms³¹. For example, the acquisition of land can be particularly complex for non-citizens, which can be a real burden in countries where dual citizenship is forbidden, like Cameroon or the Democratic Republic of the Congo. Diaspora women entrepreneurs may face the same legal restrictions as women entrepreneurs living in their origin country:

“Legal discrimination often underpins women’s lower access to some assets. While African governments have made progress eliminating gender discrimination in business law, family law often gives husbands control over property and land, which are vital sources of collateral.”³²

Therefore, to foster diaspora entrepreneurship, it is essential for origin country governments to alleviate nationality-related barriers when relevant. This could be done by allowing dual nationality, implementing laws preserving the rights of diaspora members who have renounced their nationality to acquire another, and facilitating the nationalisation process for diaspora members and their descendants. This could be done by following Ethiopia’s example which has introduced a special residence permit for diasporas. The Democratic Republic of Congo also grants visa on-arrival to people able to justify their Congolese-ascendance by their patronym.

Ethiopia’s special residence permit for diasporans.

Source: Diaspora bonds: An innovative source of financing?

Although dual nationality isn’t allowed in the country, a special permit was issued so that diaspora members with foreign citizenship can live, invest, and work in Ethiopia. Moreover, banking regulations have been altered to allow the Ethiopian diaspora with foreign citizenship to invest and acquire shares in private commercial banks, set up lending businesses in the state-dominated financial sector, and get involved in major infrastructure projects.

2.2. Facilitate access to financial support and local investment vehicles aligned with diaspora business needs

Accessing finances is critical, yet it can be difficult for diaspora entrepreneurs in their country of residence, especially for women entrepreneurs. This was underscored by most entrepreneurship support programmes, diasporan networks and by the entrepreneurs interviewed.

Diaspora entrepreneurs are not always aware of the support programmes available in their host countries, and some programmes are considered selective because they favour certain profiles (highly-qualified people), or even fields of activity (e.g., emerging technologies, male-dominated sectors).

Additionally, many entrepreneurs struggle to find funding in their country of origin because they are unaware of local financing mechanisms available or simply can’t meet the prerequisites of local funders (local bank account, proof of residence, etc.). Given the risks involved, financial institutions are hesitant to support diaspora entrepreneurs frequently because of their age, limited experience, and lack of financial history or collateral that can be leveraged in the country where they want to do business. Although this issue is not specific to the diaspora as it also concerns other foreign entrepreneurs, it impacts their ability to start a business in their countries of origin.

³¹ Respondents interviewed during the study.

³² The World Bank, Unleashing the potential of women entrepreneurs in Africa, 2017. <https://blogs.worldbank.org/nasikiliza/unleashing-the-potential-of-women-entrepreneurs-in-africa>

Local legal frameworks, e.g. women are not allowed to take up a loan without the permission of their husbands or patrilineal heritage that hinders women from owning land which impacts their access to collateral, may also hinder the access to finance for diaspora women entrepreneurs, just like women entrepreneurs in the origin country. Women have limited access to capital and assets, and are often only able to access these financial tools through their husbands³³.

And finally, diaspora entrepreneurs experience financial losses due to fluctuating exchange rates, high interest rates and expensive transfer fees; these factors were also mentioned by several representatives of the diaspora and entrepreneurs.

“Access to finance is difficult at home (in the origin country). Banks only offer you loans at very high rates.”

Ms. S.N., diaspora entrepreneur

As discussed above, funding diaspora business is critical. To achieve that goal, origin country governments and key stakeholders in the financial sector could consider the following suggestions:

Strengthen the credibility of diaspora entrepreneurs and their eligibility to funding with banks and other local financial institutions by:

- Underwriting some risks for innovative finance instruments, with the state acting as guarantor or setting up a diaspora guarantee fund for high-potential projects or projects held by specific categories of entrepreneurs such as young diaspora women.

- Promoting partnerships between support programmes for entrepreneurs and financial organisations, taking cues from the model of FAISE in Senegal³⁴. In particular, this fund recommends entrepreneurs to partner banks, which allows them to obtain loans at preferential rates.

Ease diaspora entrepreneurs’ access to capital (including for small-scale businesses) through loans, grants, and risk-sharing mechanisms for investors. Banking institutions in countries of origin could also promote financial products targeting the diaspora, such as tailored savings accounts or mortgage loans, ensuring that they benefit both women and men entrepreneurs equally. In Ethiopia, for example, the Commercial Bank of Ethiopia offers interest-free mortgage loans accessible to all diaspora ages 18 years old and up³⁵, to non-resident Ethiopians, and foreign nationals of Ethiopian origin. In the same vein, the Wegagen bank provides a credit scheme for non-resident Ethiopians and non-resident foreign nationals of Ethiopian origin to buy and/or build residential and commercial buildings in the country³⁶.

Promote innovative financing solutions, outside the formal banking sector, powered by diaspora communities. Alternative solutions such as crowdfunding, self-finance groups, peer-to-peer lending, or even diaspora investment funded by diaspora members and organisations are not always well-known by diaspora entrepreneurs, yet they can address the needs of the unbanked or financially illiterate diasporans doing business in their origin country, including women entrepreneurs.

The crowdfunding platform Babyloan Mali helps fund micro entrepreneurs in Mali.

The platform implemented by French NGO GRDR and Babyloan (ABC Microfinance) allows the Malian diaspora to lend money to young micro entrepreneurs in rural Mali. These loans can provide up to €2,000 of financial support for agricultural activities, vocational training, and career development planning.

The Liberian Diaspora Social Investment Fund channels remittances to Liberian businesses.

This fund launched by the Khana Group and the Liberian Diaspora Fund helped to direct diaspora remittances toward investments in small and medium enterprises in Liberia. For this initiative, the diaspora’s financial contribution (75%) was matched with (25%) from multilateral organisations (e.g., World Bank, USAID, etc.), and the fund provided business skills training and mentorship from established entrepreneurs³⁷.

33 The World Bank, Unleashing the potential of women entrepreneurs in Africa, 2017. Available at: <https://blogs.worldbank.org/nasikiliza/unleashing-the-potential-of-women-entrepreneurs-in-africa>

34 <https://faise.sn/>

35 Interest Free Banking (IFB), Diaspora Mortgage Financing (DMF).

36 Diaspora Mortgage Loan – Wegagen Bank.

37 Liberia.

2.3. Facilitate administrative procedures for diaspora entrepreneurs in their country of origin

Several respondents to our interviews deplored the overall unfavourable business climate encountered by diaspora entrepreneurs in ACP countries. They specifically pointed out the fact that administrative procedures can be complex, tedious, and time-consuming for visiting diaspora, wrestling to identify the right players and procedures to carry out their business activities.

Additionally, it's difficult for them to manage administrative delays and their consequences, because they have limited time to engage with various local entities during their trip and coming back later on often incurs additional expenses.

According to World Bank data from 2019, the ease of doing business score (0-100) was higher in the East Asia Pacific Region (66) compared to Latin America & Caribbean (60) and Sub-Saharan Africa (52). Moreover, the time required to start a business (days) was longer in Latin America & Caribbean (28 days) than in the East Asia Pacific Region and Sub-Saharan Africa (respectively 23 and 22 days). Finally, it took eight startup procedures to register a business in Sub-Saharan Africa or Latin America and Caribbean, versus six in the East Asia and Pacific region.

Facilitating administrative procedures for foreign investors in general and diaspora members in specific, and particularly the ones required to create a business, is key. The measures below are concrete examples for how this can be done focusing on diaspora entrepreneurs³⁸:

- **Guide diaspora entrepreneurs during the process of launching or expanding their activities in their countries of origin.** For those with few local connections, navigating the process can be particularly difficult. This is why diaspora entrepreneur support programmes/initiatives, diaspora networks, diplomatic representations, and governmental institutions in countries of origin can

help orient diaspora entrepreneurs by sharing business registration steps and requirements, structures providing financial or technical support, etc.

- **Dematerialize some procedures and set up a one-stop shop to streamline the creation of businesses: a game changer for the diaspora.** Key stakeholders in countries of origin such as investment promotion agencies, chambers of commerce, employers' organisations, ministry of trade and commerce, etc. should collaborate in building these one-stop-shops. This will be of great help to diaspora members, as they do not usually have time to spend in their countries of origin to follow up on the lengthy business legalisation processes.
- **Financial institutions and agencies that regulate the banking sector, based in the countries of origin, could also optimise account opening procedures** by relaxing the requirements and simplifying the process for diaspora entrepreneurs, and ensuring that women have the same right as men to open a bank account independently from their spouse. These individuals might not always have all the prerequisites, especially documents like (local) proof of residency. Designing alternative KYC checks can ease the way around business creation.
- **Countries of origin governments, especially their ministry of foreign affairs, could rely more on their diplomatic missions abroad (e.g.; consulates),** and authorise these entities to issue certain national identification documents for the diaspora, and allow diaspora members to open businesses in their country of origin from their country of residence. For countries with understaffed missions, their domestic diplomatic staff may consider using digital tools e.g. virtual meetings.

2.4. Create a conducive fiscal environment for diaspora businesses by eliminating double taxation

Despite some tax exemptions accessible under conditions (e.g., Cameroonian law for private investment), the burden of double taxation paid twice on the same source of income (paid both in home and host countries) can be a major pain point for entrepreneurs. Governments in the diaspora's

country of origin could consider engaging in bilateral or regional agreements that would help diaspora members to avoid double taxation (e.g., agreement between Caribbean Community member states³⁹).

³⁸ These measures are not exclusively for diaspora actors as most of them have equally an impact on other foreign investors. As stated before, interventions must not create uneven opportunities for the two groups but take up specific recommendations that boost diaspora businesses.

³⁹ *Double Taxation Agreement – CARICOM.*

3. FACILITATE ACCESS TO ENTREPRENEURIAL EDUCATION AND SKILLS DEVELOPMENT FOR DIASPORA ENTREPRENEURS IN THEIR COUNTRY OF ORIGIN

3.1. Inform and equip diaspora with business-related skills like digital and financial literacy, networking and transversal skills as well as legal advice.

Connecting with key players like support programmes, other diaspora entrepreneurs, etc., can be difficult for diaspora entrepreneurs in their country of residence. According to our interviewees at SIAD, CRE’AFRIQUE, and FON, diaspora entrepreneurs don’t always reach out to their ecosystem, participate in programmes, network with key stakeholders in their sectors, other entrepreneurs, etc. This is sometimes due to a lack of information regarding the support mechanisms available, or the fear of having their ideas copied. Unfortunately, this situation increases the likelihood that isolated diaspora entrepreneurs abandon their projects, especially for women entrepreneurs with household responsibilities. Hence a need for a legal framework to prevent, reduce and penalise intellectual property theft.

As a deterrent to doing business in their countries of origin, our interviewees also mentioned that certain coaching or training structures may lack the expertise to coach diaspora entrepreneurs. While these are equipped to provide training (on taxation, business management, etc.), incubators based in the country of origin may not deliver the level of expertise expected by the diaspora, or fail to factor diaspora-specific issues (nationality, etc.) into their programme and methodologies. Moreover, these local structures may also lack the necessary expertise to guide existing diaspora entrepreneurs through phases of growth/or scale-up.

To guarantee entrepreneurial education and capacity building, origin country governments can:

- **Foster entrepreneurship programmes with a transnational scope, similar to the MEET AFRICA initiative, in partnership with local training structures (e.g., incubators).** The goal would be to support diaspora entrepreneurs in their country of origin (where they are doing business) as a continuation of the training received in their country of residence. To provide a diverse, and high quality curriculum, courses can be provided by a multi-disciplinary team of professionals in relevant fields (legal, accounting, finances, HR, etc.) coupled with internships at local businesses.
- **Promote the sharing of business-related content on subjects like taxation, local regulations, HR, administration, market studies as well as practical entrepreneurial insights** to help diaspora entrepreneurs understand the local business environment. Such content could be shared online via podcasts, social media, online business platforms, etc.) and through relevant structures such as the ministry of foreign affairs, the chamber of commerce, investment promotion agencies, etc.
- **Organise capacity trainings to equip local structures with the necessary expertise to guide existing diaspora entrepreneurs through phases of growth and/or scale-up.**

The DIAS’Invest 237 programme helps promote the diaspora’s productive investment in Cameroon.

DIAS’Invest 237 is a programme initiated by the Ministry of External Relations of Cameroon and funded by the French Development Agency to support diaspora members aiming to create or develop a business in Cameroon. This initiative supports diaspora entrepreneurs based in France and who desire to make a productive investment in Cameroon, by accompanying them during a **four-step pilot programme**:

- The diagnosis step kicks off with an interview, a field visit of the project site, and an evaluation of the entrepreneur’s needs.
- The contracting step involves determining and reaching an agreement upon a roadmap for support; a contract is signed linking both parties.
- The support step analyses the legal framework, performs a technical evaluation and market research, develops a business plan and searches for financing.
- The final step grants access to networking opportunities via the “Club Dias’Invest 237” non-profit association.

Key results from the DIAS'Invest 237 programme⁴⁰

CANDIDATE SELECTION	
Total number of candidates	157
Number of candidates accepted in the programme	83 (53%)
FINANCIAL SUPPORT	
Diaspora policymakers	19
International cooperation and development agencies	36
Diaspora networks and organisations	45
OBSERVED IMPACT IN NOV. 2020 (AVERAGE CONTRIBUTION OF AN ENTREPRENEUR)	
Average investment per entrepreneur	22,000,000 FCFA (€ 33,473)
Number of jobs created per company	3.8 jobs
Noteworthy contributions from "Champions":	
Revenue (Company: ACAMVIE 2019)	1.136 Bn FCFA
Number of jobs (Company: ISTAM, 2020)	111 jobs

Source: Evaluation de la composante 2 – DIAS'Invest 237 PROGRAMME – Synthèse

40 http://www.siad.asso.fr/wp-content/uploads/2021/06/2104-Synthese_Evaluation_C2.pdf

4. FOSTER KNOWLEDGE, KNOW-HOW, SKILLS AND TECHNOLOGY TRANSFERS BETWEEN DIASPORA ENTREPRENEURS AND NATIONALS BASED IN THE COUNTRY OF ORIGIN

This recommendation can help solve at least four issues that hinder diaspora entrepreneurship in countries of origin.

First, diaspora entrepreneurs' lack of knowledge of the local market might lead to wasted resources (time, finances, etc.). Sectoral information and data for market studies are important for designing products or services that align with needs in their origin country, but this is not always accessible.

Quotes from participants of two diaspora entrepreneurship support programmes:

"It is crucial that diaspora entrepreneurs do not limit themselves to a one-off trip or holiday, but that they go back quite frequently to comprehend the country on the business side, and to get to know the market, the stakeholders, the practices in order to be able to organise themselves accordingly."

Mr. W. L.D.R., Pass Africa programme

"Developing a product for the local market requires adjusting its marketing, price, etc. Hence the need for entrepreneurs to be accompanied by a local incubator, to make adapting easier."

Ms. H.A., MEET AFRICA Programme

Second, the difficulty finding a local network of professional partners or trusted support in their origin country deprives entrepreneurs of strategic assets for successfully entering markets whose codes are not intuitive, even for those who have lived there. In addition to the struggle to identify and reach the right contacts, diaspora entrepreneurs sometimes lack the time necessary to test the reliability of their local partners, which makes them vulnerable to scams from ill-intentioned people.

Third, mutual prejudices feed the mistrust between nationals in countries of origin and diaspora members; when returning home, they are often treated like foreigners, which can generate frustrations and discouragement amongst diaspora

entrepreneurs. Diaspora women also face double stereotyping for being a foreigner and being a woman entrepreneur.

Fourth, some diaspora members are disconnected from local realities in the origin country. After long periods of time spent away from their country of origin, they can experience a huge gap between their expectations (e.g., preferential treatment, access to the same legal and social system as in the host country), and the local realities (unusually long delays during their administrative procedures, etc.).

According to representatives of the Haitian and Nigerian diaspora networks interviewed, this disconnect is felt even more deeply by descendants whose parents, disappointed by their bad experiences, choose to cut ties with their country of origin.

In their origin country, diaspora entrepreneurs may also struggle to adapt, have difficulty understanding social codes, or even experience language barriers; this can limit their ability to identify and build key relationships with business partners in their country of origin.

Carve out opportunities or knowledge exchange between the diaspora and players based in their country of origin essential to boosting capacity building on both sides. This can be achieved through:

- **Entrepreneurship programmes integrating both diaspora and local entrepreneurs:** such programmes could involve local entrepreneurs as a valuable resource for diaspora entrepreneurs, and the latter sharing their experience and networks with their local peers.
- **Immersion trips could be facilitated for young diaspora members** by their country of origin, where they could be paired with a local entrepreneur or a diaspora returnee entrepreneur willing to share their experience. Along the same lines, creating opportunities for paid or unpaid programmes (mentoring, etc.) for the diaspora to come and share their expertise is interesting food for thought.

The African Union Youth Volunteer Corps fosters skill exchanges.

An example is the African Union Youth Volunteer Corps (AU-YVC), an African Union initiative fostering skills exchange between young people between the ages of 18 to 33 years old from the continent and the diaspora. The programme supports initiatives in several sectors, including education, entrepreneurship, health, ICT, governance, peace building and agriculture.

5. BOOST THE VISIBILITY OF OPPORTUNITIES AVAILABLE TO DIASPORA MEMBERS INTERESTED IN INVESTING OR LAUNCHING BUSINESSES IN THEIR ORIGIN COUNTRY

Governments of ACP countries could identify regional development opportunities in different sectors, and then share these opportunities with diaspora organisations (professional and non-professional). It is essential to provide the diaspora with sectoral information relating to the competition in the market, potential size of the market, regulatory authorities involved, etc. so they can make informed decisions about where and how to invest.

For instance, a dynamic list of projects could be made available at investment promotion agencies and regularly updated, according to the country of origin's development priorities and opportunities⁴¹. The diaspora could then be invited to invest in their country of origin through financial instruments (e.g., diaspora bonds) intended to attract diaspora savings.

Before promoting such projects, the home countries should have mechanisms to make sure that the investment opportunities pass due diligence tests.

Saint Lucia's government is involving their diaspora in policymaking and opening up opportunities in their origin country.

During our research, our contact at the Ministry of External Affairs and International Trade highlighted the ministry's willingness to facilitate diaspora individual and group investments. He also shared that facilitating group investment was an initiative designed to bring balance, as the island had more foreigners investing, while the natives could not, due to high costs. Now, diaspora members can team up to make investments. In addition, the government is committed to giving diaspora members a voice and the opportunity to contribute concretely by carrying out projects.

"Right now, the ministry is involving the diaspora in the development of the country, getting their input for policies and legislations with ministry cabinets to ensure that it suits both the locals and the diaspora. When a new project needs to be carried out, diaspora members are invited to submit tenders, which ensures their engagement. It also allows them to come home to train locals and to hire them. Some projects are awarded strictly to the diaspora because they are believed to have the skillset to carry them out, which reduces the strain of vetting locals for the jobs."

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⁴¹ UNIDO already build such a platform together with the IPA. It exists one program called "Invest in ACP": <https://investment.unido.org/>

6. ENSURE STAKEHOLDER COORDINATION TO ENHANCE CAPACITY BUILDING AT THE NATIONAL LEVEL

Local initiatives must be coordinated intentionally to provide efficient support to diaspora businesses in their country of origin. Aligning the different players involved within a common framework will optimise the diaspora's access to the support available in the country of origin (funds, technical support, etc.). In the country of origin, a coordinated approach involving multiple stakeholders can thus be deployed by the government:

- **By promoting partnerships between private and public players** (e.g., chamber of commerce, employers' organisations, etc.) and raising awareness amongst local stakeholders (e.g., administrative authorities, chamber of commerce, employers' organisations, etc.) on the support initiatives available for diaspora entrepreneurs in their country of origin. Governments can launch focused awareness campaigns from the entrepreneur's municipality to regional and national levels, to ensure that local authorities are being equipped to guide diaspora entrepreneurs or diaspora members with an idea for a business.
- **By ensuring that formal monitoring and reporting are done on diaspora initiatives backed by governments and stakeholders supporting diaspora entrepreneurs' activities in their country of origin.** Monitoring can be ensured by local players (the chamber of commerce, the ministry of trade and industry, the ministry of foreign affairs, diaspora units, etc.), and entities based in recipient countries (embassies, diaspora business organisations, diaspora entrepreneurs programme, etc.). The entities involved should therefore commit to:
 - › Monitoring diaspora's entrepreneurship initiatives in their country of origin: types of businesses created, sectors targeted, amounts invested, etc.
 - › Sharing information about diaspora characteristics, profile, and needs, as well as good practices for optimising support in order to design services and strategies tailored to different diaspora communities, especially the diaspora youth.
 - › Implementing reporting tools with clear and measurable goals to evaluate the efficiency of initiatives in support of diaspora at a national level.

7. ENSURE THAT DIASPORA WOMEN BENEFIT FROM ENTREPRENEURSHIP PROGRAMMES

- Consult women entrepreneurs, if programmes want to tap into the potential of all entrepreneurs. This must be done without infantilising them, however, and with the intent of using their contributions. They represent half of migrant populations and their voice deserves to be heard.
- **A priority is also recognising that women entrepreneurs generally take less risks than their male counterparts.** For instance, when a bank asks an entrepreneur for guarantees to give a credit, men entrepreneurs are more likely to accept mortgaging their own home, sometimes without even consulting their spouse. Eighty percent of women entrepreneurs will think that option is too risky. And even when the woman entrepreneur considers it, it is very likely that her husband won't accept mortgaging their home for his wife's business. That's why the French state has created a guarantee fund to support diaspora women entrepreneurs. But even with this state guarantee, banks have denied loans to some women entrepreneurs who are perceived as being less likely to succeed than men.
- Another priority is ensuring that programmes or policies do not exclude women diaspora entrepreneurs as a category of beneficiaries. For instance, a lot of programmes for women entrepreneurs in Africa benefit women-led businesses or organisations based in Africa, which excludes diaspora women automatically. For instance, the Affirmative Finance Action for Women in Africa (AFAWA) Fund by the African Development Bank excludes diaspora women.
- **It is also important to adapt programmes and policies to the fact that women entrepreneurs also want to start a family and have children while they are young.** Though having a young child does not generally stop a man, it is a very different matter for a woman who may have to put her business dreams on hold for a few years. How can you conduct a market study with a 6-month-old baby on your lap?
- What solutions are created to support parents during the pregnancy, and when they have a new-born? How do you help women re-connect with their project after a 2-year break? Women who are entrepreneurs and not employees do not have maternity leave: how do programmes and policies support them?

CONCLUSION

ACP countries can benefit from the resources of the diaspora to achieve the UN's Sustainable Development Goals. In addition to the vital involvement of diaspora entrepreneurs, reaching those goals in the years ahead will also require mobilising all possible resources, such as young diaspora entrepreneurs.

Several initiatives have already been implemented by ACP countries: diaspora mobilisation programmes, diaspora-specific entities, digital platforms or one-stop-shops for business creation, diaspora laws and policies, etc.



7 recommendations

The recommendations below are intended for governments and their partners, as well as policymakers and key players based in the ACP diaspora's countries of origin. The aim is to improve their support to young diaspora entrepreneurs and address the issues they face:

- Improve access to diaspora-related information and diversify opportunities for diaspora engagement in their country of origin
- Build a business-friendly and gender-inclusive environment
- Facilitate access to entrepreneurial education and skills development for diaspora entrepreneurs in their country of origin
- Foster knowledge, know-how, skills, and technology transfers between diaspora entrepreneurs and nationals based in the country of origin
- Boost the visibility of opportunities available to diaspora members interested in investing or launching businesses in their origin country
- Ensure stakeholder coordination to enhance capacity building at the national level in countries of origin
- Ensure that diaspora women benefit from entrepreneurship programmes

How to support Diaspora Entrepreneurship

Support development of a diaspora engagement strategy and action plan



Work towards establishment of institutions to support diaspora and enhance public-private dialogue



Develop the capacity to process, analyse, and interpret data for diaspora-related policymaking



ELIGIBLE PARTNERS:

**Ministries, public agencies, local authorities.
Organisations representing the business sector, employers, employees.
Development Finance Institutions. Regional organisations.**

Advocate for more suitable laws and regulations



Advocate for better access to financial support



Facilitate peer-to-peer learning and exchanges on diaspora entrepreneurship via workshops, communities of practice, etc



ANNEX 1

EXAMPLES OF KEY STAKEHOLDERS IN THE DIASPORA ENTREPRENEURSHIP ECOSYSTEM AND THEIR ROLES

TYPE OF STAKEHOLDER	ROLE	EXAMPLES
Financial players	Providing financial support for diaspora businesses through funding and investments	Development banks, private companies, donors, crowdfunding players, international development agencies
Migration-related institutions	Addressing migration-related issues, defending the rights of citizen, representing the country, preserving national interests Addressing migrant and foreigner preoccupations and needs Providing a point of contact for members of the diaspora in their country of residence	Ministries of foreign affairs, consulates, embassies, diaspora bureau or diaspora units
Education and training institutions	Building knowledge, capacity, and skills to equip entrepreneurs in their business activities	Diaspora entrepreneurs' programmes, universities, startup or innovation hubs, incubators or accelerators
Diaspora policymakers	Developing diaspora policies	Ministries of foreign affairs, private sector, academic players, diaspora organisations
International cooperation and development agencies	Promoting development Fostering job creation Building partnerships to help countries achieve their sustainable development goals	GIZ, French Development Agency (AFD), USAID
Diaspora networks and organisations	Building platforms for diaspora members to connect with each other and their country of origin, fostering network opportunities and beneficial partnerships for diaspora members	Diaspora investor and professional networks
NGOs, non-profit associations	Providing financial or technical support and networking opportunities	–
Public service operators in charge of entrepreneurship, economic development, or investment	Fostering business activities	Chambers of commerce, investment agencies/firms, employers' organisations

ANNEX 2

INITIATIVES CREATED BY DEVELOPMENT PARTNERS TO FACILITATE YOUNG DIASPORA ENTREPRENEURSHIP IN ACP COUNTRIES

INITIATIVE	DESCRIPTION	LINK
MEET AFRICA	The European Mobilisation for Entrepreneurship in Africa programme results from a partnership between the French Development Agency (AFD) and Expertise France to support innovative diaspora entrepreneurship, by providing expert advice and mentoring, as well as access to startup funds to diaspora investors in different African countries: Morocco, Mali, Tunisia, Cameroon, Senegal, and Ivory Coast.	https://www.meetafrica.fr/
The MEET Africa Hub	Information and orientation centre for African diaspora entrepreneurs based in Europe who wish to develop a project in Africa. It is also a platform for networking and co-constructing support for diaspora entrepreneurship in Africa and Europe.	https://www.hub-meetafrica.co/en
PSAID	A support programme for solidarity initiatives for development, this programme is funded by the Senegalese State, the European Union, and the French Development Agency. It aims to support initiatives from the Senegalese diaspora in France, Belgium, Spain, and Italy.	https://paisd.sn/
PRAOSIM	Support programme for migrants, international solidarity organisation is a project funded by the French development agency. It offers technical training, and financing support to micro-projects carried out by diaspora groups in their countries of origin.	https://praosim.forim.net/
AFFORD Business Centre (ABC) Benin	This project was created in February 2020 by AFFORD to channel the diaspora investment potential in the small- and medium-sized enterprise (SME) sector. ABC amplifies the employability and business skills of Beninese youth and women by providing mentors, business advisory, business development training and investment so they can create sustainable income.	https://www.afford-uk.org/abc-west-africa/
WIDU	<p>WIDU.africa empowers job creation in Africa by readdressing remittances from the African diaspora in Europe into micro and small businesses of relatives or friends based in participating African countries.</p> <p>By delivering grants and coaching to African entrepreneurs, WIDU.africa ensures the diaspora's money serves to unlock the economic and social potential of African small businesses.</p> <p>WIDU.africa collaborates with the diasporas based in the North and Sub-Saharan African diaspora in Austria, France, Germany, Netherlands, Norway, Sweden, and Switzerland. Micro and small businesses in Africa can receive financial support and coaching, to support their sustainable and inclusive development, and job creation and retention.</p>	https://widu.africa/our-approach
DIASDEV	<p>DIASDEV intends to increase diasporas' capacity to use their savings for investing purposes in their countries of origin.</p> <p>Two major axes of this initiative are:</p> <ul style="list-style-type: none"> • a facilitation fund for diaspora member investments, providing funding for technical and financial support to financial institutions (banks, etc.) • an online financial services hub for the diaspora (including crowd-funding, mobile and e-banking, dedicated investment funds etc.). <p>DIASDEV is a joint project carried by the French Development Agency and the Caisse des Dépôts from: France, Italy, Morocco, Senegal, and Tunisia.</p>	https://migrationnetwork.un.org/projects/diasdev-joint-project-initiated-french-development-agency-and-caisse-des-depots-france

INITIATIVE	DESCRIPTION	LINK
PACEIM	The support programme for the creation of innovative enterprises in the Mediterranean champions entrepreneurial initiatives from scientific and technical diasporas (from Algeria, Lebanon, Morocco, and Tunisia established in France) to create wealth, added value, and jobs in the southern Mediterranean. It's a collaboration between IRD, Marseille Innovation, and several institutional partners including Berytech in Lebanon, ANVREDET in Algeria, API in Tunisia, CNRST in Morocco, as well as ministerial and financial partners in each of the countries.	https://www.linkedin.com/in/programme-paceim-6765384b/?originalSubdomain=fr
Diafriinvest	A total of 136 Moroccan, Tunisian, and Senegalese entrepreneurs have benefited from this €2.2M initiative (90 % financed by the European Union) coordinated by the ANIMA Investment Network with the goal to draw skills and develop productive investment by tapping into the Moroccan, Tunisian, and Senegalese diaspora's potential.	https://www.diafriinvest.com/
CODEV MALI	Co-development is a mechanism valuing the migrant's contribution as a driver of social transformation and development in Mali. This state-initiated programme is funded by the French development agency and the European Union. It brings together local development players with players in the Malian diaspora to promote the development in their regions of origin.	https://forim.net/accompagner/financer-laction-des-diasporas/codev-mali/
Babyloan MALI Platform	Babyloan Mali was designed and implemented by the Grdr consortium, IFAD and Babyloan crowdfunding platform to facilitate access to microloans for young Malian entrepreneurs in rural areas. It offers a reliable and secure solidarity loan tool for the Malian diaspora as well as others. It allows anyone who wishes to provide financial support to projects in the regions of Koulikouro and Sikasso, and soon in the regions of Kayes and Ségou.	https://grdr.org/Babyloan-Mali-une-nouvelle-plateforme-de-financement-solidaire-pour-soutenir
Pass AFRICA	The Pass Africa label is a programme initiated by the French Presidential Council for Africa (CPA) and providing a unique and priority path to Bpifrance's financing mechanisms, support, and training services.	-

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