

E-Policy Brief Nr. 3:
**Good Practices in: Local
Development, Entrepreneurship,
Diaspora & Science**

November 2012

www.ae-platform.org



Africa-Europe Platform



Table of contents

Introduction	3
2. Local Development	5
2.1 Background	5
2.2 Good Practice Example	7
3. Entrepreneurship	8
3.1 Background	8
3.2 Good Practice Example	10
4. Diaspora & Science	11
4.1 Background	11
4.2 Good Practice Example	14
5. Concluding remarks	16





Introduction

This is the third edition of a series of e-Policy Briefs published by the Africa-Europe Platform¹, a European-wide network of African diaspora organisations. The main purpose of these e-Policy Briefs is to enhance knowledge among diaspora organisations on key migration and development (M&D) policy issues as well as to raise policymakers' awareness on the views of African diaspora organisations on key M&D policy issues. E-Policy Brief Nr.1 contained an overview of EU documents published between 1999 and 2011. It dealt more in detail with the EC instruments which are part of the Global Approach to Migration: the Thematic Programme which funds "Cooperation with Third Countries in the Areas of Migration and Asylum" (Strategy Paper until 2013) and the "Africa-EU Strategic Partnership 7: Migration, Mobility and Employment Partnership" (Action Plan until 2013). Moving forward with the Global Approach to Migration, the Commission published a Communication entitled "The Global Approach to Migration and Mobility" (GAMM) in November 2011. The aim of the second e-Policy Brief was to have a closer look at this Communication from the perspective of the African diaspora and to formulate practically orientated policy recommendations for policymakers.

In this edition we will address the second European-wide African Diaspora Expert Meeting of the EADPD² project. From 6-8 of November 2012 the second European-wide African Diaspora Expert Meeting of the EADPD

project was held in Paris. The second Expert Meeting was open to invited leaders of African diaspora organisations, African partner organisations and government officials involved in migration and development, European government officials, and representatives from development agencies.

The purpose of the meeting was to share information, to enhance cooperation and coordination between African diaspora organisations in Europe and strengthen their links to relevant stakeholders in their countries of origin. To this end, government and civil society representatives from the projects in five pilot countries³ have been invited to the meeting. The central discussion of the Expert Meeting has revolved around the topic of Good Practices of diaspora organisations with respect to their engagement in development.

In this e-policy brief we will discuss three important diaspora & development themes that have also been addressed during the Expert Meeting. The choice of topics is based on the results of an E-consultation which was conducted as part of the EADPD project. The following topics were seen as most relevant:

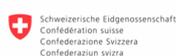
- Local Development
- Entrepreneurship
- Diaspora & Science

Below, a background to these topics will be given as well as an example of Good Practice on each one. These Good Practices were

¹ www.ae-platform.org

² European-wide African Diaspora Platform for Development

³ Morocco, Senegal, Ethiopia, Angola, Cameroon

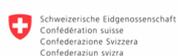




collected during a study executed by CAS⁴ as part of the EADPD project.

If you are interested in contributing to upcoming e-Policy Briefs or if you would like to share your ideas for future topics, please contact us by e-mail: info@aeplatform.org.

⁴ Centre for Africa Studies





2. Local Development

2.1 Background

According to the most recent estimates, there were 214 million international migrants in 2010, accounting for over 3 percent of the world population. Indications for 2012 show a remittance flow of \$377 billion to developing countries – an amount that is pivotal in ensuring a better livelihood to millions of people worldwide. In addition, migrants are proven to transfer other important non-financial resources that can trigger positive change in recipient communities, such as knowledge, skills, networks, ideas and values⁵.

The idea of diaspora engagement in development reflects the philosophy behind the so-called human approach to development, and extends it to the field of migration-development. It is within this view that development is seen as a goal that can only be achieved with the direct involvement of the people it concerns. Participatory frameworks should make resources and opportunities available that enable community members to contribute actively in development. In alignment with this reasoning, diaspora engagement puts forth a human-centred and participatory understanding of development, and it

indicates migrants and their associations as strategic actors in development processes thanks to their dual engagement in countries of origin and residence. Key actors in the development scene such as governments, international agencies and large NGOs have thus adopted diaspora engagement policies and programmes in order to facilitate the active involvement of migrant associations.

The engagement of migrant associations towards their country of origin is a largely spontaneous action. Although the existence of frameworks encouraging and supporting the action of migrants might give a kick-start to several initiatives, for the most part they are rooted in the emotional attachment that migrants maintain with their homeland. Their actions therefore often aim at providing support to precise local communities. Across Africa the living conditions in many villages and small towns have improved due to migrants' projects for instance by supporting rural electrification, road paving, the construction of schools, the equipment of health posts, the realisation of boreholes, etc. The localized nature of the initiatives of migrant associations may generate impacts that are strongly felt at the local level, however their capacity to influence development processes at a global scale is likely to be limited.

5

http://www.iss.nl/fileadmin/ASSETS/iss/Documents/DevISSues/sinatti_WEB.pdf





The ultimate development impact of migrant actions is framed by existing constraints and potentialities. Governments in home and host countries in particular, play an important and necessary role in supporting the actions of migrant associations through public policies both at local and national levels. Local authorities for instance, can boost the development potential of migrant associations' contributions when these are channelled into institutionalized processes. Central governments can also enhance migrant contributions for development through decentralized policy frameworks that set general development aims and priorities whilst encouraging bottom-up initiatives. Through these and other measures, authorities can facilitate the alignment of locally rooted migrant initiatives with regional and national development needs and goals. This enhanced coherence between local and broader development can only stem out of collaboration and synergy between actors at all levels.

There are nevertheless some major limitations to the involvement of diasporas in development policies today. Primarily, migration phenomena in general are not well integrated into

development policies and many programmes are developed without sharing knowledge and resources. For instance, very few national development strategies include expatriate networks as formal partners. Few studies assess the real impact of the influence diasporas have on development through trade, investments, business exchanges, social networks and human capital transfers, thus limiting data on the economic and social contributions of diasporas. Even fewer studies articulate the interests that host and home country have in transnational populations or analyse possible conflicts of those interests.





2.2 Good Practice Example

Good Practice in Local Development

During the holy month of Ramadan 2012, Gargar Foundation for Development in partnership with ILKADAR provided humanitarian aid to 1000 internally displaced people living camps in Mogadishu, Somalia each day of Ramadan. This included food, water, basic necessities and medicine, and advice about health and wellbeing such as sexual and reproductive health as a form of raising awareness.

The purpose of this project was to assist those who are internally displaced by providing humanitarian aid and to offer free advice and raise awareness of reproductive health and well-being especially concerning women. The length of the intervention was 1 month.

What can be seen as elements of Good Practice in this certain project?

The organisations involved in executing the project took the necessary measures to ensure that the project was running **efficiently** and was **effectively** meeting the needs of the beneficiaries. They gathered information in advance by firstly identifying the needs of the beneficiaries and taking the right measures of ensuring that those needs were met. The needs assessment at the beginning of the project was very important for the success of the project. However, due to the shortage of funds and the ever increasing volume of people, they were unable to provide enough for everyone in the camp and could only offer their services to the most vulnerable. As a result their strategy was to carefully allocate the supplies to beneficiaries, ensuring that they all received equal share of food, water and medicine.

This project was only 1 month long; as a result the implementing organisations had to ensure that all phases and areas of the project were running with high efficiency due to the short time constraints, communication, organisation, planning, delivery and execution were the key aspects that were constantly flowing throughout the project and this was crucial to successful implementation. However it was not always easy to implement since going into these camps with the conflict situation in the area was sometimes life threatening for the staff, particularly when carrying out a needs assessment to identify the most vulnerable.

With regard to the **ownership** of this project, the project manager from Gargar Foundation for Development was responsible for overseeing the whole project, from planning, monitoring, evaluating and analysing the programme to ensure that they were providing their services professionally and meeting the demands of beneficiaries.

The successful **partnership** between Gargar Foundation for Development and ILKADAR enabled them to reach out to more beneficiaries at the grassroots level. ILKADAR, as a local organisation, was able to provide the necessary equipment for the execution of the project, as well as expertise of the local knowledge of the area.

Concerning the **outcomes & impact** of the intervention, it can be noted that: The organisations were able to successfully provide humanitarian aid and advice on health and well-being including sexual and reproductive health for 1000 internally displaced people during the holy month of Ramadan 2012 in camps in Mogadishu, Somalia. Gardar Foundation for Development also developed a good working relationship with ILKADAR. This charitable project was a successful accomplishment of ILKADAR Foundation and Gargar Foundation for Development, who aimed to improve the lives of Somali citizens suffering from difficult circumstances during the drought in the month of Ramadan.





3. Entrepreneurship

3.1 Background

Facts and figures

- In 2010, worldwide remittance flows are estimated to have exceeded \$440 billion. From that amount, developing countries received \$325 billion, which represents an increase of 6% from the 2009 level.
- Recorded remittances in 2009 were nearly three times the amount of official aid and almost as large as foreign direct investment (FDI) flows to developing countries.
- High-income countries are the main source of remittances. The United States is by far the largest. Saudi Arabia ranks as the second largest, followed by Switzerland and Russia.
- Remittance flows to developing countries proved to be resilient during the recent global financial crisis—they fell only 5.5 percent in 2009 and registered a quick recovery in 2010. By contrast, there was a decline of 40 percent in FDI flows and a 46 percent decline in private debt and portfolio equity flows in 2009.
- Top 10 remittance recipients in 2010 (billions): India (\$55), China (\$51), Mexico (\$22.6), Philippines (\$21.3), Bangladesh (\$11.1),

Nigeria (\$10), Pakistan (\$9.4), Lebanon (\$8.2), the Arab Republic of Egypt (\$7.7), Vietnam (\$7.2)⁶

Like other sources of external finance, remittances allow the economy to invest in human and physical capital (health, education), which contribute to growth (Ziesemer, 2006; Acosta et al., 2008). However, as remittances may be either directly consumed or used to invest in physical and human capital, it appears that their impact on domestic investment is perceived to be low or limited, given the amount of money they represent each year. According to literature, this is due to the small share that is dedicated to the launch or the support of economic activities. Actually, the allocation between consumption and investment, which depends on various factors such as the level of dependence households have on remittances, the migrant gender, and the existence of a credit constraint, varies on average around 10-20% of remittances that are not directly consumed (Salomone, 2006; Sorensen, 2004; Orozco, 2004).

From remittances to micro-finance

It is reported that microfinance institutions are increasingly looking to diasporas as a source of funding for small enterprises. To that end, the World Diaspora Fund (WDF) was launched in 2010 and it is an initiative of the Working

⁶ Taken from the 'Migration and Remittances Factbook 2011' published by the World Bank





Group of the International Migrants Remittances Observatory for Least Developed Countries in partnership with several public and private organizations. The WDF is intended to offer migrants a secure investment vehicle (microcredit organizations) that will contribute to the development of their countries of origin. The WDF will invest through loans, guarantees, or even taking stakes in microfinance institutions in the South. The Fund will also participate in financing infrastructure identified by the migrants. The Fund will invest through guarantees, loans and equity in microfinance institutions that are regulated and sustainable. It will also participate into the co-financing of infrastructures proposed by the migrants.

Furthermore, organizations such as Kiva.org provide a channel through which diaspora members can provide microfinance tools to the homeland. Kiva is a non-profit organization with a mission to connect people through lending to alleviate poverty. Leveraging the internet and a worldwide network of microfinance institutions, Kiva lets individuals lend as little as \$25 to help create opportunity around the world. Kiva works with microfinance institutions on five continents to provide loans to people without access to traditional banking systems. One hundred percent of the loan is sent to these microfinance institutions, which Kiva calls “Field Partners”, who

administer the loans in the field. Since Kiva was founded in 2005, it has made \$203 million in loans through 568,876 Kiva lenders with a 98.65% repayment rate.⁷

⁷ <http://www.diasporamatters.com/moving-from-remittances-to-microfinance/2011/>





3.2 Good Practice Example

Good Practice in Entrepreneurship

The organisation 'Fédération des Associations Franco-Africaines de Développement par l'appui économique' (FAFRAD-économique) is supporting the set-up of enterprises in several African countries. In this project FAFRAD enables entrepreneurs in realizing their ideas and plans for a business in good accordance with the socio-economic and cultural context. In collaboration with a network of specialized partners, FAFRAD helped to set-up business plans and assists in finding funding opportunities.

In times of unemployment or scarce employment possibilities, starting a business can be a way to be economically active or to earn additional income. FAFRAD therefore welcomes and supports any project wishing to establish a micro-enterprise in France or Africa. Support from FAFRAD may involve administrative matters, the planning of the project, the development of a market study or research for funding opportunities, etc.

Individual coaching to create a business includes for example: To listen and understand a person who wants to start a business and to advise him in the most appropriate way. To search for structures or institutions for training or specific information (chambers of trade, aid structures in search of commercial premises, social workers). To give information on the steps of creating a business (formalities, available financing structures) To assist in conducting a market study.

The difficulties in this project were the lack of access to credit for developers who have been around for loans of honour. Also, it was difficult to adapt to the institutional and socio-cultural African countries. This was overcome through awareness raising and raise understanding about the context.

The success of the project has benefited from a long history of FAFRAD and the fact that FAFRAD has an extensive partner network. A good network is key to success in these kind of projects. Also, a good understanding of the cultural and socio-economic environment is crucial to success. Another good practice that can be mentioned in this project is the fact that FAFRAD works in close collaboration with the person who sets-up the business. They are involving the person in decision making processes as well as in the evaluation process.





4. Diaspora & Science

4.1 Background

Diaspora & Knowledge

For the last two decades, the perception about the migration of skills has evolved, putting stronger emphasis on brain gain, which is based on the idea that the expatriate skilled population may be considered as a potential asset instead of a definite loss. The scientists and engineers abroad appear as human resources educated, trained through professional practice, and employed in much better conditions than those the country of origin could have provided to them. If such a country is able to use these resources, it would then gain a lot. There are two ways to enhance the brain gain: either through the return of the expatriates to the country of origin (return option) or through their remote mobilization and association to its development (diaspora option).

The return option has been successfully realized in various new industrialized countries (NICs) such as Singapore and the Republic of Korea as well as big developing countries such as India and China (Charum, Meyer, eds, 1999). Strong programmes to repatriate many of their skilled nationals abroad have been put in place since 1980. They have domestically created the networks in which these returnees could effectively find a place and be operational. However, these

countries are not surprisingly the ones that could afford to significantly invest in scientific and technological material as well as human infrastructure. They had started to build the research and technical-industrial web which could appropriately sustain such activities employing returning skilled employees. Obviously the success of that option depends very much on this specific capacity. Such a prerequisite is not easily matched by many developing countries.

The diaspora option is more recent and proceeds from a different strategy. It takes for granted that many of the expatriates are not likely to return. They have often settled abroad and built their professional as well as their personal life there. However, they may still be very concerned with the development of their country of origin, because of cultural, family or other ties. The objective then, is to create the links through which they could effectively and productively be connected to its development without any physical temporary or permanent return. This type of distant cooperative work is now possible as cases of international research projects or multinational corporations (MNC) daily activities have already clearly demonstrated. Moreover, relationships between expatriate intellectuals and their mother country have often existed in the past. What is new today, is that these sporadic,





exceptional and limited links may now become systematic, dense and multiple. A crucial advantage of the diaspora option is that it does not rely on a prior massive infrastructural investment, as it consists in capitalising on already existing resources. It is thus at hand for any country which is willing to make the social, political, organizational and technical commitment to mobilise such a diaspora. A promising perspective in such a strategy is that through the expatriates, the country may have access not only to their individual embodied knowledge but also to the socio-professional networks in which they are inserted overseas. It is quite an extensive version of a connectivity approach. This is what is at stake in such initiatives around the world today. A number of countries have indeed made use of the "diaspora option".

The Transfer of Knowledge Through Expatriate Nationals (TOKTEN) programme of the United Nations Development Programme (UNDP) uses the expertise of highly skilled expatriates by assisting them to return to their home country for short visits. These visits usually last between three weeks and three months during which the expatriates engage in various development projects or undertake teaching assignments at local universities. Dozens of countries have successfully used this programme occasionally, during the last two decades. However, recently some of them such as

Palestine, Pakistan and Lebanon have started to set up more permanent structures to tap their expatriate human resources through the TOKTEN programme in a more systematic manner. The list of databases of people, organised by area for example, constitute embryos of real networks⁸.

In terms of developmental projects and activities, the evidence has shown that attempts at co-operative projects between expatriates and the national community have indeed been made. These consist of research projects, technology transfer and expert consulting. As these experiences are fairly recent and not enough information is available on their undertakings, their success is difficult to assess. However, it appears that these projects are not numerous and that they are in many cases spontaneous, isolated initiatives. In fact, in order to generate joint projects between diaspora and national based actors, two things are needed: an information system and an incentives scheme. The information system displays the scope of potential partnerships in which any user can search for those in his/her field of activity. The incentives scheme directly provides or gives access to resources (material or not) to fuel the projects led by the members. This is a triangle of action: to facilitate undertakings in such a widespread and

⁸ <http://www.unesco.org/most/meyer.htm>





heterogeneous population, besides the network membership, technical as well as political support is needed (Meyer and Brown 1999). In this process, the commitment and involvement of national based actors and organizations is crucial. At this point in time, the networks exist and their highly skilled members are motivated. The onus is really on the national community to utilize this resource to the fullest.

The analysis of the 15 intellectual/scientific diaspora networks shows that good organization is required in a network of this kind in order to ensure communication, information exchange and coordinated actions. This is where an interface or coordinating body appears necessary. The function of such a coordinating body would be to collect, organize and maintain the information needed for the systematic search of partnerships, but also to manage and promote the interests and actions of the multiple entities present in a network of this kind. The coordinating body would be responsible for opening up access to resources that can be used to generate action in the network. This body would consist of network members as well as interested parties from the national community; it would thus be a consortium of multiple partners.





4.2 Good Practice Example

Good Practice in Scientific Diaspora

In this project diaspora organisations recruit diaspora professionals to undertake short-term volunteering trips (2-3 weeks) to countries of origin to work with local partners on specific projects. The programme was piloted in 2005 by AFFORD, working with Voluntary Services Overseas (VSO). The AFFORD volunteers worked with partners in Ghana and Sierra Leone on supporting enterprise development. Other diaspora groups worked in Nigeria, Kenya, Nepal etc. on education, fish-farming, health and other themes. The purpose of the project was to facilitate diaspora professionals to engage/re-engage productively with countries of origin, through, amongst other things: provision of direct technical and other support to projects run in countries of origin, provision of catalyst for individuals to construct new 'developmental relationships' in countries of origin, initiation of new partnerships between diaspora groups and diverse local development actors.

What can be seen as elements of Good Practice in this certain project?

Efforts have been taken to avoid duplication with existing overseas volunteering schemes, through working closely with providers of these. Also important was to manage expectations of volunteers and project partners and local communities in Ghana & Sierra Leone - this was achieved by **accurate and timely communication with stakeholders**.

Most mainstream overseas volunteering programmes have a very low uptake by diaspora individuals. In part this is due to time commitments volunteering placements usually run from 6 months to 2 years, but also because mainstream schemes offer little or no choice of where placements can be. Diaspora individuals tend to have their own connections with Africa, and AFFORD research showed that diaspora volunteers were more likely to want to return to their countries and indeed regions of origin. Also, the significant financial burden imposed by longer placements was a significant barrier to diaspora individuals. This was obviated by shorter placements to countries of origin. Perhaps the biggest challenge was convincing mainstream providers of placements (such as VSO) that an **alternative methodology** was required, with more flexibility over location and time of placements. Mainstream providers were very resistant to change in this regard, but the lack of diaspora uptake of their schemes persuaded them to support a pilot programme.

In terms of **ownership** AFFORD was the lead organisation in this project and participated in the decision-making from the beginning to the end. AFFORD also led the implementation phase, and AFFORD staff travelled with participants to facilitate the placement process. Good **partnerships** were build up and maintained with local partners in Sierra Leone and Ghana. These were imperative to the success of the project. After the success of the pilot, bringing in other partners such as Diaspora Volunteering Alliance (DVA) was crucial to gaining support for a larger project that drew in other diaspora groups.

The objectives were a development priority, inasmuch as both people from the diaspora and people in countries of origin were keen to see greater involvement from diaspora professionals. The project was built on social, intellectual, and financial capital already present within the diaspora, as well as their existing links with communities in countries of origin. There is a desire in many African countries of origin for diaspora volunteering schemes that make use of the capacity in the diaspora, who can have a much closer and more nuanced understanding of local conditions than non-diaspora volunteers.





The **financial resources** for the project were sufficient. Also there was match-funding, in the needs assessment and planning phases AFFORD committed some of its own resources. If we had not done this gaining financial support from DfID and others would have been more difficult. Also, African governments are increasingly devoting resources to harnessing diaspora connections to improve development.

Concerning the **outcomes and impact**, the initial objectives were met. 30 Volunteers from the diaspora successfully completed placements in Sierra Leone and Ghana in the fields of business, education, and health. 15 Volunteers were so impressed with their experience that they chose to return to their countries of origin and set up businesses there, employing 5-10 local people each and building capacity in the local business sectors. In addition to the above, the pilot was subsequently broadened out to other diaspora groups in Africa, Asia, and Latin America. Moreover, the success of the project in fostering SMEs in Sierra Leone led directly to the establishment of the AFFORD business centre in Sierra Leone in 2012, 37 which provides local entrepreneurs with legal, financial, and other support to establish SMEs. This has a target of supporting 336 local business start-ups over the course of the project.





5. Concluding remarks

As can be seen in this E-policy brief, the activities of diaspora in different fields of action can be significant in their outreach and effectiveness. In local development, projects and activities have a human-focussed and participatory understanding. Diaspora individuals and organisations can be seen as strategic actors in development processes. However, the impact that diaspora actions have on development in the end, depends on several internal and external factors. For example, governments in host countries, play an important and necessary role in supporting the actions of the diaspora. Also, development actions tend to focus on local initiatives in the village or town or origin and lack to have a bigger outreach in a certain country or regional area.

Secondly, remittances is one of the major flows of money worldwide and a huge contribution to local economies. However, this money doesn't seem to be invested that much through entrepreneurship, but is used more directly in households. Important for diaspora to be able to make secure investments is the provision of loans through for example micro-finance schemes. This will make investments easier and safer for diaspora groups.

Finally, diaspora are a great asset in the so-called brain gain. People decide to return permanently to their country of origin (which often happens in prosperous

countries in Asia) or decide to share their skills and expertise temporarily to their country of origin. This last option is facilitated more and more nowadays through bigger international institutions, such as the UN (TOKTEN programme). Networks of diaspora to facilitate the exchange of knowledge are existent and functioning.

