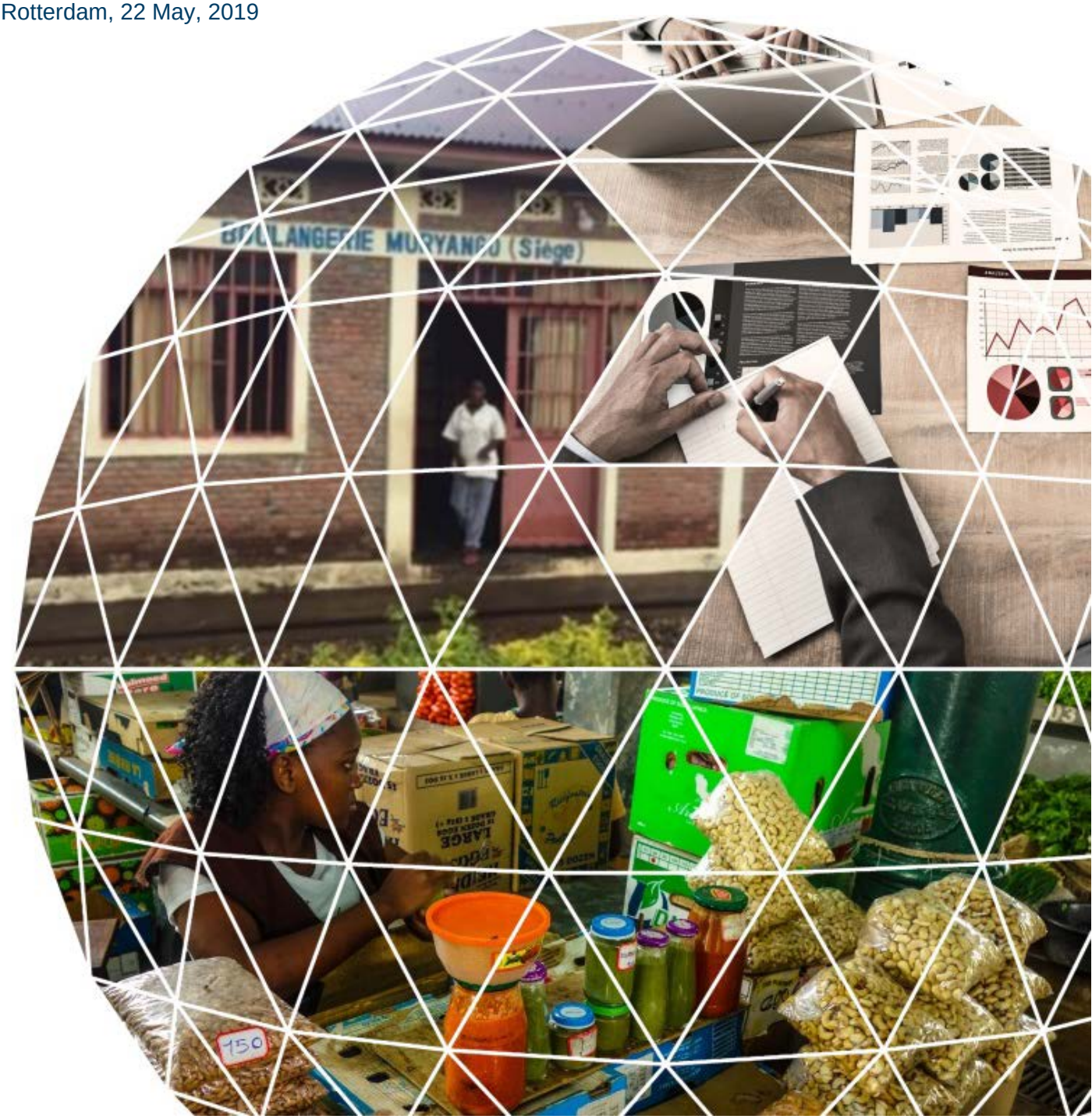
External evaluation of migrant entrepreneurship projects

Volume 2 - Annexes Final Report

Client: Department for Stability and Humanitarian Aid (DSH)
Department for Sustainable Economic Development (DDE)

Rotterdam, 22 May, 2019



External evaluation of migrant entrepreneurship projects

Volume 2 - Annexes Final Report

Client: Department for Stability and Humanitarian Aid (DSH)
Department for Sustainable Economic Development (DDE)

Anja Willemsen
Marije Balt
Willem Cornelissen
Niek de Jong
Wim Naudé

Rotterdam, 22 May, 2019

ECORYS

Table of contents

Annex III Project notes 7

1. Project note: VSO-'Maximizing the value of the Kenyan diaspora' 9
2. Project note Spark 'Circular Migration and Brain Gain - Supporting Migrant Entrepreneurs (MEP)' 17
3. Project note TNU 'e-Learning for Entrepreneurship in West Africa' 33
4. Project note Izere "Capacity development and entrepreneurship in Burundi by diaspora in the Netherlands" 43
5. Project note Seva Network Foundation "Seva Migrant and development project 2011-2013 and 2014-2015" 49

Annex IV Literature analysis on "The added value of the diaspora in developing the private sector in fragile contexts/developing countries" 55

Annex V Donor reviews 79

Annex VI Terms of Reference 124

Annex III Project notes

1. VSO Kenia: “Maximizing the value of the Kenyan diaspora”;
2. Spark: “Circular Migration and Brain Gain”;
3. TNU e-learning project in Sierra Leone: “E-learning for Entrepreneurship in West Africa” s;
4. Izere Foundation: “Capacity development and entrepreneurship in Burundi by diaspora in the Netherlands”;
5. Seva Network Foundation: Seva Migration & Development 2011-2013 and 2014-2015.

1. Project note: VSO-'Maximizing the value of the Kenyan diaspora'

Introduction

Evaluation activities carried out to assess the VSO project 'Maximising the value of the Kenyan diaspora' are include: desk review of project documentation, other relevant documentation and available statistical information; a mission to Kenya in November 2018, to conduct interviews with relevant stakeholders (representatives of VSO Kenya and host organisations, a government representative, as well experts on entrepreneurship and SME development); and (telephone/Skype) interviews in the Netherlands, including five interviews with Kenyan diaspora who volunteered at host organisations in Kenya. Four of them continue to reside in the Netherlands; , and one returned to Kenya after the project. Another volunteer was not willing to be interview.

Context

In 2014, the World Bank re-classified Kenya from a low-income to a lower-middle income country.[1] Average annual real economic growth was approximately 5.5% in the period 2013-2017.[2] Growth was accompanied by a stable macroeconomic environment and was generally highest in services.[3,4] The table below contains some key indices for Kenya.

Country	Total population 2017	GDP per capita, 2017 (real US$)	Ave. GDP growth 2013-2017 (per year)	Vulnerable employment (%) 2017	Ranking on Ease of Doing Business Index, 2017
Kenya	40,699,862	1,169	5.5	54.4	80

Income inequality measured by the Gini coefficient showed a slightly declining trend in the period 2010-2015 and was approximately 0.45 in 2015.[5] The incidence of poverty was 52% in 2000, but then declined to 45% in 2005 and remained virtually unchanged in subsequent years.[6] Hence, the economic growth and the slight decrease in income inequality was not translated into a further reduction of poverty. Apparently, the quality of the created jobs was not sufficient. Poverty is related to the high degree of informality in the country. Kenya continues to have a large informal sector. Employment in informal activities comprised approximately 83% of total employment in 2010 and 2015. A shift in focus from quantity to quality of jobs is required in Kenya.[7] The degree of informality was highest in agriculture. Nonetheless, still some 61% of non-agricultural urban work was in the informal economy. The informal economy is absorbing about two-thirds of annual new employment opportunities in Kenya.[8]

Of the 7.4 million micro, small and medium-sized enterprises (MSMEs) in 2016, 79% were unlicensed and 72% were microenterprises.[9] Agriculture and manufacturing are largely dominated

---

1 https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.

2 Republic of Kenya (2018). Third Medium Term Plan, 2018 – 2022 http://vision2030.go.ke/inc/uploads/2019/01/THIRD-MEDIUM-TERM-PLAN-2018-2022.pdf).

3 KIPPRA (2017). *Kenya Economic Report 2017. Sustaining Kenya's Economic Development by Deepening and Expanding Economic Integration in the Region.*

4 Ibid.

5 https://fsolt.org/swiid/.

6 KIPPRA (2017). *Kenya Economic Report 2017. Sustaining Kenya's Economic Development by Deepening and Expanding Economic Integration in the Region.*

7 Paul Kamau, Bethuel Kinyanyiu Kinuthia, Akinyinka Akinyoade and Catherine Mukoko (2018).Assessment of Productive Employment Policies in Kenya. *ASC Working Paper* 140.(https://openaccess.leidenuniv.nl/bitstream/handle/1887/57692/Working_paper_140.pdf?sequence=1).

8 Danish Trade Council for International Development and Cooperation. Labour Market Profiles (http://www.ulandssekretariatet.dk/sites/default/files/uploads/public/PDF/LMP/lmp).

9 Kenya National Bureau of Statistics. *Micro, Small and Medium Establishment (MSME) Survey. Basic Report.* September 2016.

by micro and small enterprises (MSEs). [10,11] Likewise, "Kenya's retail and wholesale trade is dominated by Micro, Small and Medium Enterprises" that are "heavily reliant on self-supporting and informal institutional arrangements."[12]

MSMEs face various challenges, such as inadequate business premises and 'lack of basic facilities to handle perishable agricultural products for wholesale'.[13]

Kenyan has tried to involve its diaspora in the development at home. Remittances from the diaspora are important. In 2016, total remittances were US 1.724 million.[14] However, transfer of diaspora's knowledge and skills is also important.

The number of Kenyan diaspora in the Netherlands has almost tripled since 2000 and amounted to approximately 4,500 in 2018. Second-generation migrants – and especially the ones with one parent from abroad – form a substantial and increasing proportion of the Kenyan diaspora.[15]

Some of Kenya's diaspora have returned home with new ideas, knowledge and experience. Factors that may constrain success of diaspora in Kenya mentioned by an expert interviewed in Kenya are lack of: appropriate entrepreneurial and investments opportunities for diaspora remittances to Kenya, such as a financing mechanism that can support start-ups; transfer of diaspora ideas and technology alongside capital transfers; inclusion of diaspora in international trade and linkages as foreign and local agents; orientation of diaspora to entrepreneurship; and a Kenyan entrepreneurship policy.

Tapping into the diaspora talents is one of the proposed key interventions of the Government of Kenya's Diaspora Policy formulated in 2014 in line with the aspirations of Kenya Vision 2030 and in collaboration with, among other institutions, the Kenya Diaspora Association (KDA).

Project

Three organisations – VSO, the Kenyan Diaspora Community in the Netherlands (KDCN) and the Africa Studies Centre (ASC) – formed a partnership for the project "Maximising the value of the Kenyan diaspora". It was the first project coordinated by VSO that involved diaspora and aimed to contribute particularly to the transfer of knowledge and skills by Kenyan diaspora volunteers and enhancement of the role of diaspora organisations. Volunteers were placed at various types of host organisations, including KDA, two youth polytechnics, Women Challenged to Challenge, YMCA and local organisations in poor and remote areas, such as the Enyuata Olosho Women Group, Noomayianat Community Development Organization (NCDO) and the Il Ngwesi Community Lodge. Apart from the strengthening of host organisations in Kenya, the project had the following defined objectives[16]: (1) enhance the potential of the Kenyan diaspora in the Netherlands; (2) improve the Dutch perception on diaspora; (3) improve understanding between Dutch NGOs and diaspora in the Netherlands and better use of each other's knowledge, networks and skills; (4) Kenyan organisations and businesses will form trade relationships with Dutch entrepreneurs; (5) cohesion of KDCN members will be enhanced. As a result, more information becomes available regarding the availability of Kenyan diaspora to do development work in their country of heritage; and (6) the academic community will be better able to monitor trends and developments within the Kenyan

10 http://www.fao.org/kenya/fao-in-kenya/kenya-at-a-glance/en/.
11 KIPPRA (2017) op. cit.
12 Ibid.
13 KIPPRA (2017). op. cit.
14 Ibid., page 11.
15 Based on Statistics Netherlands data (https://opendata.cbs.nl/statline/#/CBS/nl/dataset/37325/table?ts=1553268623659).
16 These objectives are called expected outcomes in the project proposal's log frame.

Diaspora in the Netherlands, thereby helping to harness the potential of migrants' contributions to Kenya's development, and improve on their social cohesion in Dutch society.

In some occasions, more than one volunteer was placed, and some volunteers worked at two host organisations. Some organisations had previously had a volunteer, via VSO. For other organisations, it was the first time that they had a volunteer via VSO.

The project was implemented between February 1, 2014 and February 29, 2016.[17] The project budget was €309,068, of which €264,687 was the contribution from the Ministry of Foreign Affairs and €44,381 their own contribution. The entire budget was used, however some shifts were made in the budget. During the implementation, more resources were ultimately spent on workshops than initially expected.

Planned activities included the identification and selection of host organisations in Kenya, the selection of candidates for placement at host organisations in Kenya among interested Kenyan diaspora in the Netherlands, matching volunteers to host organisations, recruitment, placement and guidance of the volunteers, as well as feedback to the Kenya diaspora community and the academic community in the Netherlands after their return from Kenya.

Findings

Relevance

For all the placements, the host organisations made placement documents in which the needs were articulated. All volunteers had job descriptions or Terms of Reference. VSO was supporting all the volunteers. VSO had already been thinking about involving diaspora volunteers. The project came at the time that VSO had discussions with KDA on diaspora.

The interviewed stakeholders tend to agree that the project addressed the needs of the targeted beneficiaries – in the first place the host organisations where the volunteers were placed, but (indirectly) also people in the communities where the host organisations are based. The importance of these organisations for SME development is however not always clear. In the majority of the cases, there was a good or reasonably good match between the volunteer and the host organisation. In some cases, the match was almost perfect. In other cases, it was not that good. Possible reasons for that are different expectations of the host organisation and the volunteer and the fact that in the end some of the host organisations had to be selected rather quickly by VSO Kenya due to the nearing of the deadline for selection. In one case, the relation with the host organisation was somehow complicated at the beginning because of a mismatch of expectations. The host organisation had no clear idea what to expect from the volunteer and for that reason the latter conducted a needs assessment. Subsequently, and in consultation with the host organisation, the volunteer conducted activities for which a need did exist.

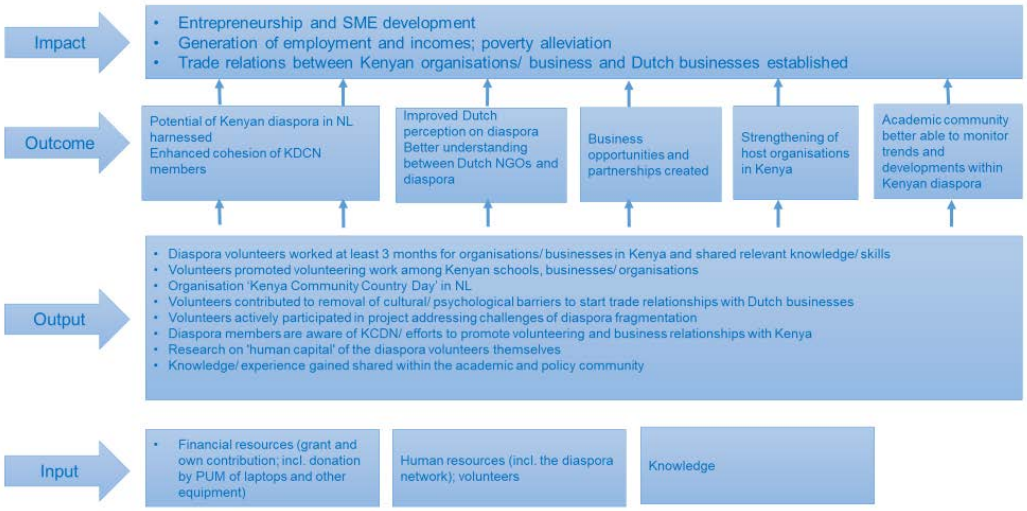
During the implementation of the project, there was no other project that engaged Kenyan diaspora. The VSO-coordinated project is considered a unique project that adds value, because particularly as for diaspora volunteers it normally takes less time to settle, as they know the culture and often speak the language. They are usually also familiar with the way of doing business in Kenya. In some cases, the experience in the Netherlands and their 'Dutch' attitude of insisting on getting things done also helped.

The goals (desired impact) of the project – contribution to income-generating activities – are also in line with the government strategy as laid down in *Kenya Vision 2030* and related medium-term plans.

[17] The proposed period of implementation was 1 February 2014-31 January 2016. In a letter from 18 November 2015, the Netherlands Ministry of Foreign Affairs granted VSO a budget-neutral extension of the project until 29 February 2016.

Effectiveness

Based on the log frame in the project proposal and other project documentation, the following intervention logic (**result chain**) could be reconstructed:



The main underlying assumptions of this project were:

- Lack of knowledge and lack of capacity and/or weak institutions are the main bottlenecks for development of entrepreneurship and establishment/strengthening of SMEs; implicitly, the project appears to assume that conflict and lack of markets are not more significant bottlenecks;
- In most cases, a three months' volunteer placement suffices to address these bottlenecks and long-term institutional development challenges;
- Involving one volunteer normally suffices;
- Volunteers can adapt themselves quickly to the host organisation;
- There are no cultural bottlenecks;
- Stimulating entrepreneurship through transfer of knowledge and skills to host organisation staff and strengthened capacity of business support organisations will generate productive employment and contribute to poverty reduction.

Important sources of **existing evidence on results** are the project's end report and the final evaluation conducted upon completion of the project.[18,19] The documents report that all twelve volunteers had finished their placements by the end of March 2016, sharing their skills with host organisations in Kenya. Three of the volunteers volunteered two times three months, because they and the partner organisations felt that three months was too short. Some reported results of placements are:

- Training of youth and staff at polytechnics, women groups (business and marketing skills, product development), 14 micro-credit groups, and staff of KDA;
- Marketing/market research (Discovered, Il Ngwesi Lodge);
- Improved access to reproductive health services for women and girls (Women Challenged to Challenge);
- Institutional policy development (Nasio Trust); and
- Institutional capacity development (KDA).

The evaluation report indicates that the project provided an opportunity for local organisations in Kenya to interact with the Kenyan diaspora in the Netherlands. According to the project's final report, some of the volunteers continued supporting the host organisations following their return to

[18] VSO/KDCN/ASC, 2016, *Maximizing the Value of the Kenyan Diaspora. End Report until March 31st 2016.*

[19] BrandHouse Consultancy Africa Limited. *Final Report End-term evaluation – The Dutch Diaspora Project*. February 2016.

the Netherlands and contacts with Dutch businesses were established, but it was expected that for some it would take more time beyond the project to form firm trade relationships. Interview results confirm that some volunteers remain in contact with the host organisation, but suggest that no concrete trade relationships were created, as the support was provided to the host organisations, with hardly or no concrete results in terms of SME development and income generating activities. Moreover, the assumption that the volunteers could help establishing links with the Dutch business community may in practice have been weak, as "with one exception, the volunteers were no entrepreneurs themselves, but many run their own small 'projects' in Kenya".

The evaluation report states that the project enhanced cohesion of KDCN members. Similarly, the end report claims that the increased awareness of and interest in the project resulted in more cohesion among the volunteers and some other KDCN members and they started new initiatives for the development of their country of origin. But interview results suggest that this may have been temporary, as a result of the momentum created by the project. Nonetheless, as indicated in the end report, through KDCN, VSO got the opportunity to get access to the network of Kenyan diaspora and VSO saw the value of diaspora volunteering and arranged that some of the Kenya diaspora volunteers became mentors for a project with young Kenyan professionals.

The interviewed stakeholders tend to agree that the results were generally results at the output level and, at most, at the outcome level. Only in few cases, there were some concrete results at impact level in terms of economic activities/employment generation.

An **explanation** for the generally observed lack of impact is that the project activities in Kenya were mainly limited to strengthening of the host organisations. For example, in the case of the Kenya Diaspora Association (KDA), one of the three volunteers contributed to a small change in the strategy of the organisation, paying more attention the subjects of credibility and accountability, as well as strengthening of the network of the organisation. Another volunteer was responsible for the successful organisation of the KDA Diaspora Conference, of which the main results were the media coverage and network building, as well as the creation of awareness of the importance of the diaspora in policy issues. Through the work of the volunteer, "KDA was quite instrumental in contributing to the Government of Kenya's Diaspora Policy and in making proposals for implementation of that policy". In the case of KDA, another one of the three volunteers also contributed to the creation of an investment platform in Kenya. Other examples of strengthening the capacity of the host organisation are the development of policy documents on child rights and protection, reviewing the financial and human resource policies of the organisation, helping in elaborating grant proposals, developing projects with youth that were later on handed over to the community. Another example is the support provided to Women Challenge to Challenge in terms of helping poor self-employed women with disabilities to get access to services from the public health facilities. The indirect result of this was that they managed to save some of the meagre incomes from their self-employment enterprises, which prior to the project was used to paying for private health services.

These examples illustrate that the support provided by the volunteers did not usually concern direct support to income-generating activities, but was of a more indirect, facilitating nature, though not always aimed at facilitating SME and entrepreneurship development in particular. As one of the interviewed stakeholders mentioned, "in consequence the outcome – impact 'road' to employment or income generation is long".

Bottlenecks in achieving results at the outcome level (and let alone at the impact level) were:

- Time constraints;
- Funding constraints;
- No office space or space to carry out activities;

- Staff of the host organisation sometimes also being volunteers themselves, which implied limitations in terms of their availability and in terms of the efficiency of the organisation;
- The *ad hoc* way of working of the host organisation, as a result of which the volunteer was asked to work on a list of other (priority) issues, rather than on the development of the organisation's strategy; and
- The business culture encountered while working with the host organisation.

Nonetheless, also positive factors playing a role have been mentioned, such as a good relationship with the host organisation, and openness to ideas put forward by the volunteer, a positive attitude of the host organisation's staff, and a very supportive relationship with VSO.

In summary, the **performance story** is that it is credible that the project's inputs have resulted in the intended output, i.e. Kenyan diaspora volunteers working a short period at a host organisation in Kenya. This is supported by documentation and interview results. On the basis of this information it is also reasonable to assume that the output has contributed to observed outcomes – in particular, strengthened organisations. What is clear, however, is that the link in the result chain from outcome to impact is rather weak. In general, it cannot (yet) be concluded that the project has made a difference in terms of SME and entrepreneurship development in Kenya.

Efficiency

VSO Kenya coordinated the implementation of the project in Kenya. There was no close collaboration with the Embassy of the Netherlands.

The project's budget was limited in practice. Taking out the overhead and other 'central' expenses and dividing the remainder by the number of volunteers means that (as indicated by a key stakeholder), on average, only some 15-20 thousand Euro were available per volunteer.

Given the duration of the placements of usually a maximum of three months, the interviewed stakeholders generally agree that the placement was too short to realise all the planned activities. A concentration of the project on a smaller number of host organisations (and volunteers) and increasing the duration of the placement may have been more efficient, not only because of savings on travel cost. However, the availability of suitable diaspora volunteers may be a limitation for a longer stay at a host organisation.

Coherence

The objectives of the project included the involvement of Kenyan diaspora volunteers in the Netherlands to strengthen host organisations in Kenya and to (indirectly) contribute to entrepreneurship and SME development in Kenya. Most interviewed stakeholders agree that the objectives of the **placement of diaspora volunteers at the respective host organisations** were in general coherent. It must be noted that in some cases the objectives of the placement in practice differed from the ones set initially. As one interviewed volunteer mentioned: "the objectives of the organisation were good but changed at the moment of the placement". Also, in another case, the objective of the host organisation – and hence of the placement - was different from the objective formulated initially by VSO: "the VSO objective that was set, it may not have been 100% coherent. But probably it was a little bit coherent, because I was able to strengthen their capacity in terms of organising conferences and sharing with them documentation."

There are some doubts regarding the **within-project coherence**. The objectives of the placement of volunteers at the organisations may not always have been coherent at the level of the project, because of the wide variety of host organisations. For some of the organisations, the link to entrepreneurship and economic development is only indirect and rather weak. The issue of **coherence of the project with other projects** (co-)financed by the Netherlands is not really

relevant, as the host organisations were hardly involved in any other projects. Only in one instance some support was given by PUM. Hence, the collaboration with PUM was not intensive. In the context of the diaspora project, there was no link with CBI. In other cases, VSO has had contact with CBI. In the project, there was not much synergy with other Dutch government supported projects.

An interviewed stakeholder indicated that VSO was very conversant with volunteer outreach projects to link the support from the Dutch government to other support by USAID, CUSO Canada and the UK government. VSO had similar experiences and had already interacted with some of the target organisations, e.g., NCDO Loitokitok (where it previously had placed a volunteer financed by an EU grant) and the two supported polytechnics.

Sustainability

The volunteers generally put in place some sustainability mechanisms in their host organisation.[20] But often the duration of the placement was too short to create a firm basis for sustainable results. As one respondent remarked, had the placement been longer: "then I could have left something running".

Some activities have continued with direct linkages of the volunteers with the beneficiary organisations. A number of volunteers kept engaging with the host organisation after their return to the Netherlands. However, in several cases there is no direct contact anymore between the volunteer and the host organisation. As a result, various interviewed persons could not say anything about sustainability.

There were no concrete results in terms of created enterprises and jobs. For this reason, it is not possible to provide an assessment of their sustainability.

Some conclusions

Envisaged results at the level of the host organisation were achieved to a large extent. The link from outcome to impact in the results chain is weak. Few results were achieved in terms of entrepreneurship and SME development.

Better selection criteria of (a smaller number of) host organisations with more expertise and stronger business links and a longer placement period of volunteers would be required to achieve increasingly more sustainable results, focusing on entrepreneurship as the overall impact of the project. There is a need to bring in more expertise and business networks, to take a more detailed look at the background and experience of the partner organisations and to select partner organisations with a higher profile that really match the volunteers.

An alignment of the volunteers with other Dutch government-supported projects could create more synergy. In this context, a closer collaboration with the Embassy of the Netherlands could have been beneficial.

[20] In the words of an interviewed stakeholder: "we were able to create good partnerships with other organisations, also with the (Kenyan) Ministry of Foreign Affairs in terms of diaspora issues".

2. Project note Spark 'Circular Migration and Brain Gain - Supporting Migrant Entrepreneurs (MEP)'

Introduction

The evaluation team reviewed the project documentation made available by the Ministry of Foreign Affairs as well as by the implementing organisation Spark. The team interviewed programme management staff in the Netherlands and attended its annual conference to coordinate the field visit to Somaliland. With Spark's support, this mission was undertaken between 9 and 13 December 2018. Another field visit was made to Ghana, between 22 and 25 January 2019. During the field visits the team met with participants, implementing partners and organisations in Somaliland and Ghana and spoke with other stakeholders such as government (agencies) and the Netherlands Embassy (only in Ghana), other organisations with similar programmes and a number of diaspora entrepreneurs. In addition we have held interviews with Ghanaian diaspora that participated in the training, and spoke to a number of Moroccan participants.

Project

The project was aimed at promoting circular migration and brain gain so that migrants who live in the Netherlands increasingly contribute to development in their countries of origin. The project intended to work towards sustainability of interventions by strengthening migrant organisations from the target countries in the Netherlands as well as partner BSO's and FI's, and governments in these countries. Three results were identified:

- to strengthen the capacity and improve business services of partnering Business Support Organisations (BSO's) and financial services of partnering Financial Institutions (FI's) and relevant government institutions in target countries as well as NL partner migrant organisations;
- to increase economic development in countries of origin through supporting migrant entrepreneurs to start enterprises in the countries of origin, so creating jobs;
- to support existing migrant SMEs in NL to start a branch or sister facility or form a joint venture in their country of origin, so creating new jobs.

The project was to support diaspora and their local partners in the following countries: Somalia, Iraq, Afghanistan, Surinam, Morocco and Ghana. The project ran from 15 November 2013 until 30 June 2017 with a total budget of 2.515.725, including the contribution of the Ministry of Foreign Affairs of EUR 1.963.625.

The project involved the following activities: capacity building of migrant support organisations and coaching, scoping studies, promotional campaigns for diaspora entrepreneurs, training of diaspora and business plan competitions, market studies, coaching and financing agreements. In addition, the following activities were implemented in the selected countries: capacity assessments and trainings for government agencies, capacity building for business support offices (BSOs) and Financial Institutions (FIs),

Findings

Relevance

Link to Dutch policy

Increasingly, the Dutch MFA's policies were focused on achieving development results in fragile states. Due to its experience in fragile states, Spark had earlier been approached by IntEnt, the earlier implementing organisation which had gone bankrupt, to take over its diaspora project. Spark applied, and the Ministry of Foreign Affairs approved Spark's revised application after a process of extensive correspondence and discussion, in which Spark expressed doubts about the ambitious targets versus the budget available. Spark assumed that the predecessor programme of IntEnt would present readymade projects and partners with willing and able entrepreneurs for these

countries. The programme design as proposed by Spark was clear from the outset: country programmes would be outsourced to various diaspora organisations, and Spark had sought to do so with those that had worked before with Intent.

In-country policies on diaspora

Over the period of implementation, policies on diaspora engagement have become more prominent as diaspora's role in a country's development is more recognised. In Afghanistan, the government recognised that the environment might not be safe enough to return and invest. In Iraq and Somaliland, there has been a wave of returns in the past decades and regional governments are trying to benefit from remittances, know-how, trade relations and investments.

Added value of diaspora in local economic development in fragile context

In spite of the Dutch government's policy to promote economic development in fragile states, many of these countries cannot be visited; fragile states such as Somaliland and Kurdistan region of Iraq have a negative travel advice and do not attract many Dutch entrepreneurs who have no link with these regions. Many fragile states are 'donor orphans', since it is difficult to achieve lasting results in these regions, including on private sector development.

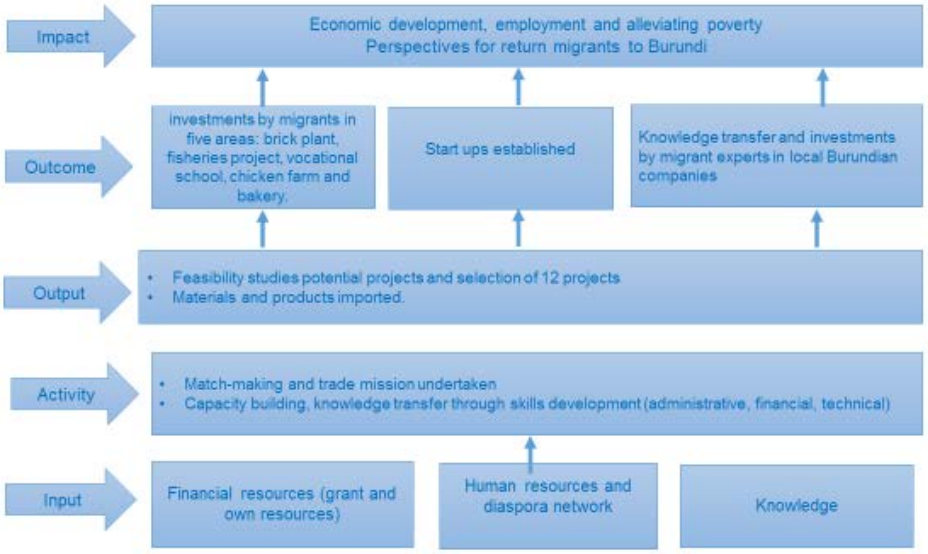
RVO and the respective embassies have confirmed that they identified diaspora with Dutch nationality to work with in these regions. For these regions to develop, remittances and investments by diaspora are indispensable. In Somaliland, this is estimated to make up half of the income of Somaliland, but this cannot be verified since there are only limited credible statistics available for Somaliland.

Conflict sensitivity

As can be expected from an organisation that operates mostly in fragile regions, Spark anticipated the importance of conflict sensitivity in its proposal. It argued to engage and strengthen Business Support Organisations in its revised proposal (2015) to mitigate negative perceptions:
"Often, the local population, especially in post conflict environments, has a negative perception of Diaspora entrepreneurs which they can perceive of having left during difficult times, only to return to make money when the conflict is over." Spark however has had difficulty finding good local BSO's. It eventually opted to start local branches both in Erbil and in Hargeysa to give the programme a boost. In some cases, instead of with BSOs, Spark opted to work with local consultants for training sessions based on their specific expertise.

Effectiveness

Based on project proposal, other project documentation and interviews, the following intervention logic (**result chain**) could be reconstructed:



Achieved outputs and outcomes

The result of the MEP programme varied to a great extent across different geographies. There were tangible results in two of the six countries: Somaliland (which was visited by the evaluation team) and Iraq (Kurdistan region). The project achieved considerable results in two of the six countries. In the four other countries, results were lagging. Less than half of the outcome targets have been achieved. SPARK supported the creation of 71 businesses (on a target of 120).

According to the final report the project has reached 2,095 (on a target of 1,200) potential beneficiaries. In two of the six countries, the programme has also provided capacity building to Business Support Organisations, Financial Institutions and local governments in the six countries. It organised an incoming trade mission for officials. Only in Somaliland, Spark's Guarantee Fund was activated through an agreement with a local financial institution. Over the course of the programme, SPARK received 469 business ideas (on a target of 400), which varied in terms of viability (see example Morocco).

Following the final report, the number of jobs created by business started in target countries (on a target of 95) was zero, but this was shortly after ending of the project. Spark continued its offices in Kurdistanl, Iraq and Hargeysa, Somaliland. The MEP manager regularly visits the Erbil office in Iraq and has kept in touch with the participants of the programme, which resulted in 14 new enterprises and 25 jobs that have been created. Many entrepreneurs have moved on to other businesses or jobs, or moved back to the Netherlands, but it helped boost the vibrant Dutch Erbil business community.[21]

The number of business surviving after 3 years with turnover (on a target of 75%) has not been monitored by Spark. The report only mentions the business registered and the jobs that have been created. One example is Surinam, a programme which was outsourced to Tailor-made Results. It engaged 16 participants in business training and reports 5 one-man businesses having been registered, but this has not been verified.

Another example is MEP in Morocco. The programme was outsourced to the organisation Bizadvisor. A considerable number of 48 entrepreneurs were trained, 28 entrepreneurs presented

[21] For examples see: https://www.volkskrant.nl/nieuws-achtergrond/het-andere-irak-poenig-hoog-exhibitionistisch~b3b9cb54/?referer=https%3A%2F%2Fwww.google.com%2F

business ideas, and 11 were coached. But few diasporas actually went to Morocco, and only 6 eventually registered businesses. There were a few elements which hampered the programme. Most participants were very reluctant to share their business idea and introducing a confidentiality agreement did not fully resolve this issue. Although a special programme has been devised by Bizadvisor for the Moroccan diaspora, this did not result in meeting the requirements of the programme. Spark took back control *vis-a-vis* Bizadvisor however this had limited results. On top of this, this group diaspora underestimated the reality on the ground, e.g. they experienced Morocco's formal language French as a barrier, as their French language capability was quite minimal. This had not been anticipated in the programmes design.

The outputs for Somaliland and Ghana have been verified by the evaluation team during field visits. The overall finding in Somaliland is that a great majority of the diaspora entrepreneurs that participated in MEP, either only training or those who actually registered business (22 according to report) are still in business, but many have moved on and created new enterprises, as so-called 'serial entrepreneurs'. One enterprise, a travel agency that existed before the programme, was visited. The enterprise had grown in terms of staff and investments and seemed commercially viable. In Ghana, the one enterprise that has been registered still exists but does not seem viable.

These varying results can be explained by a mix of internal and external factors. The two main internal factors were

- *Mismatch in countries and target groups*. During the appraisal phase, it was already clear that Spark was keen to start working in Somalia, Iraq and Afghanistan, since these are fragile states, and as such,, they align with Spark's core strategy: 'To develop higher education and entrepreneurship to empower young, ambitious people to lead their conflict affected societies into prosperity.' In addition, Spark had no experience or track record in working with the target groups migrants and diaspora, nor experience in working in any of the target countries of the programme. Within Spark, it was assumed that working with diaspora entrepreneurs, apart from the additional skills and capital they bring in, would be similar to working with local entrepreneurs.
- *Management issues within Spark*. Over the programme period, the quality of the management was an issue, as it varied a great deal. The MEP manager was changed three times and there was a large staff turnover in training programmes and country offices. This slowed down progress and hampered relationship building. The way in which the various country operations were managed was very different. The implementation of the programme in Morocco, Surinam, Ghana and Afghanistan was outsourced to various specialised diaspora organisations, but not always effectively, as described in the Ghana country note in this annex. The country programmes directly managed by Spark achieved many more outputs and outcomes.

External factors also played a role - as described below - such as momentum for return in (regions of the) two of the six countries, which allowed for an opportunity-driven approach, flexibly adjusting the programme to the needs of the locally present entrepreneurs - of diaspora background or not.

Strengths and weaknesses of intervention logic

The intervention logic was based on the assumption that Spark could 'attain a high survival rate (94%) of the start-up SMEs it would help to establish, because it can apply its careful but strict selection methodology and well balanced and multi-faceted support methodology' (from revised proposal Spark, 2013).

Underlying this was the assumption that there are many latent entrepreneurs among the diaspora, and that among these entrepreneurs, there were many that would be willing to (partly) re-emigrate, including those that would be keen to invest in a branch or joint-venture in their country of origin.

This turned out to be a valid assumption, however due to the mismatch of countries and networks and the management set-up of MEP, as described above, the entrepreneurs engaged in the programme were not effectively prepared by the programme for (temporary) return.

Much is required from an organisation such as Spark to overcome a common gap: between diaspora's 'romantic' ideas to start a business in their country of origin and actually starting a business. The example of Morocco, described earlier, illustrates this gap.

Potentially alternative explanation for evidence based relations

The fact that Spark managed to achieve almost half of the outcome targets, in spite of the fact that a minimum of enterprises was created in Morocco, Ghana, Surinam and Afghanistan, was also due to external factors, such as a momentum for return to Somaliland and Erbil region in Iraq.

- The momentum for return in Somaliland and Iraq, Kurdistan region, but not in Afghanistan
  At the start of the project both these regions had stabilised to such a degree that the business environment had improved. These provided conducive conditions for diaspora in the Netherlands to put their plans of return into practice. On the contrary, in Afghanistan in spite of much interest by diaspora of Afghan origin, there was little momentum to return due to political instability. The local partner of Spark, Sayed, then recruited diaspora from other EU countries, plus local entrepreneurs. 17 business plans have been submitted and 5 one-man businesses were registered, but this could not be verified.
- Flexibility: adjusting the programme to the local context.
  Spark managed to operate more effectively once the organisation had offices in Hargeysa and Erbil. The programme could be fitted to local needs and the target group, Dutch diaspora, was widened to include diaspora from other countries, but also local entrepreneurs. The outgoing missions of government and chambers of commerce to the Netherlands not only allowed for better outreach to the diaspora, but also created much goodwill in Somaliland/Somalia and Iraq/Kurdistanl for Spark's activities.

Efficiency

Management by Dutch MFA

In spite of the fact that Spark indicated it had no track record in any of the countries concerned, surprisingly the Bemo mentions in chapter IV on implementing organisation: ‘*’Daarbij bezit Spark een grote expertise op het gebied van brain gain en het opzetten van bedrijven in de focuslanden*”. (“In addition, Spark delivers substantive expertise in relation to brain gain and the establishment of businesses in focus countries.”)

Monitoring was to be undertaken by embassies. For Morocco, Ghana, Surinam and Afghanistan there was hardly any awareness of the programme. The Embassy in Nairobi was well informed, as was the embassy office in Erbil, although there is no report of this in the documentation.

Implementing organisation

Spark's management was not always efficient. Spark overestimated its ability to roll the programme out in six countries and the ability to achieve its targets within the limited timeframe, without prior networks among the diaspora, no experience in working with this target group and in a new set of countries. The organisation assumed that the predecessor programme IntEnt would provide a ready-made mechanism through which to outsource its operations, in Morocco, Ghana, Surinam and Afghanistan. The programme coordination and finding a collaboration mode with the diaspora organisations took up more time than expected. The fact that the programme manager was changed three times slowed down the implementation of the programme, and was not appreciated by both trainers, beneficiaries and implementing organisations.

Coherence

There was an overlap between the Seva Network Foundation Migration and Development projects and Spark's MEP in both Ghana and Surinam. The MFA tried to facilitate collaboration between both organisations but this did not materialise.

Both in Somaliland and Kurdistan region in Iraq, there was a synergy link with RVO, which is in contact with a number of diaspora entrepreneurs. In Hargeysa, RVO has been briefed about a possible 'Holland Hub' for entrepreneurs as a successor of the Africa House that was created by MEP. This hub is supposed to be run as a business and does not seek public funding.
A programme funded by the Dutch government, but aimed at a different group among diaspora is the CD4D by IOM, providing an opportunity for diaspora experts to be temporarily posted in government service in their country of origin, such as one female diaspora interviewed in Hargeysa.

Sustainability

Spark assumed a high survival rate (94%) of the start-up SMEs it would help to establish, because 'it can apply its careful but strict selection methodology and well balanced and multi-faceted support methodology'. With less than half of the outcomes realised at the end of MEP, the sustainability of the businesses supported beyond the three years was not consistently monitored by Spark.

At programme level, there was a degree of continuity. Africa in Motion, implementing partner in Ghana, continued working within the programme 'Making Africa Work' by PUM.

There was some continuity with regard to the Kurdistan region of Iraq and the Somalia project. Business incubator ‘Africa House’ had been created under this programme and continued to be directly supported by Spark within the Local Employment in Africa for Development (LEAD) programme, financed by the Ministry of Foreign Affairs (DDE). In 2018 the Africa House ceased operations due to operational challenges and the staff moved onto other employment, but a number of new incubators were created. Diaspora of Dutch origin, all entrepreneurs, are now creating the 'Holland Hub', and have already started constructing the premises in Hargeysa, which the evaluation team visited.

Among a number of instances, such as the Chamber of Commerce in Somaliland, much goodwill has been created through the trade mission to the Netherlands. This was combined with authorities from Somalia and Puntland, which was unique in history, so one unintended positive consequence might have been high-level rapprochement within a country that has been split for decades.

1.1 Country notes Somaliland

Introduction

The field visit to Somaliland took place between 9 and 13 December 2018. During the field visits, the team met with participants and projects in Somaliland and spoke with government (agencies), other organisations with similar programmes and a number of (former MEP-participant) diaspora and local entrepreneurs. At the time of the visit, the Spark office in Hargeysa consisted of one staff, a finance officer. A new project manager is now in place.

Context

The collapse of the government of Somalia in Mogadishu in 1991 brought an end to the worst of fighting in Somaliland and paved the way for the establishment of a de facto independent state.

Returns began with the end of the conflict in the early 1990s, starting those from camps in neighbouring countries such as Ethiopia. Returns have increased as the peace has been strengthened and the capacity of the government has improved. The refugees who had moved further away - to Europe and elsewhere - have been slower to return and are fewer in number.

The Somali diaspora - from Somaliland and the rest of the territory now recognised as Somalia - is estimated at 1 million to 1.5 million people[22]. Returnees from Somaliland are global citizens with a high level of mobility, strong social networks that span the globe and often with considerable resources. They are 'transnational nomads' (Horst 2006). They tend to come and go after they have gained permanent residence or citizenship in another country (most in the UK, but the second largest community in Europe has Dutch citizenship) only to return several years later to Somaliland. As such, they are 'part time diaspora' (Hammond et al. 2011) or 'revolving returnees' (Hansen 2007). Returnees tend to settle in Somaliland's cities.

There are many opportunities in terms of business, especially in Somaliland's cities, but basic services are still lacking. Public goods are hardly available, and the government does not seem to be able to make this work. Diaspora entrepreneurs - apart from those with direct contacts and links within government - are hindered by lack of formal infrastructure, weak legislation and lack of support from government. Ambiguously, when government measures are introduced, such as a 6% tax over labour employed, the diaspora entrepreneurs regard this as a high percentage, which reveals that there is no habit of paying taxes and abiding by regulations. The government is promoting private sector investments, but admits that it continues to be weak in terms of regulatory power.

While the government is trying to improve services, it is also dealing with international investors and NGOs that do not align with government policies. This is a concern for the Ministry of Planning, and an NGO such as Spark is being held to stricter policies, e.g. in its recruitment.
To promote the contribution by diaspora to Somaliland's development, the government created the Somaliland Diaspora Liaison Office, under the Ministry of Planning. It also launched a National Development Plan in 2012 which includes scheme to ask diaspora for voluntary contribution for every remittance transaction. However the diaspora entrepreneurs interviewed were not aware of this scheme.

Findings

Relevance

Policy relevance

The objectives of the project are in line with the policy of the Somali Government,
Involvement of diaspora can be particularly relevant in a fragile country such as Somaliland, the travel advice is negative and security developments unpredictable. Therefore not many Dutch investors are prepared to take the risk to do business in Somaliland. RVO on its mission in November identified diaspora with Dutch nationality as counterparts to work with in these regions. For these regions to develop, remittances and investments by diaspora are indispensable. In Somaliland, remittances are estimated to make up half of the income of Somaliland, but this cannot be verified since there are hardly credible statistics available for Somaliland.

Diaspora have considerable added value when compared to local Somalilanders. They bring money, know how, good education, technology and professional expertise. Many who return from the diaspora seek to become involved in the development of Somaliland, often initially through involvement with civil society organisations. These organisations provide entry points for

[22] Hammond, L. 'Diaspora returnees: heroes of development or job-stealing scoundrels?', in: Africa's return migrants (Akesson 2015)

entrepreneurial activities. The diaspora's incentive is to find more fulfilling work and to escape the marginalisation and exclusion that many Somali immigrants are exposed to in societies where they have settled. Diaspora feel they have helped bring a new mentality to the local population of Somaliland, but the relationship with the local population is not always smooth, as explained under 'conflict sensitivity'. Trust and understanding are difficult when engaging with the locals.

Involvement of diaspora in developing entrepreneurship is relevant as the private sector is vibrant in Somaliland and helps create more jobs than the government sector, which is still weak in Somaliland. Government does not employ much regulatory power and for risk seeking entrepreneurs, this is a conducive environment to do business. The job creation potential of Somaliland enterprises is enormous. One former participant, a diaspora entrepreneur from Germany interviewed stepped into the business of Frankincense, an aromatic resin used in incense and perfumes obtained from the tree of the genus Boswellia, only to be found in Somaliland and Puntland (see nature-is-unique.com). The business is labour-intensive and is said to create hundreds of jobs. When he was part of the Spark programme, he operated a carwash station (see below).

Conflict sensitivity

The political economy of Somaliland is complex. Somaliland has a laissez faire economy. Local business elites, many of whom carry foreign passports but are from Somaliland, have impacted state formation after war by lobbying against a range of regulations, providing the government with loans and contributions rather than paying sufficient taxes, and by hindering the development of sound financial institutions. The entrepreneurial spirit of the business elite, in conjunction with a laissez-faire economy after the civil war, has allowed local business to thrive. It is through private initiative that electricity companies were established, one of the cheapest telephone systems in Africa was made available, advanced mobile money transfer systems were created and several private airlines serving East Africa and the Gulf were established. From the early 1990s, the Somaliland state provided businessmen with trade permits and tax exemptions, enabling them to make huge fortunes. Local businessmen, including with diaspora background, provide his government with loans, which were to be paid back through tax exemptions. The state reciprocates private sector contributions and loans by limiting regulations perceived to be in the detriment of local business owners, and such policies have closed the Somaliland market for all but a handful of powerful private companies.[23]

Clannism characterises the way Somaliland is run; the country is ruled by powerful clans, which many of the participants in MEP seem to have been related to or maintain good contacts. Formal government power is weak. There are a number of large companies, in telecom, banking and energy, that informally guard access to assets and services by both Somalilanders or investors from abroad.

As can be expected from an organisation that operates mostly in fragile regions, Spark anticipated the importance of conflict sensitivity in its proposal. When arguing why to engage and strengthen Business Support Organisations in its revised proposal (2015), it stresses: "Often, the local population, especially in post conflict environments, has a negative perception of Diaspora entrepreneurs which they can perceive or having left during difficult times, only to return to make money when the conflict is over." Spark however has had difficulty finding good local BSO's. It eventually opted to start a local branch in Somaliland in 2016 and give the programme a boost. Instead of with BSOs, Spark opted to work with local consultants for training sessions based on their specific expertise.

[23] Musa, A. and C. Horst, 'State formation and economic development in post-war Somaliland: the impact of the private sector in an unrecognised state', in: Conflict, Security & Development, 2019, vol. 19, no. 1, 35-53

In addition, gender norms have become much more conservative in recent years. Female migrants are perceived differently from male migrants and are often referred to as 'defying social mores'. There is a cultural gap in terms of what attitudes are allowed, both private and professionally. As such, it means a step back in terms of women's personal freedom. There are also formal barriers for women to be successful professionally. For example, they can't take loans from the bank, these always need to go through the husband or another male family member. As such they have more difficulty accessing finance and obtaining land or property.

The female participants interviewed were aware of obstacles, and when having started on the ground, such as the coffee lounge owner in Africa House with Spark's support, women entrepreneurs tend to be very successful.

Effectiveness

Achieved outputs and outcomes

Result 1: Strengthen and improve the capacity and services of partner Business Support Organisations (BSO), Financial Institutions (FI) and government institutions in the target countries, as well as NL partner migrant organisations.

A total of 4 government agencies were selected for potential cooperation, resulting in 2 signed agreements with the Somaliland Chamber of Commerce and the Ministry of National Planning and Development in 2015. The outgoing mission of government and chambers of commerce in 2015 to the Netherlands not only allowed for better outreach to the diaspora, but also created much goodwill in Somaliland/Somalia for Spark's activities. Government received training, during the mission and locally, for 16 days in total. This was regarded by one of the participants, at the time representing the Chamber of Commerce, as very valuable. It helped to better cater for the needs of diaspora entrepreneurs that wanted to invest in Somaliland. He now works for the Somali Small and Medium Enterprise Facility (SME -F), and is able to leverage his skills and network obtained through the Spark project.

A spill over effect of was rapprochement, as this mission was combined with authorities from Somalia and Puntland, which was unique in history. One unintended yet positive consequence of this activity might have been high-level rapprochement within a country that has been split for decades.

A four day training was organised with banks in 2016. An agreement was also reached with one financial institution, Amal Bank concerning the development of a 'Diaspora Catalyst Fund' signed in July 2016. This resulted in 3 actual loans, which left part of the budget unspent. However the beneficiaries of these loans could not be traced by the evaluation team.

One of the diaspora organisations that Spark worked with, DutchSom, benefited from the project in the sense that it was able to expand its operations both in the Netherlands and locally in Somaliland in 2016.

Spark brought together diaspora and local entrepreneurs in a business incubator Africa House. This offered services ranging from business-to-business to renting affordable office space. One of the female entrepreneurs started a coffee house in the space, a business idea which was copied multiple times in the years thereafter, as witnessed in Hargeysa.

Result 2: Increase economic development in countries of origin through supporting migrant entrepreneurs to start enterprises in their countries of origin, so creating new jobs.

Result 3: Support existing migrant SME's in NL to start a branch or sister facility or form a joint venture in their country of origin.

In the first phase of the programme, there was mostly outreach to diaspora in the Netherlands. This resulted in a number of trainings, based on business plans that were approved, but not many diaspora actually took the step to invest, in spite of the market studies that some were awarded to undertake. There were a couple of entrepreneurs who already had a running business, such as Somaliland Travel, but were mainly interested in extra skills and access to finance. However the trainings however were deemed of quite a general nature by some participants interviewed. The participants were also critical about the follow up which was not consistent, as the manager of MEP was changed and participants felt they had to start all over again in collaborating with Spark.

Spark's choice to start a local office in Hargeysa in 2015 opened the project to the local network of diaspora. Dutch diaspora were increasingly interested to move to Somaliland and the project utilised this momentum, offering training and mentoring to participants locally. In order to receive business ideas from local students, Spark organised the Somaliland Muhandis Challenge, in partnership with Shaqodoon and Innovate.so. According to the final report, in the period 2016-2017 67 full business ideas were submitted to SPARK. After registration, 45 entrepreneurs participated in business trainings and 22 businesses were registered.

The evaluation team interviewed the respective programme managers, trainers and participants to verify these claims. The outputs observed in Somaliland are that six diaspora entrepreneurs were still visibly doing business in Somaliland (they move back and forth between the UK and the Netherlands) at the time of the visit - not in the same enterprise they once created through; many have moved on and created new enterprises, as so-called 'serial entrepreneurs'. The travel agency Somaliland Travel that already existed before the programme, was visited. The enterprise had grown in terms of staff (3) and investments and seemed commercially viable. For the other (past and current enterprises) the number of staff has not been observed during the visit. Apart from the Frankincense enterprise (see relevance) which is currently hiring up to a hundred casual labour employees, companies are not very labour intensive, about 2 to 3 casual employment per company.
One female participant from the first phase of the programme is moving to Somaliland in 2019 to start a business. One former MEP programme manager has made the switch to business successfully creating smartphone applications.

Most of the outputs and outcomes by MEP Somaliland were achieved in the final year of the project, 2017. We have to explore a potentially alternative explanation for evidence based relations. This was due to external and internal factors:

1. **External: momentum for return in Somaliland**
   As alluded to in the chapter on context, the region of Somaliland had stabilised to such a degree that the business environment had improved. This provided conducive conditions for diaspora in the Netherlands to put their plans of return into practice.
2. **Internal: flexibility to adjust the programme to the local context**
   Although MEP was not managed in a consistent manner due to staff changes at headquarters level, Spark responded quickly to current developments by starting an office in Hargeysa in 2016 which supported achievement of results. The programme was adapted to local needs. The target group, Dutch diaspora, was widened to include diaspora from other countries, and also local entrepreneurs. The real added value of the project was to combine and exploit the resources of returnees diaspora together with those of local entrepreneurs.

One example is the case of the carwash companies; a number of Dutch diaspora who participated in MEP started these companies in 2016 with the help of Spark. At some point, these entrepreneurs moved on and started other businesses, but sold their business ideas to local entrepreneurs first.

In summary, the contribution story shows that this programme lifted on a wave of returns to Somaliland over the period 2015-2017. One can assume that these entrepreneurs would have come anyway to Somaliland and invested. Thanks to its flexible (management) approach in the second phase however, the programme adjusted to the needs of the locally active diaspora and entrepreneurs. As such, it accelerated and facilitated some of the participants' entry into the private sector in Somaliland. A high number of companies were registered. However the growth of the companies and the job creation effect might have also been achieved without the programme.

Efficiency

In terms of management, there was staff turnover both at central and local level during the programme, which slowed down its implementation. The package that Spark had to offer in Somaliland was at first not fully adequate: in general, Spark worked with entrepreneurs, that had experience in doing business . A relatively high number of Somali diaspora from the Netherlands are entrepreneurs. Some participants found the trainings too general, and wanted it to go more in-depth and tailor-made. What was put in place locally however, the business accelerator and organising the official mission however was adequate. The target group was widened to include non-Dutch diaspora and local entrepreneurs. The ministry was informed about this choice, and these other target groups were included in terms of outputs. In terms of monitoring, the Somalia division of the Dutch Embassy in Nairobi was well informed about MEP, and monitored the MEP programme from a distance.

Coherence

There was collaboration with other Dutch programmes:

1. PUM supported some of the entrepreneurs through the Africa House. This triggered requests from non-Dutch diaspora businesses such as the Ambassador Hotel, a hub for the NGO community, who requested support from PUM.
2. RVO has worked with a number of diaspora entrepreneurs in Somaliland, mostly on a consultative basis. RVO's engagement with Somaliland's diaspora culminated in a mission undertaken in November 2018 where the agency was briefed about a possible 'Holland Hub' for entrepreneurs as a successor of the Africa House that was created with help of MEP funding.

Sustainability

At the level of the participants, many entrepreneurs have created a series of new businesses over the last years, and made profits through 'share companies'. This was done as follows: they invest through share-company basis with individuals contributing a share of the overall costs for a business, and then they collect a share of the profits once they start to accrue.

At the level of the programme, the trade mission to the Netherlands (and Sweden and Denmark) created much goodwill and professionalisation with the authorities, such as with the Chamber of Commerce in Somaliland. It created the Somali Small and Medium Enterprise Facility (SME -F) together with Spark and received funding from the World Bank in 2016. The ambition to build capacity at the level of government to better engage diaspora is also central to the Dutch-funded IOM CD4D. This programme provides an opportunity for diaspora experts to be temporarily posted in government service in their country of origin. One Dutch diaspora in Somaliland who was interviewed identified linkages between her work and diaspora entrepreneurship, i.e. she was considering to stay in Somaliland and start a business. There is a degree of synergy and continuity with the MEP programme.

The MEP project also validated the concept of business incubators to Somaliland as a solution for bringing together diaspora entrepreneurs' resources and local entrepreneurs. The Africa House, as a pilot, was supported by both the MEP project and the LEAD programme. As a successor, the diaspora entrepreneurs with Dutch nationality are planning a 'Holland Hub', which is now physically being built; construction site was visited by the evaluation team. This hub is supposed to be run as a business and does not seek public funding. On top of that, the Africa House served as a model for other incubators: Irise in Mogadishu and Hargeysa Digital, supported by Shaqodoon, the LEAD local partner of Spark.

Conclusion

Initially, the MEP programme for Somalia did not seem to produce the desired outputs and outcomes. Some diaspora were already doing business in Somaliland, but their number was relatively small. For diaspora residing in the Netherlands to take the step towards actually doing business in Somalia, more was required, factors which were not always within the realm of the programme.

A more localised approach was adopted by Spark in 2015.–and in 2016, Spark was able to benefit from a wave of return of Somaliland diaspora. The second phase of the programme was organised more flexibly in line with local needs. First, it created goodwill with authorities by organising a government mission to the Netherlands. Second, it engaged local entrepreneurs, among which returnees that had settled recently in Somaliland from other European countries as well as entrepreneurs did not have a diaspora background. As such, the number of businesses registered at the end of the programme were considerable. Many of the entrepreneurs have moved on and created other businesses, but benefitted from the project in this crucial phase of starting to do business in their country of origin, which in many respects was a new environment which they had to familiarise with.

1.2 Country notes Ghana

Context

Ghana has been a stable democracy since 1992 and has experienced fairly robust economic and social progress since the mid-1980s and is classified as a middle-income country. The most serious barriers to business creation and growth arose from problems related to the adequacy of laws and enforcement mechanism", specifically with respect to formation of companies, required disclosure to relevant parties and the protection of the interest of stakeholders with general laws establishing laws and enforcement. The position of Ghana in the World Bank Ease of Doing Business Index (120 out of 185 countries) shows that the business climate in Ghana is weak and constrained by limited and unreliable supply of energy and access to affordable finance (with financing cost ranging between 22% and 35%. Companies face several challenges in operating and growing their business. Among their problems are lack or inadequate access to finance, high utility tariffs, low technology, lack of managerial capacity, absence of infrastructure and so on. The table below provides some key indices for Ghana including numbers of first and second generation diaspora.

Total population 2017	GDP per capita, 2017 (real US$)	Ave. GDP growth 2013-2017 (per year)	Vulnerable employment (%) 2017	Ranking on Ease of Doing Business Index 2017	Diaspora with first/ second generation background 2017
28.833.629	1814	5,47	66,04	120	13818/ 9612

There are an estimated three million Ghanaians living in the diaspora. The majority live in neighbouring African countries and the largest concentration of Ghanaian migrants outside the region are found in Germany, Italy, Netherlands, the United Kingdom, Spain, Sweden, and the United States of America. Total remittances flow into Ghana increased from US$31 million in 1999 to US$2.2 billion in 2017 (World Bank Group, 2018).

The Government of Ghana, for a long time, recognises migration as a major human development factor which, if effectively managed and harnessed could contribute to socioeconomic transformation in the country. Several strategies have been adopted to directly attract, engage and strengthen the relationship with the diaspora community. In 2001, the Ghana government instituted the Ghana Diaspora Homecoming Summit which is a conference organised to establish relationships with the diaspora community. The summit aims to harness capital for development purposes by encouraging Ghanaians abroad to invest in Ghana. In 2014 the Government of Ghana set up a Diaspora Affairs Bureau (DAB) within the Ministry of Foreign Affairs and Regional Integration. Moreover, the Diaspora Affairs, Office of the President (DAOOP) was established by the new government in February 2017. The goal of Ghana's diaspora policies currently being finalised is to create opportunity for all, within Ghana or in the diaspora, and with the objectives of safeguarding the wellbeing of Ghana's diaspora and to harness the benefits of migration for socio-economic development of the country.

In recent years activities focused at diaspora have been implemented by GIZ (Germany), and Ghanacoop (Italy). The Netherlands Embassy together with RVO (Psd Apps) initiated the 'Growing business together' project in 2017. This project focused on the Diaspora in the Netherlands as well as supporting local youth entrepreneurs. A recent initiative combining efforts from PUM and IOM funded by the Ministry (DDE) will focus on the diaspora from Ghana and Ethiopia as well.

Project

For MEP Ghana Spark worked together with Africa in Motion (AIM), which was responsible for the market study and was to find Dutch partners for the achievement of result 3 (engaging with Dutch companies). In addition Spark intended to work with the MDF Ghana (the director was a former staff member of Intent) to provide among others, in-country business development support. However, this collaboration and further involvement of AIM did not materialise partly because the Spark programme manager was changed twice which required considerable time for familiarisation and start-up of discussion again. As a result, no in-country activities, including strengthening of financial institutions and government agencies have taken place.

Findings

Relevance

Policy relevance in view of the Dutch policy has been discussed in the overall review of the programme. The planned project activities were in line with the policy on diaspora of the Government of Ghana, focusing on brain gain, remittances and trade relations.

Interest within the Ghanaian diaspora in the Netherlands, appeared to be low, with only six participants who received in the training and other support (among which two from Surinamese origin). The low numbers can partly be explain by the fact that Spark had to build relations with migrant organisations from scratch which took time. Stakeholders also mentioned that the Spark project had to overcome the bankruptcy of Intent, which resulted in low trust among diaspora.

Effectiveness

As mentioned above the outreach activities focused on Ghanaian diaspora only resulted in 6 participants who received training and/ or additional support including coaching, market research

and business plan support. This resulted in one registered business (tourism), whilst also one of other participants started activities in Ghana (real estate). A number of the Ghanaian participants were fairly critical about the content of the training (limited attention for practical aspects) and the additional support provided. It was felt that it was assumed the participants would have a network in Ghana already, an assumption that is less (or not) the case for 2nd generation diaspora and diaspora from other countries of origin. In addition, participants were critical about the limited attention for access to finance including investor involvement. The two businesses did not result in real employment creation, but were pursued next to employment in the Netherlands.

The project thus did not achieve the outputs and outcomes for Ghana. Different from Somaliland the programme did not change its strategy for Ghana. This decision is likely influenced by the fact that Spark did not have any future plans to continue operations in the country.

Efficiency

Management by Spark was not always efficient. Programme design did not anticipate the time required to accomplish activities both in the Netherlands and in Ghana and the five other countries for recruiting and supporting diaspora, including reaching out to (the relevant organisations) in the Ghanaian diaspora. Spark with its focus on fragile countries did not have any previous track record in countries like Ghana and had assumed that the predecessor programme of IntEnt would present readymade projects/ partners with willing and able entrepreneurs for these countries and thus requiring minimum intervention from Spark. Also staff turnover, including three different programme managers, over the two years affected efficient implementation of the programme.

In terms of monitoring, the Dutch embassy in Ghana was not really involved as the activities planned did not materialise.

Coherence

Both the Seva network Foundation project and the Spark project focused on Ghanaian diaspora. This may also have been one of the reasons for the limited response from the Ghanaian diaspora. The initial contact between the organisations did not result in a collaboration.

Similar the project did not pursue any collaboration or synergy with other projects. Activities in Ghana did not really take off and in the Netherlands the focus of Spark was more on the three fragile countries.

Sustainability

Sustainability of the achieved outcomes is limited., The one registered company still exists but only provides for a limited income for a family member of the owner. Other business activities have been halted. All training participants are still planning to establish a business in Ghana, however viable business plans, and funding are still lacking.

AIM was to support Spark in finding Dutch companies and diaspora who want to establish a business in Ghana. According to AIM, the contacts made during the Spark project and lessons learned supported the design and implementation of the Making Africa Work project in which it partnered with PUM.

Conclusion

The MEP programme for Ghana did not produce the projected outputs and outcomes. Outreach to the diaspora was not effective and resulted in a limited number of participants. Spark did not change its approach for Ghana and also activities within the country never materialised.

Explaining factors relate to the fact that the programme was too ambitious in its focus on six countries in which Spark did not have a previous track record. Similar Spark had to establish contacts with diaspora (organisations) from scratch. Spark had expected that the implementation of the MEP programme for Ghana would require minimum intervention. In reality this proved to be different. Spark however did not change its strategy for Ghana, but concentrated its efforts more on the three fragile countries also in view of Sparks ambitions.

3. Project note TNU 'e-Learning for Entrepreneurship in West Africa'

Introduction

To support the evaluation, the following activities have been carried out: review of project documentation, review of other relevant documentation and available statistical information, interviews with project staff in the Netherlands and a mission to Sierra Leone in February 2019, to conduct interviews with participants and other relevant stakeholders. In addition, an e-survey was launched among former participants of the e-learning course in Sierra Leone. Since, a large number of participants registered for the training of which less than half received a certificate, we designed a short questionnaire, hoping that that would help to obtain a sufficiently high response rate. Unfortunately, the response rate was very low. For this reason, the results of the e-survey have been complemented with those of telephone interviews by the local consultant in Sierra Leone with a selection of former participants who did not take the e-survey. In total, 9 participants completed the e-survey and 12 participants were surveyed by telephone[24], whilst we were able to meet with another 12[25] participants (among which 2 who did not complete the course) during field work in Sierra Leone. In addition, an interview was held with the coordinator of Masterpeace, which provided more general information on the 20 participants who joined the course via this organisation.

A key challenge for data collection was the difficulty to contact the participants in the training due to large number of invalid telephone numbers and e-mail addresses. We thank both IAMTECH and TNU for their support in tracing beneficiaries[26].

Context

Sierra Leone is a low-income country in Sub-Saharan Africa.[27] At the same time, it is a post-conflict country, characterised by a situation of high unemployment, widespread corruption and, in general, weak governance.[28] At present, unemployment is high in both rural and urban areas and is seen as a particular problem for young people, which remains one of the most vulnerable and marginalised groups in Sierra Leone.

In the decade following Sierra Leone's civil war, the country posted double-digit growth GDP figures. However, with a drop in mineral prices and 2014-2015 Ebola epidemic, economic growth slowed down, and many large and medium sized businesses were driven out or forced to slowdown operations. While GDP has returned to positive growth, these shocks have left the systems and structures for supporting small and growing businesses in Sierra Leone underdeveloped, limiting private sector growth and hampering economic growth efforts. The table below contains some key indices for Sierra Leone.

Country	Total population 2017	GDP per capita, 2017 (real US$)	Ave. GDP growth 2013-2017 (per year)	Vulnerable employment (%) 2017	Ranking on Ease of Doing Business Index, 2017
Sierra Leone	7.557.212	462	2,98	87,63	160

The private sector operates in a small local market with few opportunities for entrepreneurs. The private sector in Sierra Leone is characterised by a large number of informal subsistence businesses which are operating unsustainably due to lack of business knowledge on the part of owners and weak

[24] The combined results of the online and telephone surveys are indicative, given the small size of the sample (n=21).
[25] In fact, interviews were held with 14 participants but two of them also participated in the survey.
[26] The survey was sent to all e-mail addresses available (125), We have tried to contact all participants that did reply by telephone whilst IAMTECH/TNU supported in tracing more recent telephone numbers.
[27] https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups.
[28] http://www.worldbank.org/en/country/sierraleone/overview.

business practices of the owners. Key challenges following the World Bank Doing Business Index are:

- Poor access to finance and limited availability of suitable SME funding facilities;
- Ineffective investor protection and practical implementation of land legislation;
- Slow operationalisation and inconsistent application of customs clearance;
- Poor road infrastructure, electricity and internet connectivity.

The civil war and endemic poverty contributed to massive outmigration starting from the 1990s. The number of Sierra Leoneans in the Diaspora is estimated to be 336,000 (World Bank, 2016) with major destination being nearby African countries (Guinea, Liberia, Senegal, and Nigeria), Europe (the UK, Germany and the Netherlands), North America and Australia. In Europe, the UK hosts the biggest SL diaspora, followed by the Netherlands. About 5,600 Sierra Leoneans lived in the Netherlands in 2018. The number of Sierra Leonean diaspora in the Netherlands quadrupled since 2000, while the number of people with a second-generation migration background from Sierra Leone increased ten-fold to nearly 2,000 in 2018. The second-generation diaspora of whom one parent was born abroad form a minority.

Number of Sierra Leonean diaspora in the Netherlands								
	2000	2005	2010	2014	2015	2016	2017	2018
First generation migration background	1,243	5,581	4,492	4,133	4,003	3,856	3,709	3,652
Second generation migration background:	189	926	1,506	1,844	1,902	1,920	1,952	1,954
One parent born abroad	82	228	356	465	497	518	559	587
Both parents born abroad	107	698	1,150	1,379	1,405	1,402	1,393	1,367
TOTAL	1,432	6,507	5,998	5,977	5,905	5,776	5,661	5,606

Source: Own elaboration of figures of Statistics Netherlands

Diaspora activities in country

Official remittances are about 60-80 million USD a year. There is currently a high interest for diaspora return to Sierra Leone and engagement including a gradual increased involvement of the diaspora in governance and usually occupying senior public offices, board, advisory and consultancy roles.

The Office of Diaspora Affairs (ODA) is set up primarily to foster beneficial partnerships between the government, Sierra Leonean people and the diaspora community. Successful engagement seminars have3 been held consistently in the last few years in partnership with government ministries. The current government emphasised that it is keen restore investor confidence and attract investments from both their diaspora. Nevertheless, the ODA has still limited capacity in terms of staff and resources. The past years AFFORD Sierra Leone often in collaboration with AFFORD UK implemented several projects focused at diaspora entrepreneurship funded by among others Comic Relief, GIZ and DfiD, including Business competition including capacity building and training and finance.

Project

The aim of the TNU project was to involve Sierra Leonean diaspora in the training of young persons in Sierra Leone to support them to establish a business or to find a job. The origin of the project dates back to 2008, when the director of MD Consultancy a member of the Sierra Leonean diaspora established contact with the IAMTECH University in Sierra Leone and the Student Entrepreneurship Project (SEP) was set up. The Network University (TNU) was interested in joining the project because of its long experience with e-learning and experience in the area of migration and development.

The e-learning project was designed to provide online and off-line training through involvement of coaches (migrant entrepreneurs) in the Netherlands and IAMTECH trainers in Sierra Leone. As stated in the project proposal, "*The involvement of experienced migrant entrepreneurs alongside with local trainers will assure that opportunities to integrate into global value chains, to use sustainable technologies and to formulate sound business models will get sufficient attention*".

IOM (International Organisation for Migration) was to be involved in the project for light administrative tasks (such as payment of the local trainers) and for monitoring and evaluation of the activities. IOM was regularly in touch with TNU.

The project's general objectives were to:

- contribute to the further development of Small and Medium-Sized Enterprises (SME) in Sierra Leone;
- reduce the youth unemployment in the country; and
- strengthen the involvement of the diaspora in the development of their country of origin.

The project was implemented in the period 1 September 2014 – 31 August 2016, with an overall project budget of €161,437 including a subsidy by the Ministry of €145,294. MD Consultancy was to cover 10% by contributions in kind.

To recruit coaches, the project actively approached candidates in the Netherlands. In total 13 coaches were recruited from the Diaspora (originating from Sierra Leone or other countries), to provide a "Coaching Online" support the participants. For the selection of coaches in the Netherlands, the following criteria were taken into account:

- Experience with a development context – in the end, five coaches were diaspora from Sierra Leone, two from Ghana, one from Nigeria, one from Ethiopia, one from Rwanda, one from South Africa and two that were not from the African continent;
- Experience with and knowledge of entrepreneurship;
- Willingness to dedicate a lot of time to the assignment.[29]

Two batches of participants were trained in 2015 and 2016 respectively. There was a marked difference between the two groups. The second batch was selected with much stricter selection criteria, i.e. candidates had to have initiated a business or have plans to do so (instead of students in the early years of their study), to master the English language and to be computer literate. Moreover, in the second year there was close collaboration with MasterPeace, which resulted in the selection of 20 vulnerable youth (Ebola survivors).

Findings

Relevance

Policy relevance

The project intended to focus on the following two priorities mentioned in the Dutch policy regarding migration and development 2008: i) Promotion of circular migration/ brain gain and ii) Enhance the involvement of migrant organisations. This was to be achieved through the involvement of coaches from the SL diaspora in the Netherlands. The fact that in practice not all coaches originated from Sierra Leone (and coaching activities often did materialise) limited the relevance of the project in this respect.

The project was very relevant to the Sierra Leonean context by focusing on young potential entrepreneurs, in a situation of high youth unemployment certainly in the time after the Ebola

[29] Interview and end report TNU/MD Consultancy (2017). *E-Learning for Entrepreneurship in West Africa Powered by Diaspora in The Netherlands. Project 26602 Narrative Report*.

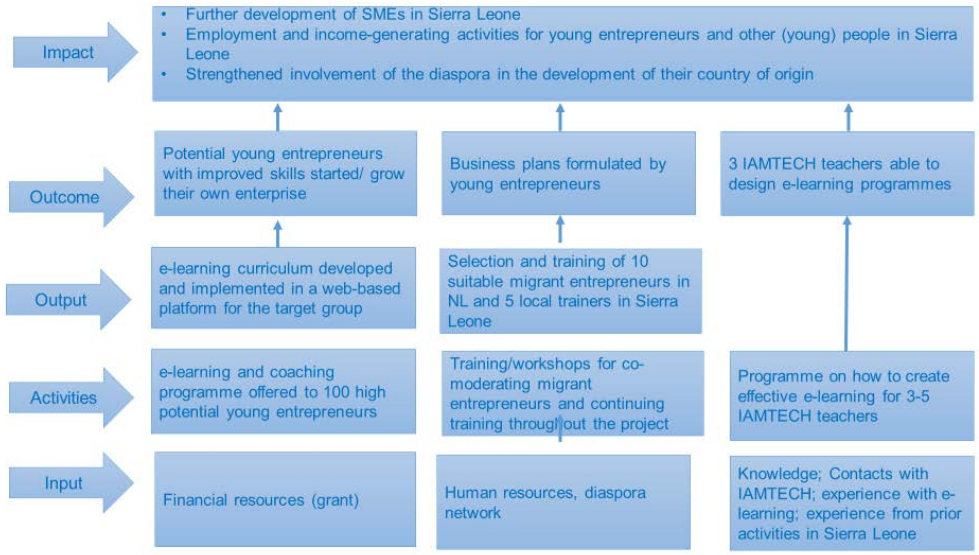
epidemic. The course itself gave added value as it provided innovative practical and interactive teaching methods which were to some extent new to the SL education system. In practice the IAMTECH trainers had difficulty adapting the required interactive training method. On hindsight the design of the project could have anticipated on this by including more training, guidance activities as this is a problem many education projects implemented in an African context have faced in the past.

Value added of diaspora involvement

Involving Sierra Leonean diaspora residing in the Netherlands as coaches in the project had value added, because they had knowledge of the context in Sierra Leone as well as in the Netherlands, they were motivated to provide support their international expertise in doing business, and they had a network in the Netherlands which they could use abroad. Stakeholders felt that the diaspora has other ideas and suggestions, because they have seen things elsewhere, but are familiar with the local situation. This would result in more realistic business ideas.

Effectiveness

Based on project proposal, other project documentation and interviews, the following intervention logic (**result chain**) could be reconstructed:



The main underlying assumptions of this project were:

- lack of entrepreneurship skills is a key bottleneck for the establishment of SMEs;
- distance education presents a promising alternative to traditional classroom teaching;
- there would be sufficient interest in participating in the course;
- (prospective) participants would have sufficient knowledge of the English language;
- participants would have access to use Internet;
- IAMTECH would remain interested in the project and provide facilities for online and offline training and coaching;
- the online and offline components of the project would be complementary.

Activities included the selection of participants in Sierra Leone, the recruitment and training of diaspora coaches in the Netherlands, as well as the provision of off-line training at IAMTECH and the provision of online training and coaching by the selected diaspora coaches based in the Netherlands to (potential) young entrepreneurs. The idea was that participants would work with different coaches according to their needs at different stages of the training course.

Achieved outputs and outcomes

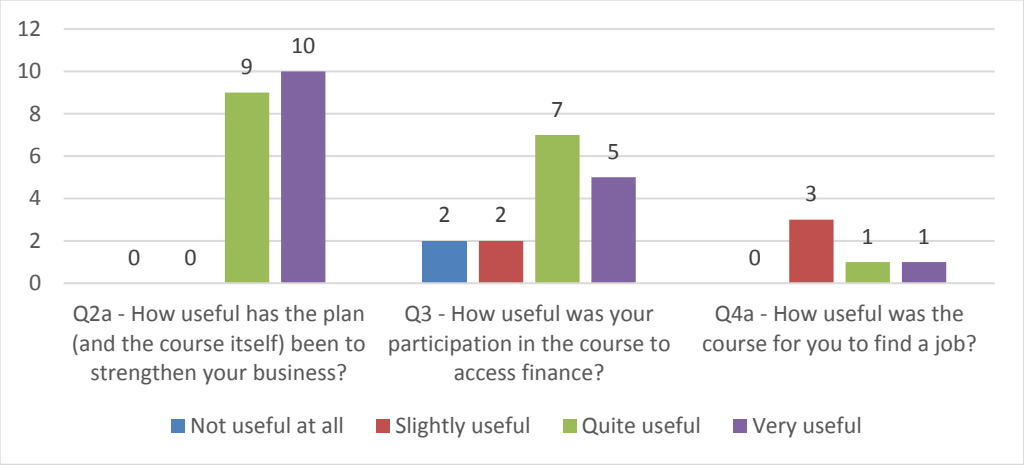
In total, approximately 150 persons registered for the training. Only 72 participants received a certificate, which is lower than the 100 anticipated certificates[30]. This includes 30 IAMTECH certificates and 42 TNU certificate, with 13 of these participants receiving a certificate from both organisations. According to IAMTECH/TNU a considerable number of participants dropped out at an early stage due to unrealistic expectations as well as language issues (see also efficiency section). The survey respondents mentioned insufficient time available to develop a business plan for study or other reasons as the main reason for dropping out.

In practice the participants either followed the (off-line) training provided by the IAMTECH trainers or the online TNU training. The intended hybrid training approach in which both components would complement each other did not succeed in Sierra Leone, partly because of difficulties in assessing internet. As mentioned above coaching support was provided by 13 coaches of which more than half did not originate from SL. It was also rarely the case that participants worked with different coaches at different stages of the training course to address different needs at those different stages as was the intention. The IOM final evaluation report indicates that 60% of the registered participants never reacted to the efforts of their coaches. The report provides several possible reasons including the unfamiliarity with the use of and difficult access to internet, the 10 EUR fee to be paid to IAMTECH, absence of direct communication between the IAMTECH trainers and coaches and the unrealistic expectations of the participants in terms of financial assistance. The interviews in Sierra Leone showed a mixed picture of the received coaching support and value added with a number of very positive reactions in which the coaches brought valuable inputs in terms of feedback on the business plan, suggestions and contacts, although at times the mentoring involved a Dutch coach only. In some cases, the participants were still in contact with their coaches. On the other hand, in many of the cases the coaching support did not materialise as either coaches did not react or the added value of the online support was perceived as limited and discontinued.

Almost all the respondents surveyed were at least quite satisfied with the training provided. In total, 17 respondents used what they had learned to develop a business plan or business ideas. It must be noted that 4 out of these 17 survey respondents are currently not engaged in a business activity. The interviews during the mission provide a similar image, showing that many could not implement their business plan mainly due to a lack of funding. In some cases, participants started another business or continued their existing business with the ambition to implement their business plan developed through the course when possible. Stakeholders and participants interviewed mentioned in this respect that the course helped to improve the perception on entrepreneurship of the participants. It is not common that students start a business: most aim at finding a white-collar job.

Almost all survey respondents considered preparation of a business plan (and the course in general) as being either quite useful or very useful for strengthening the business (see responses to Q2a in figure below). Participation in the course was considered less useful for gaining access to finance (see response to Q3). The response to Q4a indicates that report having participated in the course helped five former participants (somewhat) in securing employment.

[30] From the data received it is not fully clear what the total number of participants was. The IOM report mentions 132 participants to the trainings with in total 51 certificates whilst the different data sets received provide deviating but higher numbers. Based on our discussion with TNU we assume that about 150 students participated resulting in 72 certificates.

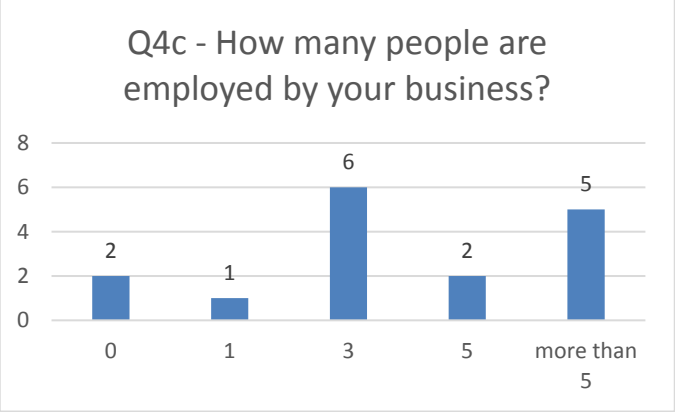


Fifteen survey respondents report that they are currently engaged in a business activity, 10 of which were already engaged in a business activity prior to the course.

The interviews in Sierra Leone[31] showed that the course supported participants in growing their business through opening another shop or changing their business concept (for example, starting a shop in building materials). According the coordinator of Masterpeace 6 of their 20 participants started a business after the course among which an internet cafe, a phone repair shop and two shops selling food item. Also, the two IAMTECH trainers interviewed started a business as result of the course.

One of the participants interviewed started an NGO with the objective to support women empowerment. The course helped her to start a soap making business that is now generating income for 40 women. She also provides workshops to women on how to start a business based on the E-learning course.

Eight former course participants employ 3-5 persons, while five employ more than 5 persons. In total, 16 survey respondents who answered this question employ at least 59 persons.



Nine of the 21 respondents of the phone survey/ interviews reported an increase in the number of staff of their business. In addition, the newly established businesses provide employment for the owner themselves. In the interviews, several of the business owners interviewed indicated that the challenge of supervising (and trusting) staff hinders further expansion of the business and that often employees are family members only.

[31] Four of the participants interviewed in SL were already engaged in business, whilst one of them stopped its business after. Two of the six other participants interviewed started a business.

Only one business owner surveyed who developed a business plan reported that turnover of the business had not increased after the course. Nine business owners reported an increase. The majority of the survey respondents consider that the content of the course has helped them to achieve a profitable business. The following topics were reported: the importance of networking, communicating, customer relations, partnerships and the importance of the location. The business owners interviewed indicated that the course particularly taught them much on financial management, how to motivate and talk to staff and communicate to clients.

Interviewed participants who did not established a business indicated that the course helped them in their work for instance in bringing in costumers and communicating with them (banker), organisation of work (secretary).

Explaining factors – strengths and weaknesses in relation to the intervention logic

It is difficult to draw conclusions about the extent to which outcomes have been achieved. The survey and interviews among a total of 31 participants show a reasonably positive picture in which the project contributed to the growth and establishment of a reasonable number of businesses. The results, however, are only indicative as we have not been able to contact a large number of the participants[32]. An important assumption of the project was that lack of entrepreneurship skills is a key bottleneck for establishment of SMEs, that to some extent was a valid assumption but lack of access to start-up financing is perceived as an even larger bottleneck preventing participants from implementing their business An additional bottleneck is the small market in Sierra Leone with few opportunities for entrepreneurs.

The main external factors that may have affected the achievement of intended output, outcome and impact of the project (and provide an alternative explanation) include limited internet access (related to the outbreak of Ebola, as a result of which many ICT companies left the country and insufficient computer facilities at IAMTECH) and the slowdown of economic growth due to the Ebola period. The main internal factors relate to selection procedure that was not effectively designed to identify the 'high potential youth' (see also next efficiency section).

A key weakness of the contribution story is however the fact that diaspora was only involved to a limited extent, making it difficult if not impossible to draw any conclusions on the added value of social remittances provided. This also very much limited the achievements of the project with regard to the third objective: *to strengthen the involvement of the diaspora in the development of their country of origin.*

Efficiency

The project effectively made use of the experiences of the two main partners: MD consultancy had extensive experience in Sierra Leone and good contacts with the local partner IAMTECH, whilst TNU had long term experience with e-learning among others in Ukraine and with migration issues. In practice, cooperation with IAMTECH did not always run smoothly particularly concerning internet access for students.

IOM was responsible for the monitoring and was in regular contact with TNU. Their midterm report largely contributed to a number of improvements for the second round, including outreach to potential participants. In terms of management, the project did not develop a consolidated database containing all applicants, participants and certificate holders as we received multiple (partly overlapping) lists which were not always consistent.

[32] It could be argued that the participants who could not be reached are likely not to have started a business, as this would have motivated them to keep their telephone number/ e-mail contact details.

The project intended to select 13 coaches from the SL diaspora, effectively less than half the coaches originated from Sierra Leone. The other coaches originated from other (West) African countries but also Surinam. Although specific expertise of the non-SL coaches in cases could be relevant, the lack of specific context experience was not optimal. As mentioned above, the involvement of the diaspora coaches also did not fully materialise as over 60% of the registered participants never responded to the efforts of their coaches to make contact with them, whilst many of the other contacts only involved a limit exchange. Explaining factors relate to the difficult access to the internet, perceived difficulty has a more in-depth and timely exchange and perceived value added of the diaspora coaches (other nationalities etc.)

The project intended to provide training to 100 high potential youth, including 50 which already had established a business. Although the project had over 130 applicants, it fell short of these targets in terms of quality of the participants and actual participation in the course. The first course experienced a high drop-out rate as the selection approach was not selective enough in terms of motivation, business skills, writing skills, ICT skills and English communication. The selection of the students improved in the second part of the project.

Coherence

The project effectively cooperated with a local education institution, and also involved IOM. According to the project proposal: “The project is also an experiment to complement IOM’s TRQN programme (Temporary Return of Qualified Nationals) with a kind of “virtual return” with similar effects: making the experience of successful migrants accessible to ambitious individuals in the country of origin. At a later stage, the project tried to link participants to other Dutch programmes on SME finance (e.g. Cordaid) but did not succeed in this effort.

The issue of coherence with the other projects (co-)financed by the Netherlands is not really relevant, as the project had a very different set-up and target group. Only the Seva Network Foundation project had a certain focus on SL, but focused on Diaspora entrepreneurs in the Netherlands.

Sustainability

Sustainability was to be achieved by requesting participation fees for follow-up training programmes. The assumption was that the project would be able to maintain itself after the project period on the basis of the tested course and coaching programme with visible success of the participants as entrepreneurs. IAMECH itself, however, did not continue with the programme, also as it was felt that the training offer could not generate sufficient participation fees. in order to continue project activities, SEP, which was started in 2014, was revived and renamed “Strategic Entrepreneurship Project” (SEP). The project provided three laptops to SEP to facilitate future access of starting entrepreneurs to the Internet. As an entrepreneurship incubator for young people based at IAMTECH, SEP has to some extent continued one-off trainings and exchange on entrepreneurship.

In addition, it was the intention of the project partners to use the experience in Sierra Leone to expand the project after the first two years to other English-speaking countries in Africa. The project provided valuable lessons, but did not result in follow-up projects.

The research showed that many of the entrepreneurs continued their businesses/ felt strengthened. Lack of financial resources, however, is holding many entrepreneurs back in the implementation of their business plan. The project did not include a specific finance component. It tried to link good initiatives to other sources of financing, however not many opportunities are available with Sierra Leone. This is not an easy process and participants often expected grants instead of credit, as has been the practice in post-was Sierra Leone.

Conclusion

It is difficult to draw conclusions about the extent to which outcomes have been achieved. The survey and interviews show a reasonably positive image in which the project contributed to the growth and establishment of a number of businesses. But also supported a change of mindset about the value of entrepreneurship. The e-learning programme provided added value in the sense that it provided a combination of theoretical and practical elements which was innovative in the SL context. It could, however, be questioned to what extent the diaspora component (coaching) has contributed to this result: due to difficulty to connect online, limited availability of diaspora coaches and perceived added value. Access to finance is seen as the major hindrance for participants to start a business in Sierra Leone. The project was seen as a pilot project and resulted in a limited follow-up through a student incubator at IAMTACH in Sierra Leone. It was the intention to continue activities in other Western African countries, however, this did not materialise.

4. Project note Izere “Capacity development and entrepreneurship in Burundi by diaspora in the Netherlands”

Introduction

The evaluation team reviewed the project documentation made available by the Ministry of Foreign Affairs, as well as by the implementing organisation Izere. The team interviewed the organisation in the Netherlands, as well as other (organisations working with) Burundian diaspora. The team coordinated with its director regarding the timing of the field visit, undertaken between 3 and 7 December 2018. During the field visit the team met with participants and projects in Bujumbura and Rumonge and spoke with the Burundian government (agencies), Netherlands Embassy, other organisations with similar programmes and a number of Burundian diaspora entrepreneurs not involved in the project.

Context

The Netherlands is amongst the countries to which Burundians fled during the civil war in the 1990s. The Burundian diaspora community is estimated at 3.000, a relatively low number compared to the more common 'hubs' for Burundians, Belgium and Canada. While Burundi was on its way to recovery from the crises in the 1990s, the situation starkly deteriorated after 2015. Not only has the security situation deteriorated, Burundi's ranking on the Human Development Index also dropped. Basic services, such as education and healthcare are of poor quality and food security is at stake. There is competition over scarce resources, such as land and access to water.
Although Burundian refugees (are forced to) return from Tanzania, there is a continued outflow of refugees into Rwanda in particular, due to the politically charged atmosphere in Burundi. In this situation, even if they are willing, return is not feasible for all diaspora.

The current business climate is not conducive for investments. The Burundian government is making a substantial effort to attract investments and earn revenues in order to service its debts, to provide basic services as well as cover expenses such as organising elections. The investment promotion agency established a one-stop-shop bringing together all different ministries and services needed to register a business, which takes less than one day, but in terms of actual investments, this has not yet yielded much success.

There have been several government missions reaching out to diaspora in host countries since 2016. There is a national policy on diaspora, as well as a national policy on migration. These however are not based on solid data; government is keen to develop better baseline statistics. So far implementation of the policies has been slow and difficult. There are however activities related to migration under implementation by IOM on youth entrepreneurship as well as on counter-trafficking. For diaspora, the government’s aim is to employ more incentive measures for investments, but this has not yet been put in practice.

Project

The Izere Foundation is an organisation of Burundian migrants who live in the Netherlands and was founded in 1997. The project aims at strengthening Burundi’s economic development and reconciliation among Burundians. In addition, the project aimed at the voluntary return of asylum seekers and migrants. The project focused on the following objectives:

- investments in new companies; and
- the temporary deployment of Burundian migrants, living in the Netherlands, as experts and thereby realising capacity building and the transfer of knowledge.

The project was implemented between July 2015 and July 2015 with a total budget of EUR 258.035, which included a contribution of the Ministry of Foreign Affairs of EUR 201.850 and Izere's own contribution.

The project aimed at realising its objectives through the following activities: knowledge transfer by short or long-term experts (called 'migrant experts') from the Burundian diaspora (in the Netherlands), capacity building in Burundi, trade missions for Burundian diaspora, investments in partnership with Dutch companies. Proposals for specific project were sourced through the Izere network in The Netherlands. The number of proposals was brought down to 12. Four activities were eventually implemented, including a mobile brick plant, bakery, a sewing workshop as part of the vocational school and a chicken farm.

Findings

Relevance

Relevance of Dutch policy

Small and landlocked, Burundi is one of the poorest countries in the world. Private sector development is central to the policy priorities of the Netherlands in Burundi. Focusing on diaspora entrepreneurship is relevant, since migration in general can help foster innovation and enhance technological capabilities, as cited in the 2030 Agenda for Sustainable Development.

Relevance in view of the needs in the country of origin

From 2016, the Burundian government has developed policies on diaspora and migration. However, the business climate had deteriorated due to the crisis. Only certain groups of diasporas returned, often only temporarily, given the fragility of the Burundian economy and politics. Donors have prioritised policies on migration, thereby creating both opportunities for young Burundians and promoting return to Burundi.

The Izere project aimed to address some of the bottlenecks in Burundi that diaspora can help to address, such as lack of funds, equipment and other goods (imported and exonerated from VAT), lack of original business ideas and lack of access to authorities and good relations with government, which Izere certainly has.

One of the main bottlenecks for doing business in Burundi is lack of capital. The diaspora's perceived added value - in the eyes of local Burundians - are capital and remittances. Diaspora themselves emphasize the social remittances they bring, such as know-how, skills and innovative business ideas.

This focus on diaspora's capital complicates doing business. It may have become easier to start a business in Burundi, diaspora entrepreneurs interviewed in Burundi (outside the project) regard the cost of doing business as considerable. As their number is scarce, there are high expectations vis-a-vis these entrepreneurs and many feel obliged to share their resources, in order to maintain their social capital[33]. One diaspora entrepreneur (outside of the project) characterised this situation as: *'on se suce'*, meaning diaspora are perceived as financial resources from which to benefit.

Binding constraints and conflict sensitivity

Binding constraints however were political economy factors. Burundi has not, and will not, be open to certain groups of diaspora that are not accepted by the current government. This means that those diaspora who may have an entrepreneurial potential and track record, but are belonging to a certain group, are being discouraged to return. They are being referred to as 'the opposition'. The

[33] See also Akesson et al. chapter 6: The role of social capital in post-conflict business development: perspectives from returning migrants in Burundi.

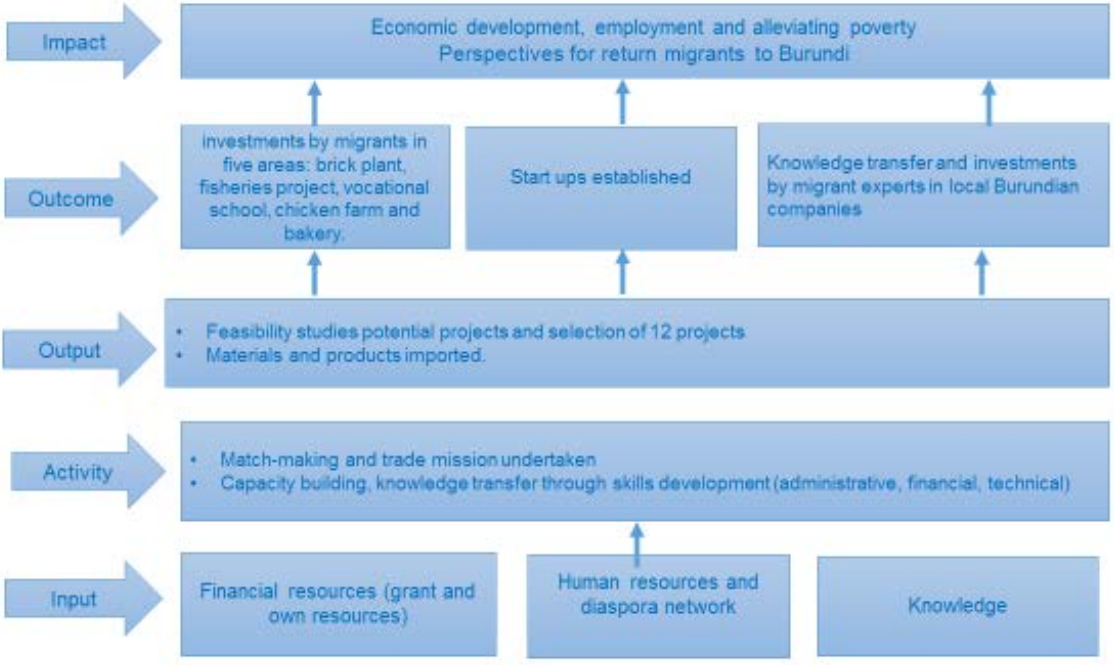
politically charged atmosphere in Burundi in the run-up to the elections in 2020 is expected to lead to an even stricter scrutiny of Burundian diaspora. In this sense, there is limited momentum for diaspora to return to Burundi.

The dimension of political economy and conflict sensitivity does not seem to have been taken into account in the selection and appraisal phase. Only financial risks and political instability have been mentioned in the risk section of the bemo, and have been deemed acceptable, as a result of Izere's experience of operating in Burundi.

With regard to the design of the project, stakeholders noted that although indeed diaspora's investments would have added value in Burundi, these projects do not concern entrepreneurship, but rather charity projects, that do create some employment. If the programme were to fully focus on promoting entrepreneurship on a commercial basis, it is important to check whether diaspora have experience in running a commercial business over a longer period of time, in the host country and preferably in the (more difficult context of) country of origin.

Effectiveness

Based on project proposal, other project documentation and interviews, the following intervention logic (**result chain**) could be reconstructed:



The main underlying assumptions of this project are that there is sufficient interest from Burundian migrants to work and invest in Burundi; that there are enough Burundians with or without asylum status; who are prepared to remigrate to Burundi; that among the Burundian diaspora, Izere can find and select potential entrepreneurs; that participants of the trade mission will continue with their start-ups; that they are able/ used to work in the Burundian context; that stimulating entrepreneurship will support employment in Burundi; and that follow-up funding will be made available so the start-ups will be able to continue.

The initial proposal in 2012 to the Ministry of Foreign Affairs included a number of projects unrelated to entrepreneurship, totalling 1 million. With technical support funded by MFA, the number of projects was drastically reduced. A mission of 15 Burundian diaspora from the Netherlands was organised in 2014. A consultant financed by the Dutch MFA helped to select the

most viable projects. The foundation led the mission. Not all participants were used to operating in the context, which Izere recognised in their report. Five out of 12 projects materialised. In addition, the foundation utilised other funding to build a three-storey centre in Bujumbura from where the projects are run.

Evidence based relations and observed outcomes

Four out of the twelve originally proposed projects have been observed as operational. The reality on the ground, however, seemed to differ somewhat from the results reported at the time. Below we note our observations per project

- In the bakery, there were four people working, and the bread was of good quality and hygiene, as reported. Tens of bread loaves were ready for sale at the time of the visit. According to Izere, the bakery provides work for 40 people, which would be 10 more than originally reported. This could not be verified, as these primarily concern mobile bread sellers;
- There was a chicken farm in the backyard of the premises, but the reported 650 chickens with 5 local Burundians trained by PUM, materials for quality farming being delivered in Bujumbura, 7 people involved in the farm, and 400 eggs sold per day, could not be confirmed;
- The brick plant was in operation as well, with a mobile brick machine which can be transported to all regions in Burundi. The staff who operated this had undergone training in the Netherlands by the company that produced the machine, Oskam. The company regularly trains other workers and confirms that these were around 60 in total, as reported. At the time of the visit, there were seven people working on building a wall around the premise of the foundation. The price of one brick had not yet been determined, and official sales had not yet commenced;
- The vocational school had been built but was not yet in operation. The director mentioned that more materials were needed to start the school. The director of the school was in the process of being hired, according to Izere's director, and the curriculum was under development. There were no teachers nor youth (respectively 9 and 70 according to the report) There were a number of chairs and tables stored in a room. The sewing workshop, however, was in operation, with two people working and a number of sewing machines;
- The fisheries project did not seem operational. The nets provided by Urk fisheries were out of use. According to the report, 11 local Burundian fishermen were trained by 'Urk visserij', and 3 employees trained for fisheries processing. A training session had taken place, but during our field visit to Rumonge fishing cooperative at Lake Tanganyika, which Izere did not join, it turned out that the fishing community had not heard about the foundation.

The other 7 sub-proposals from the original proposal had not materialised into projects.

Strengths and weaknesses of relations in the intervention logic

Overall, a number of outputs have been observed and the majority of the projects from the final report seemed to be operational. Given the low ranking on the Doing Business Index of the World Bank, below average in Africa, due to electricity shortages and lack of credit, the outputs of the Izere project are visible, and the Burundian government is highly appreciative.

Some assumptions may have been overly optimistic. The 'migrant experts' participating in the mission were not all used to operate in the Burundian context. This contributed to the slow implementation of the projects, some of which never materialised. The projects which are still in operation might become enterprises - the projects created start-ups - but whether all are commercially viable cannot be confirmed, except for the bakery that produced bread that was being sold.

Potentially alternative explanations for evidence based relations

The foundation provided an umbrella for various new companies. The reports refer to these companies as 'social enterprises'; its commercial viability is not clear, except for the bakery that was selling bread.
One crucial factor for operating in Burundi is having good relations with government. The foundation made effective use of these contacts to realise the outputs, which would have been more difficult for (diaspora) organisations without such network. The continuity of the projects is being made possible by the continued (non-financial) support of the government.

Efficiency

Izere foundation has a good network, both in the Netherlands and in Burundi. The director effectively engaged Dutch organisations and companies, which contributed to the efficiency of the project. Among these are Programma Uitzending Managers (PUM), e.g. for the bakery, Stichting Wereldwijd (working with migrants returning to their country of origin), Urk fisheries (providing fishing nets) and Oskam Nederland (providing training to use the brick machine).
Monitoring was to be carried out by the embassy. This was only done in the final stage of the projects, and some of the outputs were indeed confirmed by the embassy.

Coherence

Next to the Izere project, the Seva Network Foundation also worked with diaspora from Burundi, including the organisation of a trade mission in 2013. The focus of the Seva project, however, differed in the sense that Seva supported diaspora in establishing their own business, and not under the umbrella of a foundation such as Izere. Cordaid Particulier Initiatief equally ran a programme for diaspora to start a project in their country of origin. It supported Izere with an initial amount, but Cordaid decided not to continue its funding.

Other relevant Dutch-supported initiatives in Burundi are the Reconstruction Fund, the Spark project on fisheries in Rumonge, PSI and later DGGF, PPP instruments such as FDOV, as well as with SDG-P, but if any, links have not been explored.

Sustainability

Although four projects are still operational as it seems, the commercial viability of these activities, except for the bakery, could not be ascertained. It might still be possible that some projects become commercially viable, such as the brick machine, as soon as they determine the price of a brick. Entrepreneurship often requires more long-term support, especially in a fragile country such as Burundi.

An exit was not included in the project, but one of the assumptions was that follow-up funding needed to be obtained. This has come in the form of donations, from Triodos and Wilde Ganzen, but also, and mainly, from private donations from the Netherlands. Today's continuity of the above mentioned projects is owed to the foundation's income from some projects as well as charity donations from church communities in the Netherlands and beyond.

5. Project note Seva Network Foundation “Seva Migrant and development project 2011-2013 and 2014-2015”

Introduction

Seva Network Foundation received funding for two successive projects for the period 2011-2013 and 2014 -2015. This project note includes the findings of both projects and is based on desk review of documentation available and statistical data, interviews with staff of Seva Network Foundation, implementing partners and other stakeholders and participants of the two projects.

Interviews in Ghana with both the project partner and two entrepreneurs were carried out between 22 and 25 January 2019. In addition, interviews were held during the fieldwork in Burundi (November 2018). It was not possible to visit any of the businesses during the mission to Sierra Leone as the entrepreneur involved (three businesses) had passed away and information is that the businesses were stopped. In addition, telephone/ Skype interviews were held with the implementing partners in India and Nepal (follow up project 2014-2015) and entrepreneurs in other countries (Surinam, India, Uganda, Nepal and the Netherlands)

Challenges in data collection included the limited availability of documentation (as SEVA currently is not an active organisation) and difficulties in tracing businesses/ participants including a number of entrepreneurs that refused to participate in a short telephone interview,

Project

The Seva Migration & Development 2011-2013 project was aimed at strengthening the role of migrant (organisations) in the development process and poverty reduction in the country of origin with a focus on support to (social) entrepreneurs[34]. The project included the following activities: entrepreneurship training programmes for migrant and migrant organisations, trade missions, network meetings, Seva lectures and a matchmaking market. In addition, financial support was provided via remittances for development which matched the own contributions of the entrepreneurs. The project did not focus on specific countries. The business plans were assessed by a so-called Investment Board which existing of four members including two external experts (development expert and a financial/banking expert). The project was implemented between June 2011 and July 2014 with a total budget of EUR 847419,- including EUR 547.410 from the Ministry and EUR 220,000 matching funds (grants and loans) provided by Wilde Ganzen, Cordaid and Seva Network Foundation.

Context

Seva Network Foundation originated from the merger of 24 migrant organisations. The organisation aimed to contribute to poverty alleviation in developing countries, collaboration between people from different ethnic and religious background and more awareness on development cooperation in the Netherlands.

Seva was particularly active in the following countries: India, Nepal, Rwanda, Ghana, Sierra Leone, Somalia, Burundi and Surinam that differ very much in terms of political, economic and social

[34] Definitions vary but in general the view is that a social enterprise is similar to a ‘normal’ enterprise, as it provides a product or service and has a revenue model. However, making money is not the ultimate goal, but a means to achieve their real mission, which is the creation of social impact. The website from the 'Alliance de recherche universités-communautés en économie sociale ARUC-ÉS, provides the following understanding of a social economy: The Social Economy puts "people before profits". Usually, it is understood as "rooted in local communities and independent from government; social economy organizations are democratic and/or participatory, pull together many types of resources in a socially owned entity, and prioritize social objectives and social values. While they may intend to make a profit, they do so in a context that sees profit as a means to meet social goals, not primarily as a means to create individual wealth. They may rely on volunteer labour as well as, or instead of, paid employees. The social economy is characterized by mutual self-help initiatives, and by initiatives to meet the needs of disadvantaged members of society." (L. Brown, MSVU, 2008)

context. The table below provides an oversight of key indices, including the size of the first and second generation diaspora in the Netherlands per country.

Country	Total population 2017	GDP per capita, 2017 (real US$)	Ave. GDP growth 2013-2017 (per year)	Vulnerable employment (%) 2017	Ranking on Ease of Doing Business Index, 2017	Diaspora with first/ second generation background 2017
Burundi	10.864.245	213	1,06	92,38	164	2118/ 1125
Ghana	28.833.629	1814	5,47	66,04	120	13818/ 9612
India	1.339.180.127	1964	7,14	77,49	100	32285/ 9238
Nepal	29.304.998	728	4,27	78,86	105	1747/ 492
Rwanda	12.208.407	765	6,65	80,00	41	1020/ 579
Sierra Leone	7.557.212	462	2,98	87,63	160	3652/ 1952
Somalia	14.742.523	n.a.	n.a.	72,29	190	25645/ 13363
Surinam	563.402	8043	-0,89	13,61	165	176412/ 173177

In most of the countries, the environment for entrepreneurship is not very conducive with considerable constraining factors to business creation and growth such as a small market, limited access to finance, corruption and considerable economic and political uncertainties. The specific context for the three countries visited (Ghana, Sierra Leone and Burundi) are described in the project notes for Spark, Izere and TNU.

Findings

Relevance

Policy relevance

Both Seva projects intended to focus on the following three priorities mentioned in the Dutch policy regarding migration and development 2008:

- Promotion of circular migration and brain gain;
- Enhance the relationship between remittances and development;
- Enhance the involvement of migrant organisations.

The first two of these priorities address the need for expertise and financial resources in the countries of origin. Seva Network Foundation targeted (social) entrepreneurs including migrant organisations/ foundations. The project promoted the link between remittances and development with the provision of matching start up grants and loans. The two projects were to support migrant organisations/ migrants and their local partners in the countries of origin. The design of the first project however did not include any activity for support on the ground in the countries of origin. In the follow up project coaching activities (in the Netherlands and India) and local partner organisations in four target countries were added to the programme.

Added value of involvement of diaspora

Support is provided to individual entrepreneurs as well as diaspora foundations/ organisations supporting projects/ NGOs in the countries of origin. Following stakeholders added value of the involvement of diaspora (and their (temporary) return) is many sided: knowledge of the local culture, the Dutch ‘experience’ in setting up organisations, the ability to link with other projects/ organisations next to the funds (including matching fund) provided, etc. In a number of cases diaspora entrepreneurs (intended to) established business in another country than their country of origin, which to some extent reduces the potential added value linked with diaspora entrepreneurs.

Conflict sensitivity

In the project proposal inherent risks to entrepreneurship in fragile states are included as a threat in the SWOT analyses. It is indicated that the assessment of business plans for financial support will include a risk analysis. Seva, however did not anticipate the importance of conflict sensitivity in relation to its own activities, such as the trade mission to Burundi and collaboration with the Burundian Chamber of Commerce.

Effectiveness

Based on project proposal, other project documentation and interviews, the following intervention logic (**result chain**) could be reconstructed:



The main underlying assumptions of this project are that there is sufficient interest from migrants to become entrepreneur (in the country of origin), that these potential entrepreneurs are in need of support, that the migrant organisations can effectively find and select these potential entrepreneurs, that stimulating entrepreneurship will support employment and sustainable development in countries of origin.

Achieved outputs and outcomes

The first project included in total six trainings programmes involving 89 participants, three trade missions to Ghana, Surinam and Rwanda/ Burundi with 39 participants, 11 network meetings (business clubs), a matchmaking market[35] and 2 lectures concerning the theme 'Migration and development' involving in total 230 participants.

According to the final report, this resulted in funding of 26 businesses in 11 countries, with an expected 200 direct jobs. On average the project provided EUR 20,000 per business which was matched by a similar amount of own contributions. The characteristics of the established or supported businesses differ very much and include social enterprises or projects supported by foundations but also more commercial ventures. Projects vary from a pig farm in Uganda, a health clinic in India, a clothing company in Nepal to a child care organisation in Surinam. It could, however, be questioned whether all claimed businesses can be considered (social) enterprises

[35] In agreement with the Ministry, an event to celebrate the 10th anniversary of SEVA was organised, which among others included the matchmaking activity and first lecture.

such as, for example, the expansion of two schools and the establishment of another schools for children from poor families which are fully financed from donations which are more traditional development projects.

We have been able to contact 15 of the 26 businesses (12 entrepreneurs/ foundations), while another 5 businesses/foundations did not want to participate or did not seem to be existing anymore. Our research showed that counting the number of (indirect) jobs established is difficult due to the varying nature of the enterprises. For instance, one of the businesses provided -through another organisation- indirect support to poor families in North Rwanda with pigs and cattle (for which piglets and calves are to be provided to other families), and in this way, provided livelihood support to a large number of families. This was already an ongoing project for which the Seva project provided additional funding to build additional facilities and for the establishment of centre for improved pig breeds. Similarly, the Seva project supported the establishment of a printing office linked to an addiction treatment centre in Surinam. The printing office was to both provide income for the clinic as well as employment opportunities for patients. A number of the more 'regular' businesses only provided employment to the owner or a limited number of family members. Whilst others provided employment to a larger number of people, including indirect employment. For instance, a micro-finance institution established in Ghana provided direct employment to 6 staff members and through the finance provided, were able to support about 20 women-led enterprises which provided employment for at least 3 persons each.

The follow-up project was less successful in terms of outreach with 30 entrepreneurs involved in the three training programmes and only five people taking part in the trade mission to India. According to Seva Network Foundation, this development can partly be explained by the fact that other organisations were offering similar activities for migrants within the same network (e.g. Spark, Wilde Ganzen, BidNetwork, PifWorld and DutchSom), next to an increased offer of entrepreneurship trainings within the different municipalities. The number of participants in the five network (business club) meetings and the Seva lecture were with 170 and 200 visitors comparable to the outreach of activities in the first project. According to Seva, two (starting) entrepreneurs in the Netherlands received coaching support.

In India, coaching support was provided to 21 local entrepreneurs, including training by the local implementing partner, which resulted in the establishment of a number of businesses including a rikja (rickshaw) company. These activities, however, did not involve a diaspora component. In the other three countries, the cooperation with the implementing organisations did not materialise.

According to the final report the second project resulted in the establishment of four companies involving diaspora, of which two businesses in the Netherlands importing from the countries of origin. We have been able to establish contact with three participants based on the list of six (potential) businesses provided by Seva). The follow up research showed none of these businesses materialised due to lack of funding and the perceived non-conducive business environment (e.g. India and Sierra Leone).

Explaining factors - strengths and weaknesses of relations in the intervention logic

Overall the project, particularly the initial project, has contributed to the establishment/ and or growth of a considerable number of businesses. An underlying assumption of the project was that there are many latent entrepreneurs among the diaspora (organisations), and that among these entrepreneurs many that would be willing to (partly) re-emigrate. This was certainly the case in the first phase although a number of the social entrepreneurs already had a longstanding relationship with SEVA and in cases already received previous support. In the second phase, development and

implementation of the business plans was hampered by among others the lack of on the ground (country specific) business development support for the countries of origin.

The interviews show that the matching funds provided were a key contributing factor to the establishment and growth of the businesses. The matching funds provided the (social) entrepreneurs/ foundations with risk capital and motivated investment of own funds. In a number of cases it could be argued that the contribution of the project to the establishment/ growth of the 'businesses' was in fact limited to the provided matching funds. A number of the foundations/ entrepreneurs, for instance, did not participate in the training provided etc., but just submitted their business plan (for establishing or growing their business) to receive matching funds. The above more or less provides an alternative explanation for evidenced based relations.

Efficiency

The Seva Network Foundation has good linkages within the diaspora community, thus providing a valuable network for the project. The project documentation offered limited information on implementation of the project, including insights in the business plans submitted, assessment hereof and monitoring of these business and contacts of participants in the trainings. Progress reports submitted to the Ministry are concise, but also humble and descriptive. Monitoring of project results was limited with no involvement of the embassies in the different countries as most project activities took place in the Netherlands. The project was to link with the embassies in the follow up project, but this only materialised in India as activities in the other three countries were limited, or even non-existent.

The quality and adequateness of planning and management of the follow up project was less efficient. The follow up project was originally designed as a three-year project but had – at request of the Ministry- to be adapted to two years (effectively 1 ½ years) in line with the planned revision of the migration & development framework. This timeframe was perceived as too short to develop the coaching component and in- country support by the local implementing partners as a follow up to the trainings provided. On top, the Seva Network Foundation was busy to find additional funding to continue its operations. It looks like this has also affected capacity building support provided in the last phases, as participants interviewed indicated that the training did pay attention to accessing finance and the specifics on how to do business in a certain country.

Coherence

There are some questions about the coherence of the project with other projects (co-)financed by the Netherlands. The objectives of the project and target countries overlapped with the Spark project for Ghana and Surinam. The Ministry facilitated contact between the two organisations, but a collaboration never materialised, probably also because SEVA at the time was trying to 'save' its own operations. Seva was also in contact with Izere, but a collaboration was not considered due to the different focus of the projects, with Izere focusing more specifically on charity projects. The established cooperation with the Burundian Chamber of Commerce however, did not materialise due to the situation of fragility in the country. As mentioned above, the follow up project also experienced 'competition' from other organisations like Dutchsom, Bidnetwork and Pifworld and Wilde Ganzen, all organisations offering similar activities to migrants within the same network during implementation of the follow up project. One could question whether the funding of the Ministry at that time was still additional.

As explained above, activities of Seva in the different countries of origin were limited. No cooperation was sought with active organisation in these countries in view of support to the business established. The collaboration with the selected local implementing organisation did not materialise but in India. Similar contacts with the Netherlands embassies were only established in

India where the organisation had a large operation specifically supporting local entrepreneurs project.

Sustainability

As no more funding was received at the end of the project, Seva Network Foundation ceased all activities and did not provide follow up support to the participants. The project design did not include any sustainability considerations (or exit strategy) as it was assumed that project financing would continue either from the Ministry or other donors.

In our research, we have been able to contact 15 of the 26 businesses claimed for the first phase of the project. To our knowledge, seven of the established business have had to stop operations whilst some others (or at least the funding foundations) seemed to have stopped operations. The three business ventures in Sierra Leone were stopped due to the Ebola crises. Three other businesses had to stop operations as their businesses were not viable. For instance, two Micro-finance institutions in Ghana established through the project both ceased operations when the Central Bank of Ghana increased the minimum capital requirement for MFIs to GH¢200,000.00 (approximately 35,000 EUR). Both institutions had offered loan with low interest rates compared to other MFIs to achieve social impact in this limiting the commercial viability of the institutions. Similarly, the third business had to cease operations when the company could not cover the overhead needed to meet the required ISO norms for transporting and storage of rice.

In a number of these cases social motives (e.g. offering low interest rates and 'better' prices to local farmers) may have affected the long-term viability of the businesses. One could question whether more critical support or assessment would have increased the sustainability of these companies.

The participants from the second phase interviewed still had interest in developing a business in the countries but were not effectively prepared to start operation and were in need of more support in terms of BP finalisation, access to finance and how to do business in their country of origin. The inclusion of more long-term engagement would probably have increased the number of businesses established/ continued. In country business development support including coaching but also access to finance would have been important elements.

Conclusions

In summary, particularly the first phase of the project has contributed to the establishment/ and or growth of a considerable number of businesses. The matching funds were a key contributing factor to this result. In fact, the matching funds may have had the effect of encouraging participation only to obtain the monetary advantages of the project. This may be reflected in the limited start-up success of some of the businesses. The first phase participants include quite a number of migrant (organisation)s who already had a longer relation with SEVA, as well as an ongoing business in the country of origin or already had the plan to initiate a business at the start of the project. This may explain part of the achievements. In the later phase, it was more difficult to achieve an effective outreach to the diaspora. Other factors influencing the limited results of this phase were the absence of matching funding and fact that Seva itself was also very occupied with finding new funding to be able to continue the organisation and its projects. Sustainability of the businesses appears to be on the low side with more than half of the businesses stopped.

Annex IV Literature analysis on "The added value of the diaspora in developing the private sector in fragile contexts/developing countries"

Introduction

In the sections below, we review the (academic) literature on the role of the diaspora in developing the private sector in fragile contexts/developing countries. The review will among others focus on the assumptions underlying the policy ToC/ project ToCs :

- There is sufficient interest from diaspora and migrants to work/ become entrepreneurs and invest in their country of origin;
- There are enough migrants who are prepared to re-migrate;
- There is added value in migrant entrepreneurship towards economic development in the form of promotion of private sector development (PSD) and provision of employment.

This literature analysis focuses specifically on the potential benefits of the diaspora in developing the private sector in fragile contexts/developing countries. It first reviews the link between the diaspora and entrepreneurship, then discusses the types of diaspora/migrant entrepreneurship before highlighting the (potential) added value for development, both in fragile contexts and developing countries. Lastly, this analysis will review how diaspora entrepreneurship has been supported (or can be supported) by governments, donors agencies, multilateral financial institutions, CSOs/NGOs and the financial sector. Throughout the review, we will discuss the bridging role of network diaspora, the willingness, ability and possibility of migrants to become entrepreneurs and the role of diaspora entrepreneurship in promoting PSD and economic development more general.

Diaspora: definitions and literature

The term *diaspora* derives from a Greek term meaning dispersion or "a scattering or sowing of seeds." Different strands of the academic literature have discussed the term *diaspora.* A universal meaning of the term *diaspora* does not exist as it has different meanings to different people (Beine, Docquier & Özden, 2011; Nkongolo-Bakenda & Chrysostome, 2013; Sheffer, 1986). Many academic scholars conceptualize diasporas as "networks of people, and research on diasporas builds on this notion and flows of and within such networks. Networks help diasporans overcome various challenges such as language and foreignness that result in positive economic effects in the homeland" (Kotabe, Riddle, Sonderegger & Täube, 2013). The latter scholars therefore highlight the collective effort and the cohesion of a particular group of people who have migrated and who feel themselves part of a particular group identity, often with respect to the home country (e.g. the Ethiopian diaspora, the Somali diaspora, etc.). In this analysis, different terms are being used, not only diaspora but also migrants and return migrants, referring to their mobility.

In the 2000s, the literature on diaspora highlighted the different roles diaspora members can play in the political, economic and social environment of the host and home countries. The Migration Policy Institute (MPI) was one place where much of the pro-diaspora thinking of the time originated such as the work by Newland and Tanaka (2010), and where diasporas were increasingly viewed as relevant partners in global development policy (see Newland, 2010). Development practitioners and policymakers wanted to understand the role of diaspora entrepreneurs in developing the private sectors in fragile contexts and developing countries more broadly. In the 2010s, a bourgeoning

literature identified the potential roles of the diaspora in their countries of origin in improving the living conditions of the poor in developing countries and in fragile contexts, such as entrepreneurs, investors in capital markets, tourists and "nostalgia" traders, philanthropists, peacemakers and political influencers, volunteers and advocates.

This literature analysis focuses specifically on the potential benefits of the diaspora in developing the private sector in fragile contexts/developing countries. It first reviews the link between the diaspora and entrepreneurship, then discusses the types of diaspora/migrant entrepreneurship before highlighting the (potential) added value for development, both in fragile contexts and developing countries. Lastly, this analysis will review how diaspora entrepreneurship has been supported (or can be supported) by governments, donors agencies, multilateral financial institutions, CSOs/NGOs and the financial sector. Throughout the review, we will discuss the bridging role of network diaspora, the willingness, ability and possibility of migrants to become entrepreneurs and the role of diaspora entrepreneurship in promoting PSD and economic development more general.

Diaspora and entrepreneurship

The determinants of sustainable diaspora entrepreneurial activities relate to the dimensions of individual attributes, the environment and strategic capacity.

Personal drivers and traits

Diaspora investment has been driven by both monetary and non-monteray investment interests (Kotabe et al., 2013). Recent research has examined the social and emotional motivations. The diaspora entrepreneur, like any other entrepreneur, has specific psychological and demographic traits that makes him or her distinct from other people (Dalziel 2008). In addition, the motivations by a diaspora entrepreneur to undertake entrepreneurial activities are also quite distinct in addition to the common characteristics of entrepreneurs. Tiemoko (2004) argues that return migrants could have comparative advantage in what? Because they originate from the country, they could have that 'inside' knowledge necessary for such business environment and the ability to foresee obstacles. However, recent work argues that migrants often lose social capital and are disadvantaged upon their return (Wahba & Zenou, 2012).[36] The business activities by diaspora entrepreneurs often have a strong emotional motivation? (Nkongolo-Bakenda & Chrysostome, 2013), as they have strong ties and connections to the people of their home country. The need to be closely linked to the family and patriotism are considered driving factors as well (Lin & Tao 2012).

European policy makers in the field of migration and development tend to simply assume that all migrants harbour an inherent desire to assist their 'homeland'. Research shows that the main reason behind both out-migration and return is that people want to improve their own and their families' lives in different ways (Castles & Miller 1993; Nyberg Sørensen & Fog Olwig 2002).

While some returnees articulate a wish to contribute to development, mobility (including return) is often not primarily about people's desires to support national development. Rather, such aspirations sometimes arise as a secondary effect of leaving one's country behind. Whilst this may be true, a bulk of the current literature stresses that mobility should be placed in the current context of easier travel and communication. As such, it would be incomplete to focus only on a binary understanding

[36] Some scholars also argue that motivations by diaspora entrepreneurs are sometimes altruistic as they are still willing to invest in their home country when other investors or multinational firms consider the environment as too risky (Gillespie et al. 1999; Nielsen & Riddle 2010). However, in this case, diaspora entrepreneurs should not be defined as entrepreneurs, but as development agents/agencies, as even social entrepreneurship is defined with respect to a financial bottom-line.

of mobility. Considering the increasing significance of temporary return, existing theories need to be adjusted to fit the new realities of mobility (Bilgili & Siegel, 2017).

Environment: Opportunity Structure and Constraints

Even though diaspora members are often said to have characteristics/personality traits that allow them to engage in entrepreneurial activities, personal goals and traits are only a necessary but not sufficient condition for successful entrepreneurial activities.

The home and host country environment – also called the 'opportunity structure' – and appropriate strategies play a crucial role as well (Clydesdale 2008; Newland &Tanaka, 2010). Newland and Tanaka (2010) argue that the opportunity is susceptible to policy intervention. According to the authors, a strong economy, diaspora engagement policies, good governance, access to financial capital, favourable sociocultural perceptions of entrepreneurship and a critical mass of human and social capital are the most important factors for a favourable opportunity structure. Moreover, bonding and bridging networks – both essential elements of social capital (Putnam, 2000)[37] – are needed to obtain useful and reliable information to succeed in the economic environment back home (Åkesson & Eriksson Baaz, 2015).

The creation of bridging ties in the home country is often considered "key to succeeding as an entrepreneur" (Åkesson, 2015). In particular, access to "influential politicians and other 'big men' is often a prerequisite for a 'successful return'" (Åkesson & Eriksson Baaz, 2015). In their attempt to access financial and non-financial resources back home, return migrants have to connect to powerful social networks which is often considered the most challenging and time-consuming task, as these networks often cut across state and non-state boundaries. Case studies of Burundi and the Democratic Republic of Congo (DRC) show that politicians and state agents who can navigate these patron-client networks and use their power to enable business opportunities for return migrants prove to be highly relevant contacts for return migrants (Eriksson Baaz, 2015; Sagmo, 2015).

Other authors emphasize the constraints that diaspora entrepreneurs experience. In Europe, diasporas are often defined as 'African' and 'immigrant' outsiders, while people in their country of origin may criticise them for having lost their culture and their understanding of local realities (Grabska 2014; Stefansson 2004).

A lack of bonding and bridging networks, lack of financial resources (or lack of credit access), little or insufficient management experience and business expertise, an inadequate regulatory environment, absence of rule of law, corruption, weak bureaucratic capacity, widespread poverty and adverse general economic conditions, and low demand for product and services have been cited as the main obstacles to (diaspora) entrepreneurs which, in turn, requires entrepreneurial creativity (Mambula & Sawyer 2004).

In a similar vein, the political economy structure can structurally enable or disable entrepreneurship for migrants (Stel, 2013). Stel (2013) emphasizes the significance of the political environment "in determining not so much the extent but the nature of entrepreneurship – ranging from necessity to opportunity and innovation" (p. 2). In the case of the West Bank, for example, Palestinian entrepreneurs live in a "highly politicized economy", facing a "hostile political economy" which crucially determines opportunities and constraints for their entrepreneurial activities (Hanafi, 2008).

[37] According to Putnam (2000), the term 'bonding' refers to social networks between homogenous groups of people, while 'bridging' refers to social networks between heterogeneous groups of people. As a result, bonding social capital reinforces homogeneity, while bridging social capital brings together people across different social divisions.

The country of origin and host country environment often differ immensely with regard to the level of economic development, the political structure, the business environment, the sociocultural dimension and technological advancement (Elo et al., 2018). As a result, diaspora entrepreneurs often find it difficult to reconcile the home and host country environment, but also to effectively use the hybrid identity of a diaspora member (Brinkerhoff, 2008; Sims & Schraeder 2004).

Organizing and strategic capacity

Diaspora entrepreneurs need to develop appropriate strategies in the home countries. One important aspect of international entrepreneurship is identifying or creating opportunities across borders. This process requires diaspora members not only to "understand the potential of resources and supplies from the host country that could satisfy needs in the home country and vice versa, but also to adopt the behavioural actions which lead to discovery" (Nkongolo-Bakenda & Chrysostome, 2013, p. 54).

Another important aspect is having a local partner and an effective partner selection process, as diaspora entrepreneurs residing in a foreign host country often face challenges to oversee their business activities in the home country. It is recommended that a diaspora entrepreneur should prioritise task-related criteria over partner-related criteria as the heavy reliance on family members often proves to be ineffective. Reasons include, among others, limited managerial skills, lack of adequate business networks, and a non-entrepreneurial mentality among family members. While abroad migrants send remittances to their relatives either for maintenance or for business and investment, the success of such investment depends in many cases on the managerial skills of the receiving relatives. A study in two sample countries, Ghana and Cote d'Ivoire, suggests that family members and relatives manage over 90 percent of the projects, mainly housing and small business (Tiemoko, 2004).

The entry mode is another important factor to consider for a diaspora entrepreneur. The literature has identified the following determinants for the choice of entry modes: the risk in the foreign market and the necessary control needed the experience in international business and the knowledge of target country, the purpose of the internationalization, the institutional environment of the country targeted and, in particular, the government restrictions and the resource base (Nkongolo-Bakenda & Chrysostome, 2013).

Types of diaspora involvement in entrepreneurship

According to Fransen, Marchand and Siegel (2013), there are four different ways how migration and remittances are connected to entrepreneurship and business investments in the migration sending countries: (i) international remittances, (ii) transnational entrepreneurship, (iii) diaspora business investments and (iv) entrepreneurship of return migrants.

Individual Remittances and Business Investments

Individual migrant remittances play a crucial role in the connection between migrants and entrepreneurship. Remittance flows are much more stable than other external flows such as foreign aid, foreign direct investment and portfolio investment (Leblang, 2017). While monetary remittances generally refer to money and goods, social remittances are comprised of "ideas, behaviours, identities, and social capital that flows from receiving-to sending country communities" (Levitt, 1998, p. 927).

There are both optimistic and pessimistic views regarding remittances. On the one hand, receivers of monetary remittances may be subject to a moral hazard.[38] Moreover, an influx of monetary

[38] A good example of moral hazard would be when households receiving monetary remittances engage in 'extra risky activity that is to their detriment (e.g. criminal activities or drug misuse). It may not be correct to refer to it as moral hazard, when

remittances can cause exchange rate appreciation and reduced export competitiveness in the home country. On the other hand, monetary remittances form a crucial source of sustaining daily living, higher private consumption, foreign exchange, budget relief, debt repayment, savings for business investments, household spending on education and health services, and provide a safety net, especially in relatively poor regions. Moreover, remittances can also increase new business start-up rates, especially when the developing country's public sector is sufficiently small (Vaaler, 2011). Remittances are often countercyclical in nature and can therefore act as broader stabilisation policies during economic slumps in the migrant-sending countries. Moreover, remittances are often viewed as 'freer' from political barriers than other product and capital flows (De Haas, 2005).

The limited available evidence regarding the role of monetary remittances in post-conflict environments suggests that remittances are more likely to "sustain" livelihoods after conflict in the form of improving living conditions and food security through income smoothing rather than to "transform" them through investments in productive assets such as asset ownership (Fransen & Mazzucatto, 2014).[39] These findings therefore support the insurance hypothesis and reject the investment hypothesis.[40] Moreover, remittances tend to be more common among wealthier households, as poorer households often cannot afford to migrate, which therefore casts significant doubt on the validity of the relative deprivation hypothesis.[41]

Like monetary remittances, **social remittances** can influence migrant entrepreneurship in the countries of origin in many ways. Migrants and diaspora members provide social remittances in the form of know-how, skills transfer to family members and friends, cultural/civic awareness and experience (Nyberg-Sorensen 2004) and "socio-professional" networks and knowledge (Meyer & Brown 1999) to their home countries. The most common expatriate knowledge networks can be classified into the following categories: (i) student/scholarly networks, (ii) local associations of skilled expatriates, (iii) expert pool assistance through the 'Transfer of Knowledge Through Expatriate Nationals' (TOKTEN) program of the UNDP and (iv) intellectual/scientific diaspora networks.

The empirical evidence regarding the effectiveness of remittances to promote entrepreneurial activities in migrant sending countries is mixed (for a discussion, see Naudé, Siegel & Marchand, 2017). The linkages between monetary remittances and entrepreneurship in migrant sending countries have been given considerable attention in the academic literature. Research concerning social remittances, however, in particular in connection to migrant entrepreneurship, is still at a nascent stage. Research in this area is still underdeveloped because measuring social remittances proves to be difficult and quantifying the effect of social remittances on migrant entrepreneurship requires a long-term research perspective (Marchand, Fransen & Siegel, 2013).

Transnational Entrepreneurs/International Entrepreneurship

Migrants who operate their businesses in their home country while living abroad are often described as transnational entrepreneurs. Portes, Haller and Guarnizo (2002) refer to transnational

households receiving remittances withdraw from labor markets or supply less labor on labor markets. Such behavior is perfectly rational from an economic point of view.

39 What is often overlooked in this literature is that the financial sector is the first sector to suffer and shrink during a conflict or a severe natural disaster. This makes the sending of remittances impossible or very difficult and expensive. Thus, the incentive to send family members abroad with the view of obtaining finance is greatly reduced. Therefore, remittances for business investment in most conflict and post conflict states will not be significant.

40 The investment hypothesis states that remittances are invested into income-generating activities such as entrepreneurship and agriculture. The insurance or consumption-smoothing hypothesis, in turn, states that households use remittances as insurance against economic or financial risks, such as food insecurity or unemployment (Fransen & Mazzucatto, 2014).

41 According to the relative deprivation hypothesis, households try to improve their economic well-being through migration. This would imply that relatively deprived households are more likely to use migration as household strategy (Fransen & Mazzucatto, 2014).

entrepreneurs as “self-employed immigrants whose business activities require frequent travel abroad and who depend for the success of their firms on their contacts and associates in another country, primarily their country of origin” (p. 287). Since transnational entrepreneurs engage in two or more geographical locations, “they may be in a unique position to exploit opportunities either unobserved, or unavailable, to other entrepreneurs located in a single geographical location” (Drori, Honig & Wright, 2009, p. 1002). Transnational entrepreneurs carry an “immigrant effect” in their entrepreneurial activities: “they perceive, compare and analyse opportunities and threats differently from the way in which mono-cultural entrepreneurs do” (Elo, 2016, p. 129).

Compared to mono-cultural entrepreneurs, transnational entrepreneurs also have a distinct set of resources available that assists them with setting up a business in their home country, such as the ethnic background, social networks, specific values, norms and attitudes towards entrepreneurship and economic behaviour, religion, cultural beliefs and institutions as well as family structures (Light & Gold 2000). However, the characteristics and importance of transnational entrepreneurs for the economy and international business in developing countries and emerging economies have so far remained underexplored (Elo, 2016). [42] Similarly, most research on transnational entrepreneurs focuses on labour and family migrants rather than on refugees who emigrated for political reasons. As a result, research that investigates the different economic, social and political motivations for transnational entrepreneurship remains sparse.

FDI and Diaspora Investments in Business

Migrants can also contribute to higher cross-border investments in their home country as they can provide relevant information about consumer tastes and demand, work ethic, labour supply and business practice with potential investors from the destination countries. In many migrant receiving countries, migrants often pool their financial resources through large and active diaspora organizations in order to send financial contributions back home. These active diaspora organizations can be viewed as “non-state entrepreneurial agents” to the extent that they are involved in commercial and social business.

One of the key characteristics of migrant or diaspora associations is that immigrants or, in a few cases, their descendants are actively involved, for instance, as members of the board, and that the association has some form of expressed affiliation with the particular region (Trans & Vammen, 2013). These associations often have a high degree of formalization since this is often a prerequisite for receiving financial support from state governments and they typically engage in a wide range of activities. However, based on research by Trans and Vammen (2013), the associations can often be grouped into three different types:

- *Ethnonational associations*: focus mostly on the lives and situations of the migrant group and their children and seek to provide a space for social and cultural activities, often coupled with the aim of promoting integration into the society
- *Religious associations*: centre on religious worship but frequently also host other types of social activities
- *Development-oriented associations*: organized around development projects.

Major advantages of sending collective remittances are that these pooled resources (i) can better target specific projects and reduce transaction costs, and (ii) often benefit whole communities rather than individuals which strengthens social ties through collective action (Goldring, 2004). However, the nature and scope of business undertaken by a diaspora and/or migrant entrepreneur depends on several factors, in particular the institutional systems (rules, beliefs, norms, and organizations) in

[42] A few very recent studies have helped to advance our understanding on the subject matter. For a full overview of recent contributions regarding transnational entrepreneurs see Elo et al. (2018). Lundberg and Rehnfors (2018), for example, find that in contrast to the prevalent understanding, the transnational entrepreneurial incentives are opportunity driven rather than necessity based. Pruthi, Basu and Wright (2018) study the importance of ethnic ties of migrants in the motivations and entry strategy for forming transnational enterprises in their home country.

the home and destination country. Vemuri (2014) discusses several push, pull, re-pull and re-push factors that shape diaspora businesses. Mohamoud and Formson-Lorist (2014) distinguish between first and second generation diaspora entrepreneurs, arguing that

> "first generation diaspora entrepreneurs are less educated and undertake ethnic type business initiatives primarily in the services sector (…) Second generation diaspora on the other hand are more educated, worldly and often engage in non-ethnic businesses ventures in for example the technology sector. This generation of entrepreneurs have a better understanding of how markets function, how modern enterprises operate and the changing global dynamics that impact on their interventions" pp. 4-5).

Return Migrants as Entrepreneurs

Another important distinguishing feature of diaspora entrepreneurship is whether the entrepreneurial activities are transnational in nature (see above) or carried out by return migrants who permanently repatriate to their countries of origin (Mohamoud & Formson-Lorist, 2014). Due to the financial, human and social capital gains received during their work abroad could lower the constraints for return migrants to set up a new enterprises upon their return (Rapoport, 2002). A case study on Egypt by McCormick and Wahba (2001) suggests that overseas savings and the duration of stay overseas increase the probability of becoming an entrepreneur in the home country. Likewise, Marchetta (2012) highlights the importance of skills and financial savings accumulated by migrants while staying abroad for entrepreneurial activities: "savings can represent an important self-insurance device that helps the entrepreneurs to cope with the vulnerability that characterizes MSEs, enhancing the chances of survival of entrepreneurial activities."

On the other hand, migrants can lose important social networks at home which could decrease the social capital available in their country of origin (Naudé, Siegel & Marchand, 2017). Several studies have investigated the differences in entrepreneurial activities between return migrants and non migrants (Mohamoud & Formson-Lorist, 2014). One major finding is that migrants are more likely to be self-employed than non-migrants. The savings that migrants accumulate abroad over an extended period and then re-invest in business ventures in their country of origin plays an important role for this finding. Moreover, the education received abroad does not seem to be a significant factor for migrants to set up a business upon return. In a similar vein, the loss of social capital available in the home country due to living and working abroad is often offset by the financial, human and social capital gained abroad. Lastly, return migrant entrepreneurs are often more risk seeking compared to other entrepreneurs when it comes to engaging in business activities in developing countries and/or fragile contexts (Mohamoud & Formson-Lorist, 2014).

Trust in the origin economy does not play a decisive role in permanent return intention. This means that the effect of external economic conditions may be overshadowed by the combined effect of individual level integration and homeland engagement (Bilgili & Siegel, 2017).

Added value of diaspora involvement in entrepreneurship for development

Developing Countries more general

While some of the diaspora entrepreneurship initiatives in developing countries are often government-led, most of them do involve some form of public-private partnership. The different forms of public-private partnerships will be discussed further below.

While Fransen, Marchand and Siegel (2013) analyse the different ways of how migration and remittances are connected to entrepreneurship and business investments, Newland and Tanaka (2010) explore the theoretical links between diaspora entrepreneurship and development (see Table overleaf).[43]

[43] Not all forms of entrepreneurship contribute equally to economic development and there is a need to distinguish between "necessity entrepreneurs" and "opportunity entrepreneurs" based on earlier work by Schumpeter (1942).

Table 1.1 Potential contribution of Diaspora entrepreneurship to development

Contribution to Development	Channels
Diaspora entrepreneurship fosters business development, job creation, and innovation.	• Substantial investment by members of the diaspora, if successful, creates jobs both directly and indirectly and spurs competition; • May lead to further innovation, businesses, and jobs.
Diaspora direct investment creates economic, social, and political capital through global networks.	• Comparative advantage in their ability to connect with a wide range of potential partners and supporters in both their countries of origin and their countries of destination; • Connections may create opportunities for investment, trade, and outsourcing; foster strategic partnerships; and tap into sources of political and financial capital that can facilitate the transfer of knowledge and technology from developed to developing countries; • Leveraging access to relatively cheap labour and, large talent pools in their countries of origin into a comparative advantage in manufacturing or knowledge-process outsourcing (such as information systems integration and insurance underwriting).
Diaspora entrepreneurship taps into social capital through cultural and linguistic understanding.	• Understanding of cultural and social norms, distinct business cultures, and local languages; • Familiarity can help develop trust and thereby open up opportunities closed or unknown to other investors or entrepreneurs.
Entrepreneurship and economic development are positively linked.	• Higher levels of entrepreneurship are positively correlated with higher levels of economic development.[44]

Diaspora enterprises are more complex than the average enterprise and operate in "complex trans-national, trans-functional political, social and economic circumstances" (Mohamoud & Formson-Lorist, 2014, p. 8). Like for any other entrepreneur, migrant entrepreneurs need money, social capital and human capital in the form of competencies, skills and knowledge to start a business (Marchand, Fransen & Siegel, 2013). While abroad, migrants have often accumulated financial resources, acquired management skills and increased their social capital in the form of new business contacts and other social relations.

Parallel to the theoretical academic literature on diaspora entrepreneurship, policymakers, international organizations, donor agencies, governments and NGOs became increasingly interested in the empirical evidence on the migration-development nexus since the early 2000s (Sørensen, Van Hear & Engberg-Pedersen, 2002). As highlighted by de Haas (2010), the debate on migration and development has swung back and forth like a pendulum. The 1950s and 1960s were characterized by developmentalist optimism, followed by neo-Marxist pessimism over the 1970s and 1980s. After decades of pessimism and concerns on 'brain drain' (Bhagwati & Hamada, 1974; Beine et al., 2008), optimistic views have become more predominant again in the 1990s and 2000s as the concept of 'brain gain' was modified to account for brain circulation (Saxenian, 2002; Docquier & Rapoport 2012).

The contribution of migration to development has been discussed primarily through the effects of diaspora and migrant remittances on well-being of families in home countries. Since 2000, migrant

[44] Z.J. Ács (2006). How is Entrepreneurship Good for Economic Growth? *Innovations*, *1,* 96–107,

remittances have grown more than fivefold until the mid-2010s.[45] While the relative importance of official development assistance (ODA) is declining, remittances have become an important flow of external finance and a substantial share of the GDP of some developing countries (such as Somalia).

In the late 1990s and early 2000s, rising individual remittances (both monetary and social) were increasingly regarded as a more effective instrument for income redistribution, poverty reduction and economic growth than large, bureaucratic development programs or development aid (Jones, 1998). Unarguably, monetary remittances have led to the improvement in the living conditions of millions of households in migrant-sending countries. However, while "migrant remittances were being proclaimed as the newest 'development mantra' among institutions like the World Bank, governments and development NGOs" (De Haas, 2005, p. 1277) in the early 2000s, academic policy research has shown that migration and remittances do not automatically contribute to national development in the home countries. Remittances in least developed countries tend to follow three spending phases: they are first spent on family maintenance and housing improvement, then on conspicuous consumption (often resulting in tensions, inflation, and worsening of the position of the poorest, and finally invested in productive activities such as improving land productivity (Nyberg-Sørensen, Van Hear, & Engberg-Pedersen 2002, p. 12). A large share of remittances does not reach the third spending phase as they are often only short-term-oriented resources (Ferrantide & Ody, 2007), weak source of investments (Nyberg-Sørensen et al., 2002) or even means for criminal activities (Collier & Hoeffler, 2004). Furthermore, remittances often do not reach the poorest of the poor but households of relative poverty which have some financial means to send family members abroad (Massey et al. 1998). For a comprehensive overview of the global evidence regarding remittances and development, see Page and Plaza (2006).

Regarding the developmental impact of social remittances, such as skills and networks and knowledge, the empirical evidence suggests that this is difficult to make a strong impact. The developmental impact depends on a variety of factors, such as the nature of the remittance itself, the nature of the transnational organizational systems and social networks, the target audience and relative differences in the value structures and prevailing norms between sending and receiving countries (Levitt, 1998).

Collective remittances can directly contribute to development, for example through the provision of infrastructure in the form of new roads, improved sanitation, healthcare and education (Goldring, 2004). An example is the creation of "diaspora bonds" by governments who are unable to access standard international capital markets (for more details, see section 5.1).

While remittances can contribute to development through increased household spending on education, health, and savings and investments, the welfare impacts tend to be bigger in countries with large net emigration numbers, such as Jamaica and El Salvador (Di Giovanni, Levchenko & Ortega, 2015). Overall, however, strong evidence that remittances unambiguously lead to macroeconomic growth in migrant sending countries does not exist (Yang, 2011). In fact, the empirical evidence in the literature suggests that remittances are often used for consumption and consumption smoothing (e.g. following a crisis) and not for

> "productive investments that can fuel sustainable economic growth. Given the important size of financial flows originating from diaspora populations, governments are becoming increasingly interested in how to channel such flows to foster entrepreneurship, support innovation, and develop priority sectors of the economy" (Agunias & Newland, 2012).

[45] Money remitted by migrants to developing countries has increased from US$2 billion in 1970 to $17.7 billion in 1980 to $31.1 billion in 1990 to $76.8 billion in 2000 (De Haas, 2005). In 2018, total bilateral remittances amount to more than $613 billion according to World Bank estimates.

Not all entrepreneurs create sustainable or substantial jobs: most do not innovate much and substantial numbers of firms fail after only a few years For example, easing entry restrictions for potential entrepreneurs may result in a large pool of entrepreneurs with insufficient entrepreneurial ability and skills, which in combination with asymmetric information about their skills and ability can result in a general contraction of finance from banks (who do not want to lend to entrepreneurs with poor ability) (Naudé et al., 2015). (Naudé, 2008)

The empirical evidence regarding the contribution of migrant/diaspora entrepreneurship to development remains surprisingly limited. In fact, there is little empirical evidence that finds a large significant development impact of diaspora entrepreneurs and the diaspora more generally oneconomic development in the countries of origin (Mohamoud & Formson-Lorist, 2014, Naudé, Siegel & Marchand, 2017). Migrant entrepreneurship is a new source of investment in the diaspora's country of origin (Riddle 2008) and can provide a stimulus for FDI to a home country. Extended diaspora networks can also encourage investments in new technology, market intelligence, and business contacts (Hunger 2002). While diaspora direct investment (DDI) has been regarded as an untapped resource for Development (USAID, 2009), empirical evidence shows that the magnitudes are very small.

Migrants/Diasporas can positively contribute to economic (as well as political) development in both the destination countries and countries of origin through various channels, including through remittances and entrepreneurship. It must be recognized, however, that individuals and countries do not benefit automatically and equally from migration, given the country and individual heterogeneity in migration-development outcomes (Naudé, Siegel & Marchand, 2017).

Fragile states and conflict affected environments

Diasporas from fragile states and conflict-affected environment are more likely to have a refugee background. Some authors point to evidence that political refugees who fled conflict and violence are less involved in business activities in their countries of origins or focus their transnational activities on mobilizing political resistance against the government system at home (Portes, 2003; Mascini, Fermin & Snick 2012). However, the Somaliland case does not meet this profile and political refugees returned in great numbers to invest (Åkesson & Eriksson Baaz, 2015).

Diaspora investment may provide economic development benefits to post-conflict countries. The influx of capital often solidifies the fragile peace in the post-conflict period by providing employment and greater economic stability. However, the benefits often go beyond the benefit of capital influx as diaspora investments can have a stabilization-signalling effect to non-diaspora investors, provide much-needed foreign exchange and convert the ''brain drain'' into ''brain gain'' upon fully returning to their home countries (Nielsen & Riddle, 2010).

People who return after having escaped conflicts or deep economic insecurity are often condemned by those who have stayed behind – named as disloyal opportunists who escaped the hardships only to take advantage of the new opportunities when they arise (Grabska 2014; Stefansson 2004). In contexts such as Burundi or Rwanda, governments may even be highly selective in their efforts to attract only those diaspora entrepreneurs, which are closely affiliated with the ruling party and share the political views of the incumbent government. Investment opportunities by diaspora members which are more strongly connected to opposition leaders or parties may be held back as the incumbent government could fear that these diaspora members could become actively involved in supporting or facilitating conflict at home (Fransen & Siegel, 2011).

Another challenge in the conflict context is that migration and return could take place even when not economically beneficially, leading to a substantial negative economic gap between migrants and non-

migrants. To prevent this effect, a recent study on return migration and economic outcomes in the conflict context highlights the importance of allowing refugees the opportunity to engage in employment and other economic activities while in displacement and the need for continuous support after returning home (Fransen et al., 2017).

It is important to stress that many fragile states are not in conflict. In such cases, the state is characterised by reduced legitimacy, authority and capability. This is often a cause for low levels of private sector development. It tends to make the environment for doing business very difficult (Guglielmetti, 2010). Most fragile states also score very low on the World Bank's Doing Business indicators. Thus, migrants from such states and their diasporas may very well tend to focus more on affecting political and institutional reform, rather than engaging in business activities.

A very recent studies that explores analyses diaspora efforts in transferring social and business networks in fragile states has been carried out by Carment and Calleja (2018). The authors argue that

> "a more comprehensive understanding of diaspora activity in fragile contexts is needed (…) [and research on diaspora and fragile states must move beyond remittances to account for the civic purposes of mobilisation for development to better understand the 'durable linkages between diaspora' in fragile context" (p. 1271).

There is empirical evidence that some fragile countries benefit more from diaspora linkages than others and the benefits often materialize through different channels. For example, Afghanistan benefits from diaspora linkages by their compensating for weak domestic policy, while India benefits from diaspora linkages by building on a strong policy environment. In contrast, countries like Haiti and Ukraine can be considered 'underachievers' where we would expect better performance given the observable links between diaspora activity and state performance. In Ukraine, moderate FDI levels and trade scores in combination with weak property rights and low support for SME development limit diaspora influence on state legitimacy and capacity. Haiti provides an example how fragile states often suffer from poor policy environments so that remittances are often directed towards unproductive ends (Carment & Calleja, 2018).

Supporting diaspora involvement in entrepreneurship for development

The Role of Governments

Over the last two decades, home countries have deployed an assortment of strategies designed to maintain contact with their external populations (Leblang, 2017). Governments and donor organizations in migrant-receiving countries have set up programs aimed at supporting migrants to invest in their home countries.

Governments of migrant sending countries have increasingly viewed transnationally oriented migrants and ''diasporas'' as potential investors and actors of development again. Governments in migrant-sending countries play an important determinant to what extent the developmental impact of diaspora entrepreneurship can be realised often depends on the degree of "receptivity" in the home country. Many governments in developing countries fail to be receptive towards the often heterogeneous diaspora group whose economic, social or political networks can vary a lot. Due to this heterogeneity, governments often struggle to reach out to their diasporas effectively. Moreover, the financial restrictions imposed by the governments (such as high handling fees of remitted funds) are often an important deterrent and obstacle for migrants, return migrants and diasporas to have a bigger impact in the private sector involvement.

In addition, the receptivity of governments in migrant-sending countries is often compromised by the extensive bureaucracy, other institutional impediments such as corruption, the lack of

experience and capabilities from colleagues, lack of organisational openness to external knowledge and a perceived negative opinion (unwelcoming attitude) in the societies of migrant sending countries towards national citizens from abroad (Kuschminder et al. 2014; Nevinskaite, 2016; Oddou et al., 2013). This shows that the 'opportunity structure' must be understood in a much broader context rather than strictly in the sense of existing policies and initiatives.

In the past, several governments in migrant-sending countries issued "diaspora bonds". Through diaspora bonds, governments can borrow long-term funds from diasporas in order to raise funding to development projects, especially large-scale, costly infrastructure projects. The countries of Israel and India have successfully made use of these in the past (Ketkar & Ratha, 2007, 2011). In 2008 and 2011, Ethiopia launched two diaspora bonds in order to fund the Grand Ethiopian Renaissance Dam. The outcome of the diaspora bond was judged a failure for several reasons. First, as is often the case with regard to bonds, potential investors were deterred due to concerns about the viability of the project, environmental concerns and the mistrust of the government. Second, foreign exchange control regulation put a significant burden on the financing scheme. In June 2017, Nigeria also started with such an initiative, issuing its first diaspora bond for $300 million to fund infrastructure projects in the country (Famoroti, 2018; Ketkar & Ratha, 2011).

Governments in fragile and conflict-affected environments also play a crucial role in converting the "brain drain" into "brain gain". Unfortunately, conflict-generated diasporas often face significant challenges to engage in sustainable diaspora engagement policies with their home country due to lack of collective action as well as significant distrust and grievances towards the home government (Collier & Hoeffler, 2004).

Donor programmes

The kind of support to diaspora entrepreneurship, however, does vary a lot. Newland and Tanaka (2010) distinguish between five different commitment levels, ranging from very passive to very active (see Table 1.2).

Table 1.2 Commitment levels for diaspora involvement in entrepreneurship

Organization	Description	Example	Level of Commitment
Networking organization	Offering opportunities for diaspora and local business leaders and professionals to meet one another and discuss potential business and investment opportunities in the homeland	Mexican Talent Network; The African Network (TAN); Business in Development (BiD) Network	Very passive
Mentoring organization	Try to match aspiring entrepreneurs or business owners seeking to expand their operations abroad with seasoned diaspora experts and business leaders; mentors offer one-off services such as assistance in conducting market research or a feasibility study, while others provide internships or even job opportunities in their corporations	GlobalScot; Armenia 2020; The Indus Entrepreneurs (TiE)	Passive
Training organization	Help aspiring diaspora entrepreneurs acquire the knowledge and skills to set up and run a successful business; Training programs range from transferring knowledge from diaspora experts to country-of-origin entrepreneurs to offering lessons on	Ethiopia Commodity Exchange (ECX); IntEnt; Economic Initiatives and Migration Program (PMIE)	Active

Organization	Description	Example	Level of Commitment
	business management to providing guidance on how to find financing to start a business		
Investment organization	Provide initial start-up funds or subsequent capital infusions, usually in the form of pooled private and public funds or matching grants, to diaspora entrepreneurs with creative business ideas	African Diaspora Marketplace (ADM); 1x1 Program, Mexico	Very Active
Venture capital / partnership organization	Heavily involved in business projects that they believe will be profitable, often taking part in management in the early stages of an investment; Often forming strategic alliances with other venture capitalists, business leaders, engineers, and other professionals	Fundación Chile; Migration for Development in Africa (MIDA); The African Foundation for Development (AFFORD)	Extremely Active

Newland and Tanaka (2010) also highlight six policy responses to the challenges facing diaspora entrepreneurs:

- Encourage access to capital, especially for small-scale entrepreneurs, through loans, competitions, and risk-sharing mechanisms for investors;
- Provide high-quality education and vocational training to develop the skills in business, science, technology, engineering, and mathematics to individuals interested in pursuing opportunities in knowledge-based industries;
- Consider lowering tariffs on imported raw materials and equipment into the country of origin to help diaspora entrepreneurs begin transnational businesses;
- Establish mechanisms that encourage regular consultations with diaspora professionals;
- Make it very clear that diaspora entrepreneurs are welcome in their countries of origin;
- Adopt policies that make it easy for diaspora business owners or investors to come and go between their country of origin and their country of settlement.

Returnees' development of small-scale businesses is often construed as being part of the solution to reducing poverty in developing regions. This, however, is often the professed reason by the European (and international) donor community, as the growing anti-immigration sentiment in Europe also plays a significant role. As a result, sending migrants back to their home countries as "entrepreneurs" is portrayed as an effort to "develop" the host and home countries, rather than as a refusal to help and integrate immigrants. In line with this, European donors are funding new programmes to help returnee entrepreneurs set up businesses in their country of origin (Sinatti & Horst 2015). This celebratory story of return has been manifested in a number of new programmes. As Kleist and Vammen (2012) point out, return programmes – both forced and more voluntary versions – date back to the 1970s. Contemporary programmes focus on temporary return for short- or long-term qualified work assignments and, unlike before, they often include the right to maintain legal status in the country of immigration. These programmes seem to have had some success in engaging highly skilled migrants in home country development (Kleist & Vammen 2012). However, in general, the impact of such programmes is rather disappointing. Research demonstrates that the majority of returns are spontaneous, and that returnees often have little knowledge of state-led initiatives (Boccagni 2011; Kleist & Vammen 2012). This is also reflected in the research of cases regarding DR Congo, Somaliland, Ghana, Senegal, Burundi, South Sudan and Cape Verde (see Åkesson and Eriksson Baaz, 2015) where an overwhelming majority of returnees have returned on their own, without any assistance from, and often little knowledge of, existing return programmes.

More recent policies by donors are based on the assumption that migration can be prevented. However stricter border controls from Africa to Europe have not stopped migration flows, but instead led to diversification of migration routes and to a much more dangerous migration journey (Naudé et al., 2015).

The Role of International Multilateral Agencies and CSOs/NGOs

Over the last few decades, intergovernmental organizations, international financial institutions, CSOs and NGOs have increasingly attempted to formulate policies and to develop concrete actions in order to maximise the development contribution of migration through the active involvement of migrant communities (De Haas, 2006). These include, among others, the United Nations, including the International Organisation for Migration (IOM), the International Labour Office (ILO), the World Bank, African Development Bank (AfDB), Asian Development Bank (ADB), the European Investment Bank (EIB), the International Federation of the Red Cross and Red Crescent Societies (IFRC) and INGOs such as Oxfam Novib.

Since 2003, the United Nations has attempted to play a leading role in promoting a mutually beneficial approach to the migration-development nexus (Chetail, 2012). In 2006, the United Nations General Assembly (UNGA) established the High-Level Dialogue on International Migration and Development. Following this meeting, the Global Forum on Migration and Development (GFMD) was established for the purpose of strengthening multilateral cooperation. With the formal endorsement of the Global Compact for Safe, Orderly and Regular Migration (GCM) on 19 December 2018 by the UNGA, the first, inter-governmentally negotiated agreement, to cover all dimensions of international migration in a holistic and comprehensive manner came into being.

As the UN Migration Agency and leading inter-governmental organization in the field of migration, the IOM intends to help governments and the international community to harness the development potential of migration for both migrants and societies.

With the start of the ILO's International Migration paper series in 1995, the ILO has one of the longest established records of studies and policies on migration issues (De Haas, 2006). In parallel to the GFMD, the ILO adopted the *Multilateral Framework on Labour Migration* in 2005 (ILO, 2006). It includes non-binding principles and guidelines for "a rights-based approach to labour migration aims to assist governments, social partners and stakeholders in their efforts to regulate labour migration and protect migrant workers".[46] The ILO's Fair Migration Agenda consist of, among others:

- Making migration a choice and not a necessity, by creating decent work opportunities in countries of origin;
- Respecting the human rights, including labour rights, of all migrants;
- Ensuring fair recruitment and equal treatment of migrant workers to prevent exploitation and level the playing field with nationals;
- Formulating fair migration schemes in regional integration processes;
- Promoting bilateral agreements for well-regulated and fair migration between member States;
- Promoting social dialogue by involving Ministries of Labour, trade unions and employers' organisations in policy making on migration;
- Contributing to a strengthened multilateral rights-based agenda on migration.[47]

Before 2003, 'migration and development' was not a high priority theme for the World Bank. The release of the highly influential Global Development Finance report by the World Bank in 2003,

[46] https://www.ilo.org/global/topics/labour-migration/publications/WCMS_178672/lang--en/index.htm.
[47] https://www.ilo.org/global/topics/labour-migration/fair-migration-agenda/lang--en/index.htm.

however, raised global awareness of the developmental relevance of migration and sent a shockwave through the development community (…) as it stressed the relative importance of workers' remittances as a source of development finance in developing countries and discusses measures that industrial and developing countries could take to increase remittances" (De Haas, 2006, p. 14). In recent years, the World Bank Group has started to deepen its engagement on the broader international migration agenda, including:

- Providing evidence-based policy advice on migration, remittances and diaspora issues;
- Monitoring and forward-looking analysis of global flows of migration and remittances;
- Strengthening global partnerships in leveraging migration for global development;
- Developing and monitoring indicators for implementing the Sustainable Development Goals of reducing remittance costs and reducing recruitment costs;
- Mobilizing diaspora investments for development, e.g., via diaspora bonds, and leveraging remittances for financial inclusion.[48]

In 2005, the EIB took a stronger interest in migration and development issues. A study by the EIB's Facility of Euro-Mediterranean Investment and Partnership (FEMIP) on improving the efficiency of workers' remittances from the EU to eight Mediterranean partner countries (Turkey, Morocco, Tunisia, Algeria, Egypt, Lebanon, Jordan, and Syria), published in 2006, already envisaged, among others:

- The use of banking systems through offering banking services specifically targeted at migrants – including mortgage products, remittance-tailored bank accounts, and investments funds – in order to channel remittances into productive investments;
- the development of larger cooperative pooling schemes, whereby the migrant organisation and NGOs in host and recipient countries could help pool resources and work with banks and multilateral organizations to finance projects;
- the transfer of knowledge and know-how of migrants and support for diaspora organisations wishing to stimulate business development in countries of origin.[49]

In February 2018, the Council has given a green light for increased lending by EIB to projects outside the EU that address migration issues. In total, the financing limit under an EU guarantee has been increased by €5.3 billion, of which €3.7 billion are earmarked for projects in the public and private sectors providing a strategic response to the root causes of migration.[50]

These examples show that the initial focus was primarily on remittances. In recent years, however, international organizations, multilateral financial institutions and CSOs/NGOs have increasingly emphasized other developmental roles for migrant communities, including a push to 'mobilise diasporas for development' through declarations of good intent, but also increasingly through concrete policy implementation.

The Role for the Financial Sector

The financial inclusion of migrants, (e.g. the access to the mainstream financial sector by Immigrants) has remained a largely unexplored area (Anderloni & Vandone, 2008b). A recent study by the OECD (2017), however, noted that

> "The sending and use of remittances and investment decisions by return migrants

[48] http://www.worldbank.org/en/topic/labormarkets/brief/migration-and-remittances.
[49] For more information, see De Haas (2006).
[50] For more information, see: https://www.parlementairemonitor.nl/9353000/1/j9tvgajcor7dxyk_j9vvij5epmj1ey0/vkm8eht93yyc?ctx=vhshnf7snxu9&tab=1&start_tab1=5.

> depends on contextual factors such as a favourable investment climate and inclusive financial systems that stimulate saving and investments. The countries vary widely from access to bank accounts and the availability of financial literacy training, to the ease of starting and doing business." (OECD, 2017, p. 175)

Various barriers may keep immigrants away from the financial system. Some, such as language barriers, cultural differences, location inconvenience, and banking service hours, relate particularly to the migrant population. Others relate more to the unbanked population in general, such as low levels of financial literacy, lack of information about appropriate products and services, and a general distrust of banks. Atkinson and Messy (2015) distinguish between supply side and demand side-related barriers: On the supply side, high costs and strict requirements can prevent poorer households from accessing financial services. Demand-side barriers include language barriers, low levels of financial literacy and a lack of trust in financial institutions.

In order to fully serve immigrant customers, banks and other financial institutions have to find ways how to reduce the demand-side and supply-side related barriers, build trust in the banking system, and thus avoid immigrants remaining unbanked. Potential strategies by banks include the need to "re-invent customer relations and develop strategies, such as tailored outreach and targeted marketing that bring these products and services to immigrant consumers. Re-inventing customer relations is important both in order to establish basic connections with new Immigrant customers and to strengthen these relations by matching customers with higher-end financial products, such as housing loans and pensions." (Anderloni & Vandone, 2008a, p. 17)

While the costs of adopting these strategies may be quite high, they also provide significant business opportunities for the financial institutions in the form of a larger customer base, tapping into previously untapped immigrants markets and establishing long-term banking relationships.Some countries have undergone "benchmark initiatives in promoting financial inclusion and, more specifically, in migrants' financial inclusion, sometimes through financial innovations" (Anderloni & Vandone, 2008a, p. 149), including in the area of (i) microcredits, and product innovations in the areas of (i) remittances, (ii) mortgages and (iii) pension schemes.

Microcredits

Migrants are normally among the target groups of microcredit initiatives and often they are regarded as a segment that it is easier to serve for the following reasons:

- They have often the features of persons who want to emerge as entrepreneurs, with strong motivations and personal attitudes appropriate for developing one-person self-employed businesses and micro-enterprises;
- They often need and appreciate the offer of advisory services complementary to finance, such as fiscal, financial planning and accountancy, and marketing advice, as well as training initiatives;
- Among them there are large groups with a high level of formal education, technical know-how and managerial skill, but they lack finance and knowledge of the institutional context of business activities;
- They are part of identified – ethnic – communities, so that it is easier to promote collective initiatives[51]

Remittances

In many countries, remittances are still predominantly made both through official non-banking channels and unofficial channels. According to a study by UNDP (2011), access to the formal

[51] See Anderloni and Vandone (2008a).

financial system would encourage migrants to send remittances though formal channels and can strengthen the impact of remittances on development by encouraging more savings and better matching of savings with investment opportunities (UNDP, 2011). Consequently, banks have increased their share in the remittance business, as it is considered an area that seems worthwhile to be developed itself but also because it provides an important opportunity to reach new customers. In order to become more competitive, Anderloni and Vandone (2008a) recommend that banks should work on reducing upfront fees and exchange rate spreads, guaranteeing delivery time, guaranteeing access to a large network of pick-up locations.

Mortgages and pensions

Also the provision of mortgages and pension schemes to an immigrant clientele comes up against a series of specific difficulties but have growing potential for financial institutions. (Anderloni & Vandone, 2008a).

Conclusion

Despite the growing literature on diaspora and diaspora entrepreneurship, it has been difficult to empirically pinpoint the causality between diasporas, entrepreneurship and economic development. The conclusion seems to be that while diasporas may in principle be useful, and the cases of some small number of countries (e.g. Israel and India) can illustrate these, it is very difficult to generalize and that any impact of a diaspora is mediated by much country heterogeneity and complexity. Studies investigating the occupational choice of return migrants do, for example, face significant empirical challenges in the form of endogeneity, lack of controlled (or natural) experiments, or the absence of properly matched panel data. Moreover, estimating the effect of remittances and migrant entrepreneurship on long-run economic development often proves to be difficult, as it requires a long-run research perspective.

Diasporas play a more important role in development as a way of reducing uncertainty, facilitate flow of information, and generally assist its members in survival when the leave their countries of origin. Primarily this is through ensuring consumption needs are met and that some form of labour market participation can take place – the first concern of diasporas are not with entrepreneurship, investment or business. While good in this regard, there is also the potential of diasporas to act negatively – for instance they may hinder the integration of migrants into their host country environment. They may be hotbeds for formenting terrorism, and mechanisms to apply laws and norms from their home country in their host country – for instance Sharia Law being applied by diasporas in Europe.

The role of African return migrants and diaspora received only little attention in research – for exceptions, see Grabska (2014). This silence is even more problematic given the often great – and individualised – expectations put on these migrants in policy debates (Åkesson et al., 2015).

References

- Ács, Z.J. (2006). How is Entrepreneurship Good for Economic Growth? *Innovations*, *1*, 96–107.
- Agunias, D.R., and K. Newland (2012). *Developing a Road Map for Engaging Diasporas in Development: A Handbook For Policymakers And Practitioners In Home And Host Countries*. Geneva, Switzerland: International Organization for Migration
- Åkesson, L., and M. Eriksson Baaz (2015). Introduction. In L. Åkesson, and M. Eriksson Baaz (ed.) *Africa's return migrants: The new developers?*, p. 1-22. London, UK: Zed Books
- Åkesson, L. (2015). Obstacles and openings: returnees and small-scale businesses in Cape Verde. In L. Åkesson, and M. Eriksson Baaz (ed.) *Africa's return migrants: The new developers?*, p. 152-172. London, UK: Zed Books
- Ammassari, S. (2004). From nation-building to entrepreneurship: the impact of élite return migrants in Côte d'Ivoire and Ghana. *Population, Space and Place*, *10*(2),133-154.
- Anderloni, L., and D. Vandone (2008a). Migrants and Financial Services. Paper as part of the "Financial Services Provision and Prevention of Financial Exclusion", study commissioned by the European Commission, Employment, Social Affairs and Equal Opportunities DG, under the study service contract reference n° EC/2006/0183. Retrieved on 5 March 2019 from http://www.ecosocdoc.be/static/module/bibliographyDocument/document/001/377.pdf
- Anderloni, L., and D. Vandone (2008b). Migrants and Financial Services: Which Opportunities for Financial Innovation? pp 149-185. In P. Molyneux and E. Vallelado (ed.) *Frontiers of Banks in a Global Economy*. London, UK: Palgrave Macmillan.
- Atkinson, A. and F.A. Messy (2015), "Financial education for migrants and their families", OECD.
- Working Papers on Finance, Insurance and Private Pensions, No. 38. Paris, France: OECD Publishing, http://dx.doi.org/10.1787/5js4h5rw17vh-en.
- Beine, M., F. Docquier, and C. Özden. (2011). Diasporas. *Journal of Development Economics*, *95*(1), 30–41.
- Beine, M., F. Docquier, and H. Rapoport (2008). Brain drain and human capital formation in developing countries: Winners and losers. *Economic Journal 118*(528): 631–652.
- Bhagwati, J., and K. Hamada (1974). The brain drain, international integration of markets for professionals and unemployment: A theoretical analysis. *Journal of Development Economics 1*(1): 19–42.
- Bilgili, Ö.,& Siegel, M. (2017). To return permanently or to return temporarily? Explaining migrants' intentions. *Migration and Development*, *6*(1), 14-32.
- Black, R., & Castaldo, A. (2009). Return migration and entrepreneurship in Ghana and Côte d'Ivoire: the role of capital transfers. *Tijdschrift voor economische en sociale geografie*, *100*(1), 44-58.
- Black, R., R. King, & Tiemoko, R. (2003). Migration, return and small enterprise development in Ghana: A route out of poverty. International Workshop on Migration and Poverty in West Africa. Sussex, UK: University of Sussex
- Brinkerhoff, J. (2008). The potential of diasporas and development. In: J. Brinkerhoff (ed) *Diasporas and Development*, 1-15. Boulder, CO: Rienner
- Carling, J., M. Bolognani, M. B. Erdal, R. T. Ezzat, C. Oeppen, E. Paasche, S. V. Pettersen and T. H. Sagmo, (2015). Possibilities and realities of return migration. Oslo, Norway: Peace Research Institute Oslo (PRIO)
- Carment, D., and R. Calleja (2018) Diasporas and Fragile states – beyond remittances assessing the theoretical and policy linkages, *Journal of Ethnic and Migration Studies*, *44*(8), 1270-1288.
- Castles, S., and M.J. Miller (1993). *The Age of Migration. International Population Movements in the Modern World*. London, UK: Macmillan

- Chetail, V. (2012). Sources of international migration law (pp. 56-92). In B. Opeskin, R. Perruchoud, and J. Redpath-Cross (ed.) *Foundations of International Migration Law*. New York, NY: Cambridge University Press.
- Clydesdale, G. (2008). Business immigrants and the entrepreneurial nexus. *Journal of International Entrepreneurship*, *6*:123–142.
- Collier, W., Piracha, M., and T. Randazzo (2011). Remittances and return migration. *Comparative Political Studies*, *50*(1), 75-101.
- Collier, P., and A. Hoeffler (2004). Greed and grievance in civil war. *Oxford Economic Papers*, *56*(4), 563-595.
- Dalziel, M. (2008). Immigrants as extraordinarily successful entrepreneurs: a pilot study of the Canadian experience. *Journal of Small Business & Entrepreneurship*, *21*(1), 23–36
- De Haas, H. (2005). International migration, remittances and development: myths and facts, *Third World Quarterly*, *26*(8), 1269-1284.
- De Haas, H. (2006). *Engaging Diasporas - How governments and development agencies can support diaspora involvement in the development of their origin countries*. Oxford, UK: International Migration Institute (IMI), University of Oxford.
- De Haas, H. (2010). Migration and Development: A Theoretical Perspective. *International Migration Review*, *44*(1), 227–264.
- Di Giovanni J., A.A. Levchenko, and F. Ortega (2015). A global view of cross-border migration. *Journal of European Economic Association*, *13*(1), 168–202.
- Docquier, F., and H. Rapoport H. (2012). Globalization, brain drain, and development. *Journal of Economic Literature 50*(3), 681–730.
- Drori, I., B. Honig, and M. Wright (2009). Transnational Entrepreneurship: An Emergent Field of Study. *Entrepreneurship Theory and Practice*, *33*(5), 1001-1022.
- EIB (2006). Study on Improving the Efficiency of Workers' Remittances in Mediterranean Countries. Rotterdam, the Netherlands: European Investment Bank. Retrieved on 6 March 2019 from http://www.eib.org/attachments/country/femip_workers_remittances_en.pdf.
- Elo, M. (2016). Typology of diaspora entrepreneurship: case studies in Uzbekistan. *Journal of International Entrepreneurship, 14*(1), 121–155.
- Elo, M. et al. (2018). Advancing the views on migrant and diaspora entrepreneurs in international entrepreneurship. *Journal of International Entrepreneurship*, *16*(2), 119–133.
- Eriksson Baaz, M. (2015). Successive flops and occasional feats: development contributions and thorny social navigation among Congolese return migrants. In L. Åkesson, and M. Eriksson Baaz (ed.) *Africa's return migrants: The new developers?*, p. 23-43. London, UK: Zed Books.
- Famoroti, M. (2018). Foresight Africa viewpoint – Debt by diaspora: Ties that bond. Washington, D.C.: The Brookings Institution. Retrieved on 20 December 2018 from: https://www.brookings.edu/blog/africa-in-focus/2018/01/24/foresight-africa-viewpoint-debt-by-diaspora-ties-that-bond/.
- Ferrantide, D., and A.J. Ody (2007). What can remittances and other migrant flows do for equitable development? In: Merz, B.J., L.C. Chen and P.F. Geithner (eds) *Diasporas and development*. Global Equity Initiative, Harvard University, Cambridge MA, pp. 55–88
- Fransen, S., and V. Mazzucatto (2014). Remittances and Household Wealth after Conflict: A Case Study on Urban Burundi. *World Development*, 60, 57–68.
- Fransen, S., and M. Siegel (2011). The Development of Diaspora Engagement Policies in Burundi and Rwanda. UNU-MERIT Working paper No. 2011-038. Maastricht, the Netherlands: Maastricht Graduate School of Governance (MGSoG).
- Fransen, S., I. Ruiz, & C. Vargas-Silva (2017). Return migration and economic outcomes in the conflict context. *World Development*, *95*, 196-210.
- Gamlen, A. (2014). The new migration-and-development pessimism. *Progress in Human Geography*, *38*(4) 581–597.

- Gillespie K., L. Riddle, E. Sayre, and D. Sturges (1999). Diaspora interest in homeland investment. *Journal of International Business Studies, 30*(3):623–634.
- Goldring, L. (2004). Family and collective remittances to Mexico: A multidimensional typology. *Development and Change*, *35*(4), 799-840.
- Grabska, K. (2014). *Gender, Identity and Home: Nuer repatriation to Southern Sudan*. Martlesham: James Curry.
- Guglielmetti, C. (2011). Measuring the Business Environment for Entrepreneurship in Fragile States. In W. Naudé (ed). *Entrerpreneurship in Economic Development*. p. 124-143. London, UK: Palgrave McMillan.
- Hanafi, S. (2008). "Modes of Entrepreneurship of Palestinian Refugees in the Palestinian Territory: Camps versus Cities of the West Bank." CARIM Analytic and Synthetic Notes 2008/45.
- Hunger, U. (2002). The 'Brain Gain' Hypothesis: Third-World Elites in Industrialized Countries and Socioeconomic Development in Their Home Country. Working Paper 47. Muenster, Germany: Center for Comparative Immigration Studies, University of Muenster.
- IFRC (2009). *International Federation of Red Cross and Red Crescent Societies' (IFRC) Policy on Migration*. Geneva, Switzerland: The International Committee of the Red Cross and Red Crescent Societies.
- IFRC (2017). *IFRC Global Strategy on Migration 2018-2022. Reducing Vulnerability, Enhancing Resilience*. Geneva, Switzerland: The International Committee of the Red Cross and Red Crescent Societies.
- ILO (2006). *ILO Multilateral Framework on Labour Migration: Non-binding principles and guidelines for a rights-based approach to labour migration*. Geneva, Switzerland: International Labour Organization.
- Jones, R. C. (1998). Introduction: The Renewed Role of Remittances in the New World Order.
- *Economic Geography, 74*(1), 1–7.
- Ketkar, S. L., and D. Ratha (2007). Development Finance via Diaspora Bonds Track Record and Potential. Paper presented at the Migration and Development Conference at the World Bank on 23 May 2007, Washington, D.C.: The World Bank
- Ketkar, S.L. and D. Ratha (2011). *Diaspora Bonds: Tapping the Diaspora during Difficult Times* (pp. 127-144). In S. Plaza and D. Ratha (ed.) Diaspora for Development in Africa. Washington, DC: The World Bank.
- Kotabe, M., L. Riddle, P. Sonderegger, and F. A. Täube (2013). Diaspora Investment and Entrepreneurship: The Role of People, Their Movements, and Capital in the International Economy. *Journal of International Management*, *19*(1), 3–5.
- Kourtit, K., and P. Nijkamp (2018). Educational Migrants: a Special Type of Cross-Border Migration. *Cross-Border Journal for International Studies*, *2*(3).
- Kuschminder K., G. Sturge, and N. Ragab (2014). Contributions and Barriers to Knowledge Transfer: The Experience of Returning Experts. CIM Paper Series 7. Eschborn, Germany: Centre for International Migration and Development.
- Leblang, D. (2017). Harnessing the Diaspora: Dual Citizenship, Migrant Return Remittances. *Comparative Political Studies*, *50*(1), 75–101.
- Levitt, P. (1998). Social Remittances: Migration Driven Local-Level Forms of Cultural Diffusion. *The International Migration Review*, *32*(4), 926-948.
- Levitt P.,and D. Lamba-Nieves (2010). Social Remittances Revisited. *Journal of Ethnic and Migration Studies, 37*(1), 1–22.
- Light I., and S. Gold (2000). *Ethnic economies*. San Diego, CA: Academic Press
- Lin, X. and S. Tao. (2012). Transnational Entrepreneurs: Characteristics, Drivers, and Success Factors. *Journal of International Entrepreneurship, 10*(1), 50–69
- Lundberg, H., and A. Rehnfors (2018). Transnational entrepreneurship: opportunity identification and venture creation, *Journal of International Entrepreneurship*, *16*(2), 150–175

- Mambula, C.J., and F.E. Sawyer (2004). Acts of entrepreneurial creativity for business growth and survival in a constrained economy. *International Journal of Social Economics*, *31*(1/2), 30–55.
- Marchand, K., S. Fransen and M. Siegel (2013). Migrant Entrepreneurship, Remittances & Development. Background paper International Policy Debate 29 May 2013. Maastricht, The Netherlands: United Nations University-MERIT (UNU-MERIT) / Maastricht Graduate School of Governance (MGSoG).
- Mascini, P., A. Fermin, and H. Snick (2012). Transnationalism of Burundian Refugees in The Netherlands: The Importance of Migration Motives. *International Journal of Population Research*, 1-11.
- Massey, D.S., J. Arango, G. Hugo, A. Kouaouci, A. Pellegrino and J.E. Taylor (1998). *Worlds in Motion: Understanding International Migration at the End of the Millennium*. Oxford, UK: Clarendon Press.
- McCormick, B., and J. Wahba (2001). Overseas Work Experience, Savings and Entrepreneurship Amongst Return Migrants to LDCs. *Scottish Journal of Political Economy*, *48*(2), 164–178
- Meyer, J.B., and M. Brown (1999). Scientific Diasporas: A New Approach to the Brain Drain. Paper presented at the "World Conference on Science" UNESCO-ICSU. Budapest, June 26–July 1, 1999. https://unesdoc.unesco.org/ark:/48223/pf0000116330 (accessed December 13, 2018)
- Mohamoud, A., and C. Formson-Lorist (2014). Diaspora and Migrant Entrepreneurs as Social and Economic Investors in Homeland Development. The Hague, Netherlands: African Diaspora Policy Centre.
- Naudé, W., M. Siegel and K. Marchand (2015). Migration, Entrepreneurship and Development: A Critical Review. IZA Discussion Paper Series No. 9284. Bonn, Germany: The Institute for the Study of Labor (IZA).
- Naudé, W., M. Siegel and K. Marchand (2017). Migration, entrepreneurship and development: critical questions. *IZA Journal of Migration*, *6*(5), 1-16.
- Nevinskaitė, L. (2016). Social Remittances from the Professional Diaspora: The Issue of Home-Country Receptivity, *Central and Eastern European Migration Review*, 5(2), 135–153.
- Newland, K. (2010) Six studies and a road map: diasporas as partners in development. In: K. Newland (ed) *Diasporas: new partners in global development policy*. MPI, Washington DC, pp 1–24.
- Newland, K. and H. Tanaka (2010). Mobilizing Diaspora Entrepreneurship for Development.
- Washington, DC: Migration Policy Institute.
- Nielsen, T.M., and L. Riddle (2010). Investing in peace: the motivational dynamics of diaspora investment in postconflict economies. *Journal of Business Ethics* 89:435–448.
- Nkongolo-Bakenda, J.-M., and E.V. Chrysostome (2013). Engaging diasporas as international entrepreneurs in developing countries: In search of determinants. *Journal of International Entrepreneurship*, *11*(1):30-64.
- Nyberg-Sørensen, N. (2004). The Development Dimension of Migrant Remittances. Migration Policy Research Working Paper Series, No. 1, Geneva, Switzerland: International Organization of Migration.
- Nyberg-Sørensen, N., and K. Fog Olwig (2002). *Work and Migration: Life and Livelihoods in a Globalizing World*. London, UK: Routledge.
- Nyberg-Sørensen, N.N., N. Van Hear, and P. Engberg-Pedersen (2002). The Migration-Development Nexus. Evidence and Policy Options State-of-the-Art Overview. *International Migration*, *40*(5):1–47.
- Oddou G., B. Szkudlarek, J. S. Osland, J. Deller, R. Blakeney, and N. Furuya (2013). Repatriates As a Source of Competitive Advantage: How to Manage Knowledge Transfer. *Organizational Dynamics 42*(4): 257–266.

- OECD (2017). Interrelations Between Public Policies, Migration And Development. Paris, France: Organisation for Economic Co-operation and Development.
- Page, J., and S. Plaza (2006). Migration Remittances and Development: A Review of Global Evidence. *Journal of African Economies*, *15*(suppl_2), 245–336.
- Portes, A. (2003). Conclusion: theoretical convergencies and empirical evidence in the study of immigrant transnationalism, *International Migration Review*, 37(3), 874–892.
- Portes, A., W. J. Haller and L. E. Guarnizo (2002), Transnational Entrepreneurs: An Alternative Form of Immigrant Economic Adaptation, *American Sociological Review*, 67(2), 278-298.
- Pruthi, S., A. Basu and M. Wright (2018). Ethnic ties, motivations, and home country entry strategy of transnational entrepreneurs, *Journal of International Entrepreneurship*, 16(2), 210–243.
- Putnam, R. D. (2000). *Bowling Alone*. New York, NY: Free Press.
- Riddle, L. (2008). Diasporas: exploring their development potential. *Journal of Microfinance/ESR Review*, *10*(2):28–35.
- Riddle, L. and J. Brinkerhoff (2011). Diaspora entrepreneurs as institutional change agents: The Case of Thamel.com, *International Business Review*, *20*:670-680.
- Sagmo, T. H. (2015). The role of social capital in post-conflict business development: perspectives from returning migrants in Burundi. In L. Åkesson, and M. Eriksson Baaz (ed.) *Africa's return migrants: The new developers?*, p. 109-129. London, UK: Zed Books.
- Sana, M. (2005). Buying membership in the transnational community: migrant remittances, social status and assimilation. *Population Research and Policy Review*, 24:231–261
- Saxenian A. (2002). Brain circulation: how high-skill immigration makes everyone better off. *Brookings Review*, *20*(1):28–31.
- Schumpeter, J. (1942). *Capitalism, Socialism and Democracy*. London, UK: Harper & Brothers.
- Sheffer, G. (1986). A New Field of Study: Modern Diasporas in International Politics. In *Modern Diasporas in International Politics*, edited by G. Sheffer, pages 1–15. London, UK and Sydney, Australia: Croom Helm.
- Sims R.H., and M. Schraeder (2004). An examination of salient factors affecting expatriate culture shock. *Journal of Business Management*, *10*(1):73–87.
- Stefansson, A. (2004). Homecomings to the Future From Diasporic Mythographies to Social Projects of Return. In F. Markowitz and A. Stefansson (eds). *Homecomings: Unsettling Paths of Return*. pp 2-20. Lanham, MD: Lexington Books.
- Stel, N. (2013). *Diaspora versus Refugee - The Political Economy of Lebanese Entrepreneurship Regimes*. Maastricht School of Management Working Paper No. 16/2013. Maastricht, the Netherlands: Maastricht School of Management.
- Taylor, J.E. (1999). The New Economics of Labour Migration and the Role of Remittances in the
- Migration Process. *International Migration, 37*(1):63–88.
- Tiemoko, R. (2004). *Unveiling local opportunities and challenges in return migration and development nexus: the case of Côte d'Ivoire and Ghana*. Brighton, UK: University of Sussex, Sussex Centre for Migration Research.
- Trans, L.O. and I. M. Vammen (2011). African Diaspora Associations in Denmark: A Study of Their Development Activities and Potentials (pp. 145-164). In S. Plaza and D. Ratha (ed.) Diaspora for Development in Africa. Washington, DC: The World Bank.
- UNDP (2011). *Towards Human Resilience: Sustaining MDG Progress in an Age of Economic Uncertainty*. New York, NY: United Nations Development Programme.
- U SAID (2009). Diaspora Direct Investment (DDI): the untapped resource for development. Washington, D.C: U.S. Agency for International Development. http://pdf.usaid.gov/pdf_docs/PNADO983.pdf.
- Vaaler, P. M. (2011). Immigrant remittances and the venture investment environment of developing countries. *Journal of International Business Studies*, *42*(9), 1121–1149.

- Vaaler, P.M. (2013). Diaspora Concentration and the Venture Investment Impact of Remittances. *Journal of International Management*, 19(1), 26-46.
- Vemuri, S. R. (2014). Formation of Diaspora Entrepreneurs, ZenTra Working Papers in Transnational Studies 41 / 2014. Bremen, Germany: ZenTra - Center for Transnational Studies.
- Wahba, J., and Y. Zenou (2012). Out of sight, out of mind: Migration, entrepreneurship and social capital. *Regional Science and Urban Economics*, *42*(5), 890–903.
- Yang, D. (2011). Migrant remittances. *Journal of Economic Perspectives*. *25*(3):129–51.

Annex V Donor reviews

Introduction

Experiences from comparable activities funded by other sources in other contexts is one of the means to assess whether the linkages in the results chain (activity – output – outcome) are logical to underpin the findings concerning the six project subject to the current evaluation.

This annex identifies experiences in a few neighbouring countries that illustrate the findings and may provide ideas for successful activities in the future.

In 2013, the European Centre for Development Policy Management (ECDPM), together with the International Centre for Migration Policy Development (ICMPD), published a comprehensive mapping of the various European countries' policies in the field of Migration and Development.[52] The key objective of this study was to analyse the policies, practices and trends at the time. It answered questions on the scope of Migration and Development (M&D) policies in these countries, underlying concepts and principles, the institutional framework in which M&D policies were implemented, as well as on concrete activities and engagement in regional and international fora.

In this annex the study mentioned above is taken as a starting point to summarize the information about relevant policies and programmes funded by Belgium, France, Germany, and the UK. In that respect, we zoom in on those projects that deal with migration and private sector development.

The Global Compact for Safe, Orderly and Regular Migration (GCM) and the Global Compact for Refugees, as agreed upon in December 2018 by 152 members of the United Nations[53] cover all dimensions of international migration. Of the 23 objectives formulated for safe, orderly and regular migration, the policy objective 21 concerns "return and reintegration policy" and lists 12 subjects[54] all directly or indirectly related to private sector development. As indicated by Barbara Rossi[55] these challenges are double-sided (push and pull factors): for example, the labour market situation in both the origin and destination countries; the economic prospects in origin and destination countries; the educational opportunities, etc.

While the subjects listed by the GCM are all related to opportunities for reintegration, the forms of (direct) diaspora engagement with their countries of origin, and in particular when it relates to private sector development, have been visualised by Melissa Siegel (Maastricht Graduate School of Governance) (figure 1.1).

---

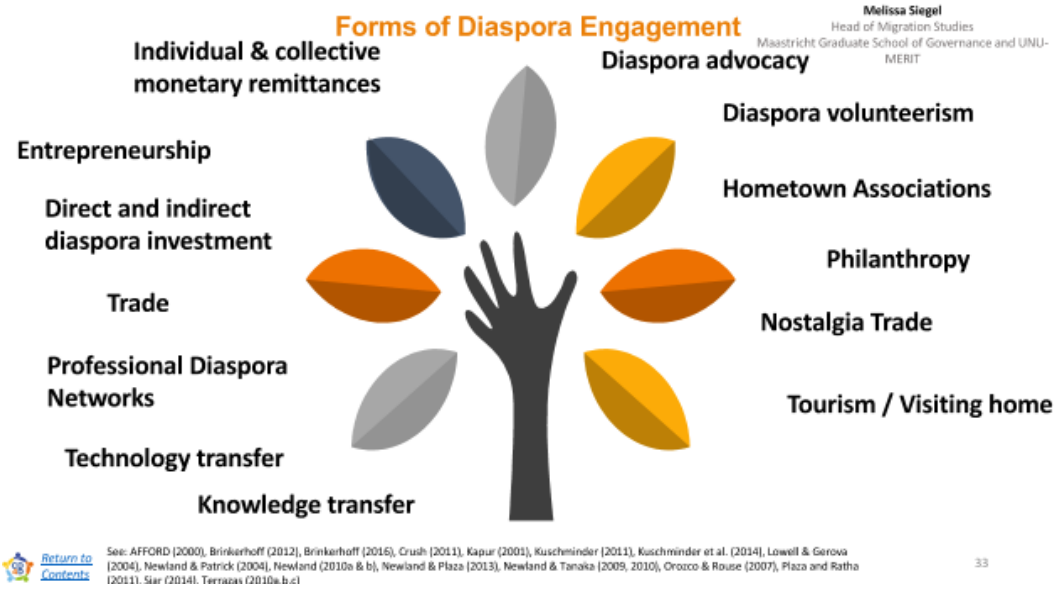
52 Frankenhauser, M., Knoll, A. et al (2013). Migration and Development Policies and Practices A mapping study of eleven European countries and the European Commission, ECMPD, ICMPD, Swiss Development Cooperation.

53 Among the European member states nine did not sign the agreement (Hungary, Poland, and the Czech Republic voted against, while Austria, Bulgaria, Italia, Letland, Romania and Slovenia abstained).

54 Governance; legal protection; employment; social protection; health services; education; economic growth; financial services; trade; agriculture and rural development/food crises; infrastructure; environment.

55 Presentation to Adelante network. Madrid. January 2019.

Figure1.1 Visualisation of Forms of Diaspora Engagement



Source: Melissa Siegel, Maastricht Graduate School of Governance. Diaspora in Action conference, 30th October 2018, The Hague.

Neighbouring countries designate a significant role to the International Organisation for Migration (IOM). Within the range of IOM programmes, the role of the diaspora is most prominently explicit in the IOM's Connecting Diaspora for Development (CD4D) programme (up to 2018 known as the Temporary Return of Qualified Nationals programme). Next to IOM, also other international and multinational organisations as the European Commission, the ILO and UNDP have programmes, or conduct research, in relation to the role of migration and economic growth and/or employment.[56]

The bilateral development of programmes in the area of migration and private sector development (hence next to those by international organisations) is less common among the member states of the European Union. Below we provide our overall observations comparing policies and programmes of Belgium, Germany, France, the United Kingdom and the Netherlands, followed by separate overviews of the country specific experiences in this area.

Overall observations comparing donors' policies and programmes:

Migration and Development policies

The Netherlands with policy notes on Migration and Development since 1996 (and more explicit in 2004) and was considered a front runner in that respect. Other European countries formulated policies on the subject at a later stage, mainly from 2008 onwards. The degree to which the policies on Migration and Development are embedded in, or mainstreamed with, the overall and general development policies of the four countries studied, varies.

[56] https://ec.europa.eu/europeaid/projects/project-support-reduction-migration-through-creating-job-opportunities-rural-areas-senegal_en.
https://europa.eu/capacity4dev/iesf/discussions/good-practice-employment-migration-informal-economy-remittances-businesses-and-job.
https://www.ilo.org/moscow/projects/WCMS_635105/lang--en/index.htm.
https://www.ilo.org/global/topics/employment-intensive-investment/WCMS_647351/lang--en/index.htm.
http://www.undp.md/jobs/jobdetails/1715/.
https://www.ilo.org/global/topics/labour-migration/projects/lang--en/index.htm?facetcriteria=TAX=P.17-TAX=A.15&facetdynlist=WCMS_239505.
https://www.solidaritycenter.org/wp-content/uploads/2015/05/Migration.Toward-Creating-Employment-in-Origin-Communities.5.15.pdf.

In Belgium, M&D is not a specific priority in the Law on Development Cooperation 2013, although the budget related General Policy Notes 2017 and 2018 refer explicitly to M&D. In the United Kingdom, the 2015 Aid Strategy aims at directing more migration-related funding to fragile and conflict affected states, mainly from the perspective of 'combatting the root causes of migration', but the relation with private sector development and the involvement of diaspora to that end are at an incipient stage. In both France and moreover in Germany the mainstreaming is more explicit. The mobilisation of diasporas in France, among which a sizeable community originating from Africa, is a central element in the Ministry for Europe and Foreign Affairs M&D strategy. It is a component of the development policy which recognises the financial, technical and cultural contribution which migrants make to their countries of origin. The most explicit incorporation of M&D in the overall development policies is in Germany, where it is embedded in the overall development policy, as well as in the policies regarding international security and fragile states and those concerning the Sustainable Development Goals, including climate change.[57] In this view, migration policy forms the 'overarching structure' for topics such as knowledge transfer; vocational training and labour market regulation and private sector development through migration.[58]

Management structure and responsibility for implementation

The formal management, as well as responsibility for implementation of the policies varies widely amongst the countries. In the United Kingdom, the management rests with three entities: the Foreign and Commonwealth Office (FCO), the Department for International Development (DfID), and the UK Home Office, while DfID is the main responsible agency for implementation. In Belgium, there are three ministries for the overall management plus a Special Envoy for Asylum and Migration. The implementation of activities have been mainly delegated to the IOM. In France, the management rests with the Ministry of Foreign Affairs and in particular the special "Migration and Development Unit" under the Minister Delegate for Development. The FDA is the main implementing actor. In Germany, the management structure is with the Ministry for Cooperation (BMZ) and four other ministries, with GIZ as the main implementing organisation. A special agency for migration and development, Centre for International Migration and Development – CIM) has been created, as joint operation of the GIZ and the International Placement Service of the Federal Employment Agency.

Working through diaspora organisations

In Belgium, diaspora organisations have access to federal funds, however the likelihood that applications from individual migrant organisations lead to financial support is 'modest at best'. Diaspora organisations have better opportunities through Belgian NGO (umbrella) organisations and funding by the Regional governments. In the United Kingdom, there are some projects working with, or through, diaspora organisations, but without any particular structure. France considers its diasporas as the most diverse, active and structured in Europe and as ambassadors of France for the African continent, hence the creation of the Presidential Council for Africa in 2017. France supports diaspora organisations through the Forum of International Organizations of Migration Issues (FORIM), which represents over 700 migrant organisations. In Germany, the support to diaspora organisations, as well as working through diaspora organisations pertain to the general activities of the specialised CIM.

As a result of the increase in migrant arrivals in Europe from 2015 onwards, bilateral programmes were re-focused on tackling the root causes of forced displacement in developing regions. This is apparent in the UK and France, but as well in the other countries (including the Netherlands), implying that the portfolio of programming on M&D was increasingly focused on addressing irregular migration into Europe and migration management.

---

57 Source: BMZ, GIZ. Migration and Sustainable Development, 2013.

58 Source: GIZ, CIM. Migration policy. 2013, p.5.

Promotion of circular migration

In the UK, cross-governmental discussions on the links between temporary and circular migration and international development efforts only started in the early 2010s and the policy did not gain much traction. In Belgium, circular migration is promoted through an ample scholarship programme (mainly for students from the Great Lakes Region) and a few bilateral projects (Morocco), but the incentive for return is mainly left to the IOM.

France considered diasporas as key partner with a political and economic role to play in their countries of origin. Since 2012 however, and although still important, France has shifted its focus to addressing root causes of migration and migration management. Germany is actively promoting circular migration as one of the key components of the CIM.

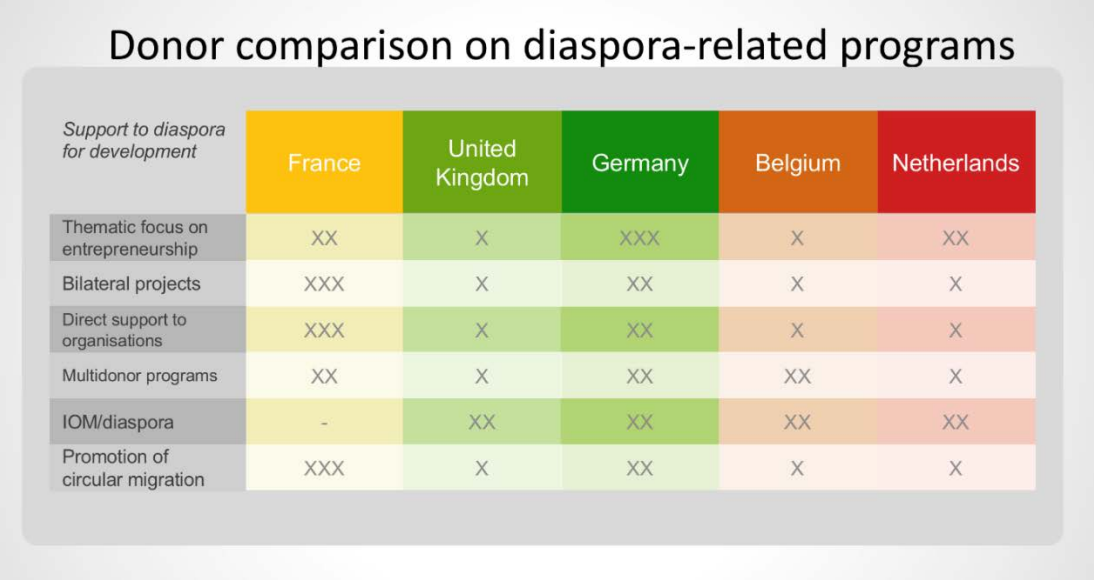
Diaspora and Private Sector Development

In the UK, policies concerning migration and Private Sector Development (PSD) have hardly been developed, while in Belgium PSD within the development policies gained importance only recently. France focussed on diaspora entrepreneurship and their economic potential, but Germany is the only neighbour country that counts with explicit policies, strategies and mechanisms at macro, meso and micro level to relate migration (in a double-sided vision) to private sector development.

Comparing donors' policies and programmes

The figure below summarises the policies and programmes among by donor

Donor comparison France, United Kingdom, Belgium and the Netherlands



A few remarks with regards to Dutch policies on migration & development

Among the countries studied, Germany counts with the most explicit policies, strategies and implementation methods on M&D, including the component of private sector development. It counts also with a specialised, multi-faceted implementation structure (CIM). Obviously, such a multifaceted specialised structure counts with a substantial budget (EUR 200 mln approximately).

Neighbouring countries designate a significant role to the International Organisation for Migration (IOM). Within the range of IOM programmes, the role of the diaspora is most prominently explicit in the IOM's Connecting Diaspora for Development (CD4D) programme (up to 2018 known as the Temporary Return of Qualified Nationals programme). Belgium, a country with a relatively modest budget has largely delegated the activities in the area of M&D to the IOM, and within IOM focused

on a single region (Great Lakes) in order to avoid fragmentation. In the Dutch case, with a similarly small budget available as Belgium, this could have been an option for implementation. Next to IOM, other international and multinational organisations as the European Commission (the MEET programme, for example), the ILO and UNDP also have programmes, or conduct research, in relation to the role of migration and economic growth and/or employment.

Recent changes in the Dutch M&D policies are in line with the Europe-wide trend of focusing on potential migrants and addressing root causes of migration. In France however, the political and economic roles that diasporas have played in their countries of origin are historically quite different from diasporas in the Netherlands. In addition, diasporas in the Netherlands may be active, but they are not well structured, which makes it difficult to engage them in a representative manner, in both policy consultations and project implementation.

The German CIM / GIZ has produced interesting examples of successful engagement of diaspora in development activities, such working simultaneously -or sequentially- at macro, meso and micro level (hence not only at the micro level of single projects) or ‘wrapping’ a variety of support activities around a single organisation in order to tackle various flaws simultaneously (finance, knowledge, networks, markets) as was the case with the KGCEN (Kenyan Germany Career & Entrepreneurship Network) or the innovation hub in Addis Abeba in the Ethiopian Institute of Architecture, Building Construction and City Development

Belgium

Background

Belgium has a noteworthy history in the area of Migration and Development. In 2007, it was Belgium that organised the first Summit meeting and became the first Chair of the Global Forum for Migration and Development (GFMD).[59] Since then, Belgium is an active participant and facilitator of the GFMD. It facilitated the linked initiative GFMD Civil Society (2007, supported by the King Baudouin Foundation)[60] and (to a lesser extent) the GFMD Business Mechanism (2014).[61]

Up to 2015 in Belgium, the societal approval and support to the concepts of Migration and Development were broadly shared, although decreased with the Middle East and Northern Africa refugee and migrant flows to Europe. In March 2017, Belgium took over the Presidency of the Rabat process (i.e. a regional migration dialogue for political cooperation amongst the countries along the migration route between central, western and northern Africa and Europe). Through this presidency, Belgium was actively involved in the Marrakesh Global Compact for Safe, Orderly and Regular Migration (2018).[62] The fact that the government of prime minister Michel decided to subscribe the Marrakesh compact, led to the fall of government (the coalition party N-VA[63] left the government).

Coherent with Belgium's role in the GFMD, the country channelled its resources for migration and development mainly through international organisations such as the IOM. In Belgium, the IOM country office works closely with the State Secretary for Asylum and Migration, the Belgian Immigration Office, and the Belgian Development Cooperation.

Institutional framework

The subject of migration is a political and institutional responsibility of an array of governance entities. In Belgium, this rest mainly with the Ministers for Security and Internal Affairs, the Minister of Justice and the Ministers for Foreign Affairs and European Affairs.[64] See Figure XX

Funds for Migration and Development projects come from the Federal Government's Official Development Assistance (ODA) budget and to a minor extent the Regions.[65] In this section we restrict the inventory to the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation. Within that federal service, the main policy making entity is the Directorate Development Cooperation.

In 2012, the Special Envoy for Asylum and Migration was established within the Ministry of Foreign Affairs, and a special Unit created. The Special Envoy is key in the relationship with the international organisations, such as IOM, ILO, UNHCR and UNDP in aspects of migration and development.

---

59 See: https://diplomatie.belgium.be/nl/Beleid/beleidsthemas/naar_een_mondiale_en_solidaire_samenleving/asiel_en_migratie/migratie_en_ontwikkeling.

60 See: https://gfmd.org/process/civil-society.

61 See: https://gfmd.org/link-business-sector.

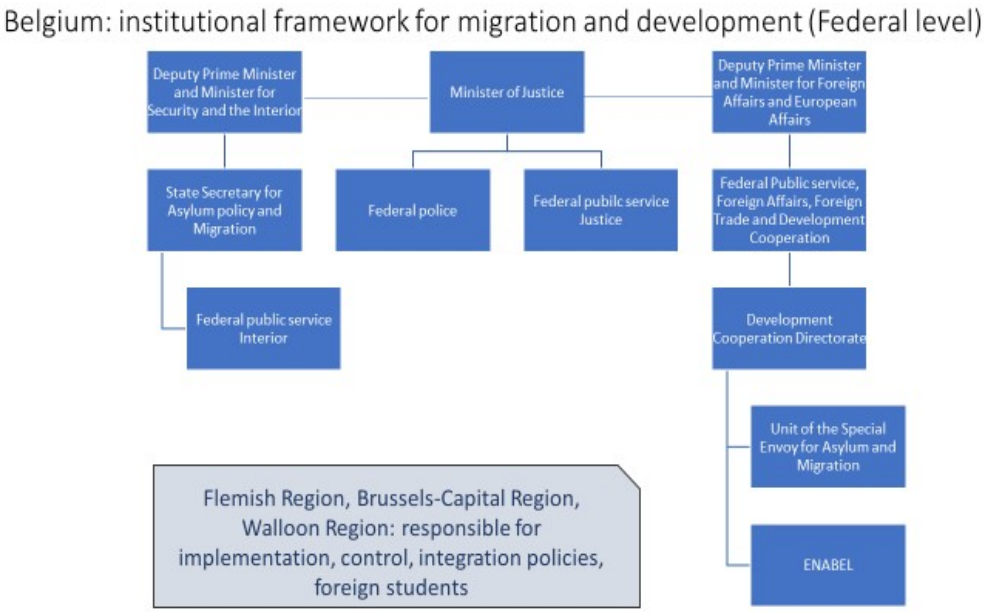
62 See: https://refugeesmigrants.un.org/sites/default/files/180713_agreed_outcome_global_compact_for_migration.pdf.

63 Nieuw Vlaamse Alliantie.

64 This is -obviously- not exhaustive.

65 For Asylum seekers and new migrants in Belgium, there are also funds coming from the budget for the Immigration Department of the Ministry of Justice.

Figure Error! No text of specified style in document.**1.2** **Institutional Framework Migration in Belgium**



Source: Elaboration based on European Migration Network. National Contact Point Belgium, 2018.

The history between Belgium and IOM dates back from 1973. Beneficiaries of IOM's programming include potential and returning migrants and their families, diaspora communities, local, regional, and national governments, and the private sector. In September 2016, Belgium renewed the Memorandum of Understanding with the IOM and provided a non-earmarked contribution of EUR 1,000,000 (2017) and contributes with Junior Professional Officials. Next to this core funding, it funds special programme activities (see section 4.)

Next to the funding through international organisations, a second line for programmes and projects in the area of Migration and Development has been realised by the Belgium Technical Cooperation (BTC/ ENABEL). These projects were usually "add-ons" to other projects in country programmes (Morocco for example), since M&D was not a priority subject to BTC.

A third line of funding and implementation of projects in the area of M&D is through and by Non Governmental Organisations (NGOs), both those focused at international cooperation and those working with diaspora organisations in Belgium.[66] There are approximately 300 migrant organisations,[67] known as OISM (Organisations of International Solidarity originated in Migration). In 2004, a Committee of the Senate[68] observed that migrants and their organisations had no access to project funding, as they could only acquire NGO status if a majority of their board members were Belgian nationals. The Committee therefore concluded that migrants and their organisations should be recognised and that a coordinating governmental body of M&D should be established. In practice however, the migrant organisations looked for alliances with the larger umbrella organisations for Development NGOs (like the Flemish 11.11.11 and the Walloon 11.11.11-CNDC). In the funding relation between the Directorate Development Cooperation and the NGOs a process of modernisation and concentration is going on. The number of recognised and eligible organisations was reduced from 105 to 60, while the number of eligible partner countries for

66 And more general NGOs as the Koning Boudewijn Stichting (www.kbs-frb.be).

67 Amélie Mouton. Bruggenbouwers. In: Dimensie 3, February-March 2011. DGD – Directie-Generaal Ontwikkeligssamenwerking.

68 Belgian Senate, Migranten en ontwikkeling: krachten voor de toekomst, 2004.

non governmental cooperation reduced from 52 to 31.[69] The likelihood that migrant organisations can apply for funds on an individual base is modest at the best, although opportunities through the umbrella NGO organisations still exist. This applies for a reduced number of countries.

A fourth line of funding are the Regions. Regions can initiate and implement M&D programmes. The Regions are more closely linked to regional umbrella organisations of the OISM, the strongest in the Walloon Coordination *Générale des Migrants por le Développement* (CGMD) that encompasses 130 OISM.[70] The Walloon region developed a policy (2009) on the subject and funds projects.

Box 1.1 Private sector for development (PS4D) and circular migration

Next to the use of public funds, it is worth noting an initiative of the Belgium industry to employ young African highly educated professionals (engineers, economist, business managers) for a period of up to one year. The purpose is to make the young professional acquainted with the western technology, business models and human resource management. This not only in the benefit of the African professionals, but also in the benefit of the Belgian companies in doing business with the upcoming African industry. The programme started in Senegal, but has expanded over other Francophone African countries and receives some financial support from the Belgian Government. Although the programme has no direct relation to diaspora organisations, it is a rare example of PS4D with circular migration.

Source: Karel Uyttendaele. Circular Migration for young and highly qualified Africans. 2018.

Partner Countries/Regions

As indicated, to Belgium the main channel for the operationalisation of the Migration and Development agenda are the international organisations. This applies in particular to the IOM "Migration for Development in Africa" (MIDA) programme that operates in 41 African countries.[71] A sub-programme is destined to the Great Lakes region; Belgium supports the activities in Burundi, the DRC and Rwanda.

In part resulting from the historical ties with the Great Lakes region and partly as a deliberate policy choice, the Belgian development cooperation focuses on the least developed and fragile countries (almost all) in Africa. The list of eligible countries for the bilateral cooperation was reduced from 18 to 14 in 2016[72], of which 13 in Africa (8 fragile states) and the Palestinian Territories: Benin, Burkina Faso, Burundi, Democratic Republic Congo, Guinee, Mali, Morocco, Mozambique, Niger, Rwanda, Senegal, Tanzania and Uganda.

Policy concerning migration and development

The Law on Development Cooperation 2013[73] (and its amendment 2016) is the framework for development assistance. The Law is directly linked to the Common Strategic Framework of the European Union[74] and the European Consensus. Contrary to the support to the private sector, the support to M&D is not an explicit priority area in the law. The support to the (local) private sector (in particular the social economy) is considered a means to achieve the overarching objectives of

---

69 NOTE DE POLITIQUE GÉNÉRALE (*) (*) Conformément à l'article 111 du Règlement.(*) Voir:Doc 54 3296/ (2018/2019):001: Liste des notes de politique générale.002 à 005. 6e SESSION DE LA 54e LÉGISLATURE. PERIODE20182019. CHAMBREDESREPRÉSENTANTSDE Belgique. 19 oktober 2018.

70 Institut de Recherche, de Formation et d'Action sur les Migrations (IRFAM), 2014.

71 IOM. MIDA description. 2017.

72 Six countries did not qualify anymore for governmental support, all middle income countries: Algeria, South-Africa, Vietnam, Bolivia, Ecuador and Peru.

73 FEDERALE OVERHEIDSDIENST BUITENLANDSE ZAKEN,BUITENLANDSE HANDEL EN ONTWIKKELINGSSAMENWERKING [C−2013/15084] 19 MAART 2013.—Wet betreffende de Belgische Ontwikkelingssamenwerking (Belgisch Staatsblad, 12-arpil 2013).

74 The Common Strategic Framework (Le Cadre Stratégique Commun) of the European Commission strives for joint and coordinated objectives for development cooperation and the priority policy areas, as well as the instruments that are used to that end. Among these instruments no reference is made to migration and development instruments.

poverty alleviation and inclusive growth. Within the context of the Law 2013, annually General Policy Notes International Development are presented to the Federal parliament. In the General Policy Note of 2017, the topic of migration is mentioned as key priority of the Minister for Development Cooperation,[75] while the Policy Note 2018 stresses that migration can contribute to realizing the objectives of sustainable development. Migration "contributes to innovation, exchange of knowledge and trans-border trade".[76] The Note further stresses the importance of remittances, reason why it finances the MigApp, an IOM application to compare bank and transfer facilities among banks.[77]

For the implementation of these General Policy Notes are the Strategy Notes. For Migration and Development, as well as migration and private sector development three Strategy Notes are of interest, although none of these three refers explicitly to any role for diaspora:

- The Strategy Note Comprehensive approach[78], that elaborates the 3D approach **(***Diplomacy, Development, Defence),* later extended to 3DLO (*'Law and Order/ Rule of Law"*). The purpose is to come to a coherent foreign policy encompassing issues related to migration and development. But, the Note focuses mainly at mitigating the root causes of migration;
- The Strategy Note on Fragile situations;[79] and
- The Strategy Note for support to the local private sector.[80] This latter one contains distinctive strategies for the Least Developed Countries (LDCs) and Middle-Income Countries and focuses on the social economy in the LDCs, in particular in Central and Western Africa (most of these countries are in a situation of fragility as well). While in this Note the importance of the remittances, as well as brain drain' are mentioned, no explicit reference is made to either circular migration, or the role of the diaspora.

In sum, although the General Policy Notes 2017 and 2018 refer to Migration and Development area, the Strategy Notes are not explicit about a policy on Migration and Development and/or a role of migrants / diaspora in relation to private sector development.

Programmes and projects

According to the different lines of funding and implementation, the programmes and projects can be grouped into three categories:

Programmes and projects funded and implemented through and with international organisations

In the context of the European Union, Belgium supports the EU Emergency Trust Fund to tackle the root causes of irregular migration in Africa; the EU Migration Compact; and the EU Fund for Sustainable Development (that encompasses migration issues). In the frame of the support with and through the United Nations (UN Habitat with IOM)[81], the Belgian Development Cooperation hosted and financed the international conference "United Cities and Local governments", (November 2017) aimed at building a more positive narrative on migration from the perspective of local and regional authorities, recognizing that people mainly migrate to cities. The main output of

---

75 Belgische Kamer van Volksvertegenwoordigers. Algemene Beleidsnota Internationale Ontwikkeling. 17 oktober 2017. Doc 54 2708 (2017/2018).

76 Belgische Kamer van Volksvertegenwoordigers. Algemene Beleidsnota Internationale Ontwikkeling. 19 oktober 2018. Doc 54 3296/006 (2018/2019).

77 Belgische Kamer van Volksvertegenwoordigers. Algemene Beleidsnota Internationale Ontwikkeling. 19 oktober 2018. Doc 54 3296/006 (2018/2019). Page 7, 8.

78 Strategienota Comprehensive Approach (2017).

79 Strategienota Fragiele situaties (2013).

80 Strategienota "De Belgische ontwikkelingssamenwerking en de lokale privésector: ondersteuning van een duurzame, menselijke ontwikkeling" (2014).

81 The Belgian government also provides core fundig to UNHCR (EUR 7.5 million over the period 2015-2017; 8 million for the period 2018-2020), while programme funding is approximately EUR 12-13 million annually. Source: EMS 2017.

the conference was the Mechelen Declaration[82] that reinforced the need of active involvement of local governments in the subject of migration and development.

With the IOM, a new Memorandum of Understanding was signed in September 2016 providing both core funding, human resources and programme funding to IOM. Various programmes are being supported:

- The Federal Agency for the Reception of Asylum Seekers (FEDASIL), the Belgium governmental agency dealing with asylum seekers accommodation provision, is the donor for the Voluntary Return project (that dates back to 1984) and has the mandate to manage the Assisted Voluntary Return and Reintegration approach;
- The Belgian Reintegration Assistance Programs, including a specific approach for vulnerable cases, medical cases, family cases, and unaccompanied minors;
- The Migration for Development in Africa, being a capacity-building programme that supports the transfer of competencies and resources (intellectual and financial) of the African Diaspora to benefit countries of origin. Up to 2013, the MIDA programme received most financial support by the Belgian Federal Government. The subprogramme MIDA Great Lakes has existed since 2001 and focused on Burundi, DRC, and Rwanda. The programme had four objectives: (1) to contribute to the development of the region and the institutional capacities (2) to develop synergies between the profiles of the migrants and the needs of the countries of origin; (3) mobilisation of financial and human resources within the diaspora in the benefit of the countries of origin; (4) strengthen the position and status of migrants in the host countries. These objectives led to three types of portfolios:
  - Transfer of knowledge by exchange through capacity building missions to the countries of origin;
  - Monetary transfers, in the sense of activities related to (external) funding mechanisms (not the funding itself) as well as remittances; construction of a web-site for bank information about remittances;[83.]
  - Virtual transfers, in the sense of the elaboration of on-line courses, information supply, translation facilities, training of ICT specialists.

The 3rd phase of that programme was evaluated externally.[84] The evaluators concluded the following:

- The objectives of the transfer of knowledge and capacity building component through exchange by diaspora professionals were largely achieved. The implementation rate of the component was high: 150 out of the scheduled 160 missions were realised. The value added of the diaspora professionals was considered 'undisputed' (according to the evaluators) since cultural differences were bridged. The programme had a high visibility in both Belgium as well as in the Great Lakes region itself;
- The portfolio related to the remittances had been less effective, while the costs were higher than expected;
- The portfolio on virtual support (ICT) did produce the envisaged products: persons from the diaspora community had been trained and a pool of ICT experts had been formed. A test e-learning course had been developed.[85] The evaluators wondered what the comparative advantage was of implementing this component through IOM and whether the same activity could not have been realised by the private sector (with or without a government subsidy).[86]

---

82 https://www.iom.int/sites/default/files/press_release/file/Mechelen-Declaration-final.pdf. Visited 10-03-2019.

83 For some years also the Netherlands government supported this activity.

84 SEE Luxembourg. Organisation Intenationale pour les Migrations Luxembourg, Evaluation du Programme MIDA Grands Lacs, Phase III. 2008.

85 Based on the poor experiences with e-learning courses, MIDA discontinued this activity.

86. Organisation Intenationale pour les Migrations Luxembourg, Evaluation du Programme MIDA Grands Lacs, Phase III. 2008.

In their conclusions, the evaluators considered the exchange programme as a 'rare case of meaningful use of the diaspora community by the country of origin' and recommended to focus exclusively on the professional exchange programme and to discontinue the two other components. Regarding the professional exchange programme, they recommended to extend the period of service per mission and recommended to improve the sustainability and continuation to make the programme less a project of exchange by individual professionals and more a programme of institutional contacts (kind of twinning) that may encompass various fields simultaneously and / or subsequently (professional technical and administrative).

A journalist assessment,[87] criticized the same MIDA concept of exchange by migrant professionals and called it 'the bankruptcy of the Belgian development cooperation'. The article stated that "it looked a great idea: instead of expensive development programmes, to involve highly qualified African professionals in the development or reconstruction of their countries of origin". But, using the example of Burundi, the authors indicate various impediments, such as the envisaged duration of the exchange mission, being hard to match with a professional career in Belgium; the moments in time (i.e. academic exchange during holiday time at the university); capacity buildimg mission not taking away root causes; and the diaspora community comprising political opponents of the government of Burundi, reason why the government was not eager to receive 150 exchange missions, while highly qualified candidates were not willing to join the IOM programme.

Another project with the IOM was "the mobilisation of Moroccans in Belgium to contribute to the development of their country of origin" (2012, follow-up 2016) of which one component is "to improve the employability of migrants and to provide support to Moroccans living in Belgium, to make productive investment in Morocco".[88]

Programmes and projects implemented through the bilateral development cooperation

Connected to the project in Morocco mentioned above, in 2017 started a programme advocating the legal empowerment of migrants in Morocco (ENABEL for EUR 4.85 million.[89]) Connected to that is a pilot project around legal labour migration from Morocco that caters for an ICT formation in Belgium that first helps to fill vacancies in Belgium and later created employment opportunities for these ICT experts in Morocco (circular migration).

Concerning circular migration, Belgium finances around 1,500 scholarships annually for courses and internships in Belgium, as well as through the subprogrammes for the South and funds provided by the Regions.[90]

Projects funded and implemented through the non-governmental organisations

The umbrella organisation of Flemish NGOs focused in its campaign 2017 on the topic of migration and refugees. About 80 organisations from different sectors were involved in this campaign. The Five-year non-governmental cooperation programme (EUR 233 mln funding per year) for 31 countries destines approximately 40% of the total budget to migration issues, including programma's to use the knowledge of diaspora organisations. Caritas and Justice et Paix (2 of these NGOs) raise awareness among migrants living in Belgium about the interconnection between the issues of migration and development and the opportunities for circular migration.

---

87 Vacature.com Werk en wereld - Hoogopgeleide Afrikanen voor Afrika: het failliet van een Belgisch beleid. Koning Boudewijn .Stichting. https://www.vacature.com/nl-be/carriere/archief/werk-en-wereld-hoogopgeleide-afrikanen-voor-afrika-het-failliet-van-een-belgisch-beleid Visited 19-02-2019.

88 Source: EMS 2017 Annual Report on Migration and Asylum in Belgium. Belgian Contact Point of the European Migration Network. August 2018, p.103.

89 Source: EMS 2017 Annual Report on Migration and Asylum in Belgium. Belgian Contact Point of the European Migration Network. August 2018, p.101.

90 (Institute of Tropical Medicine [ITG], Académie de Recherche et d'Enseignement Supérieur [ARES]; Vlaamse Inter-universitaire Raad [VLIR]; Musée Royale du Afrique Central [MRAC].

The Walloon government launched a new call for proposals in 2017 for non-profit associations, local authorities, foundations, etc. that encompassed the subject of Migration and Development, mainly aimed at migrants living in the Walloon region.

A few conclusions and lessons

- Although Migration and Development was not a specific priority in the Law on Development Cooperation 2013, the subject is addressed by Belgium being a frontrunner in international fora about migration and development;
- While General Policy Notes 2017 and 2018 of the Minister for Development Cooperation refer to Migration and Development and even mentioned it as a policy priority area, the specific Strategy Notes are not explicitly referring to Migration and Development, not to a role of migrants / diaspora in relation to private sector development;
- The main channel of supporting Migration and Development programmes is through the IOM. Among the programmes implemented by the IOM, the MIDA Great Lakes Region received most financial support. Private sector development was not a specific focal area of attention in that programme (technical and vocational training was, however);
- The bilateral programme focuses on the elimination of the root causes for migration (issues like food security and employment generation) and hardly on subject like circular migration or private sector development in the countries of origin;
  The support through NGOs has been (partly) harmonized in the sense that of the total portfolio of EUR 233 million per year approximately 40% is destined to activities related to migration from fragile countries in Africa. But also here, mainly focused at mitigating the causes of migration. There is no specific orientation to private sector development. Although a Senate Committee enabled diaspora organisations access to federal funds, the likelihood that applications from individual migrant organisations will lead to financial support is modest at the best. There are better opportunities through the (umbrella) NGO organisations.

References

- Belgian Senate, Migranten en ontwikkeling: krachten voor de toekomst, 2004.
- Chambre de Représentants de Belgique. 72111/002 DOC 54 2016. 4e Session de la 54e Législature, 28 October 2016.
- Chambre de Représentants de Belgique. DOC 54 3296 / (2018-2019). 6e Session de la 54e Législature. Note de politique générale. Conformément à l'article 111 du Règlement.19 October 2018.
- European Migration Network. Annual Report 2017 on Migration and Asylum in Belgium. Belgian Contact Point of the European Migration Network. August 2018.
- Frankenhauser, M., Knoll, A. et al (2013). Migration and Development Policies and Practices A mapping study of eleven European countries and the European Commission, ECMPD, ICMPD, Swiss Development Cooperation.
- Institut de Recherche, de Formation et d'Action sur les Migrations (IRFAM), 2014.
- Mouton, Amélie. Bruggenbouwers. In: Dimensie 3, February-March 2011. DGD – Directie-Generaal Ontwikkelingssamenwerking.
- SEE Luxembourg. Organisation Intenationale pour les Migrations Luxembourg, Evaluation du Programme MIDA Grands Lacs, Phase III. 2008.
- Vacature.com Werk en wereld. Hoogopgeleide Afrikanen voor Afrika: het failliet van een Belgisch beleid. Koning Boudewijn Stichting.

France

Background

Estimates of French nationals with a migrant origin are difficult to make as the law prohibits data on ethnicity. According to various data sets from the National Institute for Statistics and Economic Studies, some 3 million French nationals of sub-Saharan African origin live in France as naturalized citizens and/or second-generation immigrants. The OECD and AFD estimations are similar. In 2015, 619,000 nationals of African States were legally resident in France with the largest group coming from Mali (76,500 individuals) followed by Senegal (67,000) and the DRC (64,000). According to Agence Francaise de Développement (AFD), diaspora in France the political and economic role of their diaspora is reflected in national socio-economic and cultural systems (Morocco), political (parliamentary representation in Senegal) or mobilisation of skills (participation in the government in Guinea). Research on migration in France has shown that some members of these populations – born and/or resident in France – maintain sociocultural, economic or political ties to their country of origin. These links vary according to geographical origin, socio-economic profile and time spent France. They also show the capability of diasporas to create a double presence both in their country of origin and country of residence.

Remittances from diasporas are estimated to be three times the total sum of official development assistance around the world ($429 billion in 2016). They therefore play a very significant role in reducing poverty and contributing to growth in countries of origin.

According to data from the Banque de France, remittances from migrant workers residing in France increased significantly in 2015 to €9.5 billion (an increase of 18.75% on 2010). France is currently helping to support the solidarity of migrants in three key areas: capacity building for diaspora organisations, business creation that contributes to development and reducing the costs of the transfer of remittances. [91]

Institutional framework

Previous institutional frameworks Public sector

In a first attempt to deal with the M&D issue, the French government created the 'Inter-ministerial Mission on Co-development and International Migration' in 1997, which led to a series of policy proposals. Ten years later, the idea was to create a ministry in charge of the whole migration chain, covering all domains from immigration and return to integration and co-development, but this never materialised.

Up to 2010, a Programme "Solidarity development and migrations" also referred to as 301, was administered by the Ministry of Immigration, Integration, National Identity and Solidarity Development. When the ministry was dissolved in November 2010 and integrated into the Ministry of Interior, the Programme 301 was shifted to the Unit of international affairs and solidarity development (SAIDS) within the Ministry of the Interior.

Since 2009, Programme 301 runs under the name "Solidarity development and migrations" and aligns its activities with the conclusions of the European Pact on Immigration and Asylum, adopted by the European Council on October 15th and 16th, 2008, as well as with the orien- tations defined by the 2008 Paris Declaration on Aid Efficiency. Actions funded under Programme 301 should hence contribute to one of the programme's five priorities:

1. Developing employment in the countries of origin;
2. Improving living conditions for women and children;
3. Improving the general environment via local development;

[91] https://www.diplomatie.gouv.fr/en/country-files/africa/the-african-diaspora-in-france/.

4. Protecting the rights of potential asylum seekers on site;
5. Reducing the transfer costs of migrants' remittances.

Current institutional framework Public sector

As a consequence of the 2012 presidential and legislative elections in France, this programme was shifted from the Ministry of the Interior towards the Ministry of Foreign Affairs. There, a special "Migration and Development Unit" under the supervision of the Minister Delegate for Development has been in charge of it since January 2013. Moreover, since 2009 the "Migration and Development Editor" within the Ministry of Foreign Affairs is in charge of the follow-up to international, European and multilateral conferences on this topic.

With regard to policy coherence, the French government highlights the need for a stronger linkage between migration and development at bilateral and multilateral levels as well. In order to guarantee policy coherence and success for the projects implemented under programme 301, the Ministry of Interior has elaborated three success criteria: knowledge of diaspora, selection of partners and coherence of actions.

France has a decentralised approach to the selection and implementation of solidarity development projects. Local authorities can engage in bilateral cooperation and support projects presented by migrants living in France; prefectures can be mobilized to identify and inform migrants' associations and to give advice on decentralized cooperation projects involving migrants; finally embassies can be in charge of the implementation of development actions within the framework of concerted management agreements.

Currently, projects running under budget line 1 of Programme 301 (i.e. multilateral cooperation) are mainly implemented with international partners such as the World Bank or the African Development Bank. The authority in charge of budget line 2 (i.e. reintegration aids) is the French Office for Immigration and Integration (OFII). Projects implemented under budget line 3 of Programme 301, (i.e. bilateral cooperation) are mainly executed by the French Development Agency (FDA), which pilots publicly financed development projects in cooperation with NGOs, associative actors and local communities in the countries of origin, as well as in France.

Programme 301 is divided into three budget lines:

- Multilateral cooperation via international organisms, which aim to trigger productive activities in countries of origin, in particular francophone and sub-Saharan Africa, by supporting sectoral policies and co-development activities linked to the transfer of migrants' remittances;
- Reintegration and resettlement assistance via the French Immigration and Integration Office OFII in order to support projects led by the diaspora or by voluntarily returning migrants which will benefit the socioeconomic development of their home country;
- Bilateral cooperation via the signature of 'concerted management agreements for migration flows and co-development' with partner countries, but also via cooperation with the French Development Agency AFD, and with associations, companies and regional authorities in order to create local development initiatives.

FDA is the main implementing actor of France's development policy and hence also of M&D projects. Although attached to the Ministry of Interior, FDA has some flexibility and independence in the implementation of projects. Their M&D strategy aims at further mainstreaming migration issues into FDA's sectorial development strategies. For instance, FDA projects focus not only on the effect of international South-North migration on local development, but also on the impact of internal South-South migration. Hence, while the ministerial approach to M&D considers development

policies a tool for migration management, FDA focuses more on the impact migrants can have on the local development of their regions of origin. (source?)

In September 2017, France appointed an ambassador in charge of migration. The main task of the role is to inform countries of origin on the global opportunities of partnership in migration management.

Actors beyond public sector

One of the components of 'France helping to support the solidarity of migrants' is capacity-building for the International Migration Solidarity Organization (OSIM). The French Ministry for Europe and Foreign Affairs (MEAE) works closely with the national platform for OSIM federations and groups, the FORIM, which represents over 700 migrant associations committed to co-development action, particularly in sub-Saharan Africa and North Africa. Examples of such cooperation include a support programme for international migration solidarity organizations (PRA-OSIM) created in 2003. The FORIM facilitates the implementation co-development projects (up until 2016 it was financed by the MEAE for a total €5.1 million and is now supported by the Agence Française de Développement, AFD). These programmes co-finance, together with countries of origin, initiatives led by migrant associations, such as the Program to Support Solidarity Initiatives for Development (PAISD) in Senegal which received French financing of €11 million from 2009 to 2016, managed by the AFD since 2017 (see under 'programmes'). According to AFD's 9 April fact sheet, it supports the structuring of diaspora organizations, such as FORIM and its network in French regions through funding from French Civil Society Organizations.

At international level

The Ministry for European and Foreign Affairs (MEAE) is deeply involved in the EU Partnerships for Mobility (PPM), notably with Morocco and Tunisia, which are privileged instruments of structured cooperation and migration dialogue between the EU and third countries.

The PPM set a range of policy objectives to improve the movement of people, to prevent and combat irregular immigration and trafficking in human beings, to strengthen cooperation in terms of migration and development and to support the system to protect asylum applicants and refugees in countries benefiting from a PPM.

In order to inform some diasporas (i.e. Cameroon, Mali, Democratic Republic of Congo, Senegal and Sri Lanka) on return and reintegration programmes, the French Immigration and Integration Office participated in three forums in France and two others in Cameroon and Mali.[92]

Partner countries and regions

Before 2007, the French co-development policy was mainly directed towards Mali and Senegal, with some pilot projects also implemented in Morocco and the Comoros Islands. Since 2008, the action has been broadened, focusing on countries with important migratory flows to France and/or on countries with which France concluded a “concerted management agreement for migration flows and solidarity development”.

In the 2009 policy document presenting the new solidarity development approach135, 28 priority countries with an obvious geographic priority on the Maghreb, central, sub-Saharan and French-speaking Africa are mentioned: Algeria, Benin, Burkina Faso, Burundi, Cap Verde, Cameroon, Congo, Democratic Republic of Congo, Ivory Coast, Gabon, Guinea, Haiti, Madagascar, Mali, Morocco, Mauritania, Niger, Nigeria, Central-African Republic, Rwanda, Senegal, Somalia, Surinam, Chad, Togo, Tunisia, the Comoros Islands and Vietnam.

[92] EMN synthesis 2017.

In 2012, the FDA also established a list of 14 priority countries, to which it wishes to allocate a minimum of 80% of the grants and 60% of FDA's resources: Benin, Burkina Faso, the Comoros Islands, Ghana, Guinea, Madagascar, Mali, Mauritania, Niger, Democratic Republic of Congo, Central-African Republic, Senegal, Chad and Togo. Except for Ghana, which is not a priority country for the Ministry of Interior in its solidarity development strategy, the two priority lists perfectly match.

France works with different kinds of partners in migrants' countries of origin, subject to its two separate approaches towards implementing co-development projects:

- In countries where there is a large potential of co-development, i.e. in countries of origin that have a large diaspora living in France (e.g. Senegal, Mali), France establishes a "Solidarity Development Programme" together with the local authorities: This programme creates an ad-hoc unit within the local administration, comprising local and international experts, and headed jointly by the local authorities and the cooperation services of the French Embassy, who together select and implement co-development projects;
- In countries where the potential for co-development is limited, France adopts a project-based approach: The main cooperation partners here are local associations which implement the selected projects. The implementation agency (often FDA) either targets associations which they would like to support, or associations themselves take the initiative and apply for funding.

Policy concerning migration and development

The Migration and Development concept: Co-development policy (CDP)

In 1997, the Inter-ministerial Delegate for Co-development and International Migration suggested in a report a co-development policy articulated around the following main axes:

- Managing legal migration via migration contingents and the signature of co-development agreements with partner countries;
- Supporting development projects in important regions of origin by involving migrants;
- Strengthening the decentralized approach to co-development by fostering actions of local authorities, and of associated organisations and/or services;
- Enabling students and young professionals towards co-development by helping them with studies and working experience in France on a circular migratory basis;
- Facilitating productive investment of migrants' savings.

In 2008, the French government further developed its approach by introducing the notion of 'solidarity development', which widens the initial co-development concept: "Whereas co-development only focuses on supporting migrant initiatives, solidarity development concerns all development actions that are susceptible to contributing to controlling migration flows". Solidarity development consists of two main actions:

- Co-development actions, as defined in the 2005 communiqué, aiming at involving migrants and diasporas (i.e. local development of regions with heavy migration, reduction of costs of migrants' remittances, promotion of migrants' business investment, valorisation of diasporas' expertise);
- Sectoral development aid actions in regions with high emigration to France, aiming at promoting economic and social development in countries of origin (i.e. improvements in living conditions: health, education, training, governance, etc.).

France's co-development policy is mainly oriented towards engaging the diaspora in development projects in their countries of origin. In this field, France is undoubtedly one of the countries with the most experience and expertise, with extremely well organised and institutionalised diaspora communities.

Recent policy documents reorient France's M&D approach towards two main priorities: the transfer of knowledge and of remittances. The annex to the 2012 Finance Bill on France's transversal development policy states: "Migrants represent a twofold, important development potential for their countries of origin via the:

- Competences that they have acquired: One knows that brain drain concerns all southern countries and is one of the main obstacles to their development. Instead, co-development is a form of 'brain return';
- Savings they accumulate: Financial transfers from migrant workers towards their countries of origin are considerable (on a national scale, the amount is at least as high as the public development aid).

This has pushed the French government to implement mechanisms for productive investment in the countries of origin.

The projects implemented under the solidarity development approach therefore mainly target labour migrants and returning migrants and focus on the transfer of remittances and knowledge.

Recently, return and reintegration have gained weight on the co-development agenda and are mainly implemented via the increased focus on reintegration assistance. However, themes such as circular migration remain virtually absent in the French discourse. It seems therefore that France's focus is on how development can facilitate the national labour market instead of how migration can boost development in the countries of origin.

Current policy

The French Development Agency (AFD) drafted an "International migration and development" action plan. This action plan aims to "support the positive contribution that migration makes to development (...) act on structural factors of forced migration and (...) to coordinate emergency responses and long term actions'.

It created an operational framework for the migration strategy of the Ministry for Europe and Foreign Affairs (Ministère de l'Europe et des affaires étrangères, MEAE) which set the reference framework and policy directions, namely:

- Supporting the potential of solidarity of migrants;
- Supporting the potential of investment of migrants;
- Capacity building in partner countries;
- Involvement in global governance of migration.

It is broken down into five strategic objectives and 30 practical actions over a period of five years, from 2018 to 2022. .[93]

Financial dimension

Concerning the budget available for M&D activities, before 2007 co-development activities accounted for around 3 million Euro per year. With the introduction of Programme 301 in 2008, the French government showed an increased interest in M&D, with an increased budget and a growing number of partner countries.

The budget allocated to Programme 301 is however much less than to other programmes. In its first year, Programme 301 had been allocated 14.5 million Euro. Since then, the annual budget accounts for around 30 million Euro.

[93] EMM France 2017.

Given that the French Public Development Aid (APD) accounted for 9.3 billion Euro (0.46% of GDP) in 2011, the percentage of budget allocated for M&D purposes accounted for 0.16% of the APD. For comparison, Programme 303 “Immigration and asylum”, which implements France’s management of its foreigners’ mobility and visa policy, the guarantee of the right to asylum and the fight against irregular immigration, has an annual budget of around 300 million Euro. In 2011, the 262.2 million Euro spent on this program accounted for 2.82% of the APD.

Examples of aid programmes related to diaspora and migrant entrepreneurship

MEET programme

France supports specific actions to promote business creation and productive investment by diasporas in order to create jobs, promote growth and make the most of experience and knowledge acquired in France by diasporas. The Mobilisation Européenne pour l’Entreprenariat en Afrique (MEET Africa) programme, financed by the European Union and France, supports entrepreneurs from the African diaspora having completed their higher education in France or Germany, in creating businesses in their countries of origin that are predominantly technology focused or the source of innovative solutions.

In June 2016, the two French business support programmes merged to create a new European Programme to Support Entrepreneurship in Africa (programme Européen pour l’Entreprenariat en Afrique, MEET Africa), funded by the EU and France. Involving French operators (Expertise France, IRD, Campus France) and German operators (GIZ), its pilot phase strives to support entrepreneurs from the African diaspora who are graduates of the French or German educational systems, through the creation, in their countries of origin, of technological companies or ones which promote innovative solutions.

As for OFII, it continues its communication work with the diaspora of countries representing the main migration flows (Cameroon, Mali, DRC, Senegal, Sri Lanka) to inform them of the repatriation and reintegration grants available. Information is gathered from meetings with civil society organisations, OFII participates in fairs and forums, and engages in discussions also with authorities (embassies, consulates, operators), as well as monitoring accessible media in certain countries of origin. The total size of the programme co-financed by France is 15 mn Euro.

Bilateral programmes

AFD supports productive investments, through project incubators, the mobilisation of banking partners for the financing of diaspora companies in Cameroon, Senegal and Mali, and the Meetafrica project in several African countries. According to AFD's latest update dated 9 April 2019, AFD supports the diasporas, actors of the development of their territories of origin. It supports national migration policies in Tunisia, Senegal or Mali in co-financing mechanisms with the diasporas of sectoral health, education, water and agriculture projects.

Mali

In Mali, the AFD has established a project to support investments from the Mali diaspora in their regions of origin. The first phase of this project, involved €2.2M funding from the AFD which was granted at the end of 2013. The second phase has been funded by €6M from the FFU since 2016. The project aims to promote collective development initiatives in areas of origin (generally through migrants’ associations in the countries of immigration) and to support productive investment in Mali of the Malian diaspora, to increase their impact on employment, and to participate in the implementation of the national migration policy in Mali.

Its predecessor programme contributed to improving the general environment via local development. It ran from 2003 to 2008 and the partner country was Mali. The budget was 2.5 m

Euro (France) + 0.9 m Euro (Mali). The Co-development Programme established between France and Mali aimed to facilitate the exchange of initiatives and resources related to migrant workers for the development of their country of origin. It targeted Malian migrants living in France, including the second generation, and theircommunities of origin. The projects were designed, implemented and managed by the Malian migrants and migrant associations in France together with the communities in Mali. In France, the National Agency for Admission of Foreigners and Migrations (ANAEM) received, informed and provided orientation to the migrant candidates on the co-development procedures for the preparation and implementation of local development projects and the establishment of business companies. The projects mostly targeted one of the following areas: education, health, trade, handicraft, agriculture and information and communication technologies. The Co-Development Programme components included the co-financing of local development and business projects in Mali, initiated by Malian migrants living in France for least 2 years, technical counselling to conduct the feasibility study for the setting-up of businesses in Mali and monitoring during one year; and the social and cultural exchange between Mali and France, aiming at sensitizing the children of Malian migrants to the reality of their country of origin, and encouraging expertise and skill transfers. Due to its success, the Co-Development Programme's concept has already been adopted by Germany (with Turkey), Italy (with Senegal) and Spain (with Ecuador).). In its most recent update, AFD mentions a total contribution of Euro 7,2 mn.

Tunesia

The programme Supporting bank guarantees for projects of young Tunisian entrepreneurs contributed to developing employment in the countries of origin. Tunisia was the partner country and the project ran from 2008 to 2011. The budget was 3.3 m Euro. The funding aimed to facilitate access to loans for young Tunisian entrepreneurs aged below 40, to support Tunisia's public policy in encouraging investment and the creation of SMEs, and to strengthen expertise in risk analysis in the fight against money laundering and terrorism. In the medium term, the project aimed to create expertise in Tunisia on how to set up SMEs. The project participated in increasing living standards and the attractiveness of the territory for its inhabitants.

Senegal

Since 2005, France and Senegal have concluded several schemes to provide technical and financial support for Senegalese nationals living in France who support initiatives to promote the economic and social development of their country of origin. Between 2005 and 2017, €15.7M of grants from the French state were released.

The support programme for solidarity for development initiatives (PAISD), the flagship scheme for French-Senegalese cooperation, is ongoing. Since 2017, it has been managed in collaboration with the AFD through enhanced European funding (€10M). It falls within a more comprehensive initiative which aims to promote local economic and social development initiatives by the Senegalese diaspora and supports productive investments by this diaspora through mobilising the resources and skills of Senegalese people living in France, Spain, Italy and Belgium.[94]

Under the agreement signed between France and Senegal on the concerted management of migratory flows, the PAISD received 9 m Euro to co-finance local development projects with migrants and their partners in their regions of origin, to support Senegalese entrepreneurs established in France with their investment projects in Senegal, to mobilise the highly-qualified diaspora and to mobilise young people with proven competencies from second and third generations of Senegalese nationals living in France for voluntary work in development solidarity initiatives. Initial results showed that the programme enjoyed wide ownership (proximity to beneficiaries, prompt implementation, participation of the beneficiaries, guarantee of transparency of financial resources), that the projects

[94] EMM 2017

selected are coherent with national development policies (achievement of the MDGs, links with the Poverty Reduction Strategy Paper) and with local development plans, and that many different partners were involved (local authorities, NGOs, public institutions, etc.). In its most recent update of April 2019, AFD states that the total amount is 14 mn Euro (including 2 mn Euro by Senegal).

Other bilateral programmes

- Together with its partners CDC, CDP and Caisse des Dépôts Africaines, AFD is preparing a tool facilitating diaspora investments "All Africa" in connection with local actors such as Club Efficience, or the Afriquity crowdfunding platform: this is the DIASDEV project;
- Through its subsidiary PROPARCO, AFD invests in innovative companies with a regional dimension such as Afrimarket.

Multi-donor programmes

Between 2009 and 2016, the French Ministry for Foreign Affairs dedicated €5.5M to the IRD's support programme for the creation of innovative businesses in the Mediterranean as well as to the Entrepreneurs en Afrique programme by Campus France.

- Launched in 2009, the **Entrepreneurs en Afrique (EeA)** supports African graduates and managers in France wanting to create companies with high added value in Africa (Benin, Burkina Faso, Cameroon, Cap Verde, Congo Brazzaville, Côte d'Ivoire, Gabon, Guinea, Madagascar, Mali, Niger, DRC, Senegal and Togo);
- Created in 2011 by the Institut de Recherche pour le Développement (IRD), the support programme for the **creation of innovative businesses in the Mediterranean** (programme d'aide à la création d'entreprises innovantes en Méditerranée, PACEIM) set itself the objective of mobilising the expertise of the scientific and technical diasporas in France through support with projects to create technological companies in countries of the South Mediterranean, particularly Tunisia, Morocco, Algeria and Lebanon. The project ran from 2011 to 2014. Its budget is divided as follows: 3 m Euro (France) + 1 m Euro (southern partner countries) + 0.2 m Euro (IRD). The objective of this programme is to mobilize the scientific expertise of the diaspora in supporting and assisting the cre- ation of technological companies in southern Mediterranean countries. Implemented by the Research Institute for Development IRD, the beneficiary projects get 18 months of logistic, scientific and financial assistance in France before integrating a southern business incuba- tor. The program targets the creation of more than 70 innovative companies by migrants by 2014. [95]

Concluding

- According to the French government, the mobilisation of diasporas in France, among which a sizeable community originating from Africa, remains a central element in the Ministry for Europe and Foreign Affairs "Migration and Development" strategy. It is a component of the development policy which recognises the financial, technical and cultural contribution which migrants make to their countries of origin;
- The policy of 'co-development', which has been in place since 1997, was implemented by the Ministry of Interior up to 2012. The French Development Agency is the main responsible body to implement its programmes. There have been efforts to create broader synergies between migration and development policies. The role of diaspora however has become less prominent and the policy's focus has been shifting towards return, repatriation and reintegration of migrants in recent years;
- Programme 301, which focuses on 'co-development and solidarity', was 2 mn Euro in 2017. It includes encouraging the creation of businesses and productive investment in priority countries, such as Senegal, Mali and Morocco. In 2017, the budget was 0,16% of the total budget of the

[95] Malin Frankenhaeuser & Marion Noack , Promoting Diaspora Engagement: What have we learned? ICMPD, 2015.

French Development Agency. Implementation was mostly through a project-by-project approach instead of through larger programmes. Currently aid is concentrated in a number of bilateral programmes and a (multi-donor) programme focused on business creation in countries of origin, called MEET.

References

- Knoll, A., Migration and Development Policies and Practices. A mapping study of eleven European countries and the European Commission. ICMPD and ECDPM, May 2013.
- Frankenhaeuser, M., Promoting Diaspora Engagement: What have we learned?, ICMPD, 2015.
- Ministry of Foreign and European Affairs, Development Cooperation: a French Vision, Framework Document, Paris, 2011, viewed on 2 July 2012, http://www.diplomatie.gouv.fr/fr/IMG/pdf/Doc_Cadre_ANG_2011.pdf.
- Ministry of Immigration, Integration, National Identity and Solidarity Development, L'essentiel sur le développement solidaire - Favoriser le développement solidaire avec les pays source d'immigration, Paris, 2009, viewed on 3 July 2012, http://www.immigration.gouv.fr/IMG/pdf/essentiel_devsolidaire.pdf.
- Ministry of Interior, The French Solidarity Development Policy, Norwegian EMN Cluster Meeting "The Practical Side of the Migration Development Nexus". Oslo, 2012.
- Ministry of Interior, La mobilisation des migrants dans les projets de développement solidaire – l'expérience du programme 301 "développement solidaire et migrations", Bruxelles, 2012. viewed on 5 July 2012, http://www.divshare.com/download/17183004-0b3.

Germany

Background

In the early 1950s, immediately after Germany itself had been the recipient of massive aid in the form of the Marshall Plan, it started to support the developing world with financial resources and technical assistance. Nowadays, Germany is one of the largest donors of developmental aid, having ranked between the second and fifth places in net donations in recent years. Among the European Member States, it is one of the few countries that has increased its official development assistance (from 0.38% of GDP in 2015 to 0.52% of GDP) towards the 0.7 % goal that European countries have stipulated. This 0.52% equals EUR 15 billion (2017), of which EUR 3.5 billion is for spending on refugees in Germany. Germany is engaged in bilateral development cooperation (50 to 60% of ODA) with about fifty countries, focusing on good governance, education, rural development, climate control, sustainable development, and a strengthening of the private sector. .

The German Constitution grants the Federal Chancellor (head of the executive branch of government) broad powers to shape the general policies for the government, and no detailed legislation is required for development cooperation,[96] since the Executive Branch has powers to determine its policies for which the annual enactment of the federal budget by Parliament (Bundestag) serves as legal authorisation.[97] The budget process takes into consideration that agencies incur in obligations or adopt plans that need to be funded over several years and spells out what funds will be allocated over the required period. Such multiyear appropriations are particularly common for developmental aid.

There are around 20,000 diaspora organisations in Germany working to strengthen cultural cohesion and exchange through various (mostly non-profit) activities. Many of these associations are also involved in projects in their countries of origin and various facilitate the exchange of knowledge between the two, to foster innovation and help improve living conditions for the local population in the area, region or country of origin.[98]

Institutional framework

The development policy of the Federal Cabinet and the work of the Federal Ministry for Economic Cooperation and Development (*Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung* - BMZ) are subject to parliamentary oversight, including committee hearings, reports of the executive branch of government, and the parliamentary right of questioning the Federal Cabinet on any issue. In the Federal Parliament (*Deutscher Bundestag*), the Committee on Economic Cooperation and Development (*Ausschuss für wirtschaftliche Zusammenarbeit und Entwicklung*), is the first responsible for overseeing development policies and the implementation thereof.

In Germany the Committee on Economic Cooperation and Development has authorised the use of ODA resources to various of actors when it comes to Migration and Development, as shown in figure below. The reason is that migration is seen from multiple angles, including climate change, security and employment and having an impact on both family and society.

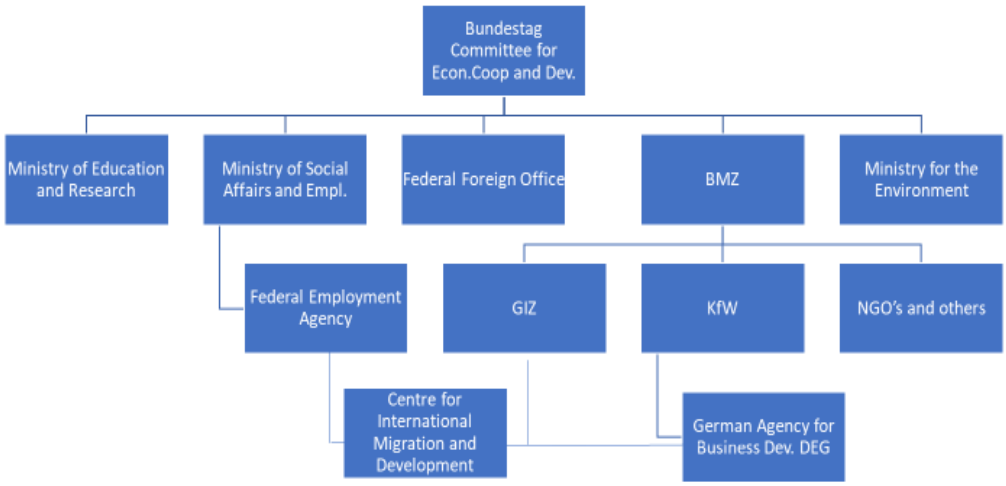
---

96 See: https://www.loc.gov/law/help/foreign-aid/germany.php#_ftn35. (Grundgesetz für die Bundesrepublik Deutschland, May 23, 1949, Bundesgesetzblatt [BGBl.] 1, as amended, art. 65) Consulted 18-03-2019.

97 See: https://www.loc.gov/law/help/foreign-aid/germany.php.

98 Source: Estimations by the German Federal Government's Integration Commissioner. See: www.cimonline.de.

Germany: institutional framework for migration and development (Federal level)



Source: own elaboration, based on www.loc.gov/law/help/foreign-aid/germany.php

The BMZ designs the developmental policy for approval by the Federal Cabinet (Committee for Economic Cooperation and Development). BMZ also decides on the bilateral development projects that will be undertaken. The BMZ is not the only federal ministry that defines policies on development cooperation, using ODA. Other ministries involved are the Federal Ministry of Education and Research; the Federal Ministry for Environment, Nature Conservation, and Nuclear Safety on projects and issues relating to the environment; the Federal Foreign Office (*Auswärtiges Amt*) administers humanitarian aid, and the Ministry of Social Affairs and Employment.

Developmental aid is to a large extent implemented by government-owned companies that provide either technical or financial assistance. BMZ supervises, monitors and audits the work of these implementing companies and entities and has a special auditing and evaluation unit to that end. Two companies / entities are responsible for the implementation of most policies:

- The German Company for Technical Cooperation (*Deutsche Gesellschaft für internationale Zusammenarbeit* - GIZ) that provides consultancy services and technical assistance for the development of specific policies (i.e. sector policies or subject matter policies, like Migration and Development), and the implementation of programmes and projects;
- The KfW Development Finance is the bank that provides the financial assistance. The government-owned KfW Bank Group has four branches. The KfW Entwicklungsbank.provides financial assistance to developing countries; the DEG promotes business growth in emerging markets. Financial cooperation with private parties in the partner countries is carried out by the German Investment and Development Company mainly.

The "Programme Migration for Development" (see section 5) is commissioned by the BMZ to the Centre for International Migration and Development – CIM, established in 1980.[99] This CIM is a joint operation of the GIZ and the International Placement Service of the Federal Employment Agency (pertaining to the Ministry of Social Affairs and Employment). For business support arrangements, the financial support comes from the German Agency for Business Development DEG, that pertains to the KfW Group (see figure above). Next to the assignments commissioned by

[99] See: www.cimonline.de.

BMZ, CIM also receives commissions from other German federal ministries, from state ministries, from the European Union and international organisations, including the IOM.

Partner Countries/Regions

Germany is engaged in development cooperation with over fifty partner countries. Over the last decade Germany focused more on the least developed countries and its involvement in sub-Saharan Africa. ODA is increasingly used to enhance stability, deter terrorism, and reduce migratory movements.[100] From a historical perspective, there are ties with Namibia, a major recipient of German support.

The Centre for International Migration and Development (CIM) develops activities in many countries, but there is focus on:

- for the sourcing and placement of European experts – and other experts from outside Europe who have settled in Germany – in developing countries and emerging economies (in principle all OECD-DAC countries), but it serves in particular assignments in Albania, Cameroon, Ethiopia, Kosovo and Serbia;
- for the support to broader activities by diaspora organisations in their country of origin (i.e. education projects; the use of modern technology; training of teachers; specialist personnel, or providing information on themes such as HIV/AIDS, energy efficiency and environmental protection) the support is open for proposals in Afghanistan, Albania, Cameroon, Colombia, Ecuador, Ethiopia, the Gambia, Georgia, Ghana, India, Indonesia, Iraq, Jordan, Kenya, Kosovo, Morocco, Nepal, Nigeria, Palestinian Territories, Peru, Senegal, Serbia, Tunisia, Ukraine and Vietnam;
- for the active support to business and private sector development with temporary or permanent return of migrants, it supports programmes in Tunisia, Morocco, Colombia, Cameroon and Ghana. Other countries are not excluded, as shown by active support to engagements in Ethiopia and Kosovo.[101]

Policy concerning migration and development

Germany's overarching policy on developmental aid is based on the following principles:

- requiring minimum standards regarding the rule of law and the observance of human rights[102];
- sustaining the fight against hunger and structural deficiencies in the spirit of the UN Sustainable Development Goals;
- strengthening good governance, self-determination, and self-help capabilities through strengthening civil society; and
- harnessing business and industry to foster sustainable economic development.

Since 2014, BMZ has launched special initiatives: tackling the root causes of displacement; stability and development in the Middle East North Africa region; global efforts to fight climate change; and One World, No Hunger. These initiatives provide BMZ flexibility in resource allocation.

ODA allocations are focused at (i) economic activity, trade and employment; (ii) peace and security; and (iii) democracy and rule of law. With reference to the overall policy Germany launched the 'Marshall Plan with Africa' (2018) [103], focusing not on aid, but on economic challenges and opportunities. According to that Plan, Africa will have the largest potential workforce in the world by 2035. The aim is to strengthen the African states' own development capacity by support to the

---

100 Source: https://www.loc.gov/law/help/foreign-aid/germany.php.

101 Source: www.cimonline.de.

102 More in general the EU "fundamental values".

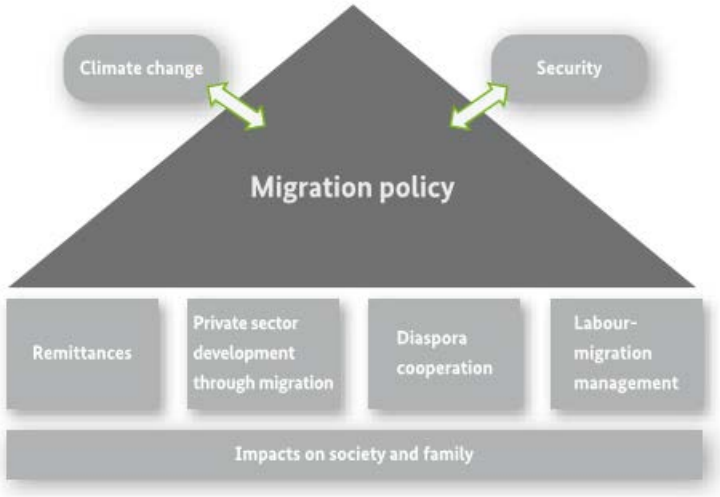
103 The Plan is based on concepts from the Club of Rome, but was criticized by development partners during the 2018 G20 meeting.

initiation of reforms driven from within to create favourable conditions for private and public investment, such as by infrastructure projects and higher education.

Migration and Development policy

The Migration and Development policy is embedded in the overall development policy, and policies regarding international security and fragile states and those concerning the Sustainable Development Goals, including climate change.[104] In this view, migration policy forms "the roof" or overarching structure for topics such as the facilitation of remittances transferred by migrants; the relationship with the diaspora; the promotion of knowledge transfer through returning experts; vocational training and labour market regulation and private sector development through migration.[105]

Migration policy, regardless of the needs for coherent harmonisation of the various development approaches, as well as education, foreign and financial policies, can also set a particular programmatic focus (expressed in sector policies or projects such as vocational training or the development of financial systems related to remittances). This understanding of the migration policy is grafically shown in the figure on migration policy below.

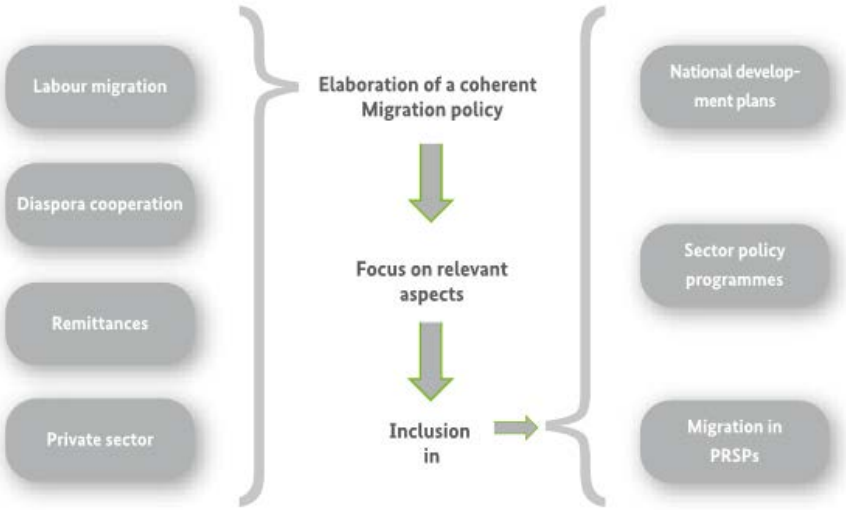


Source: GIZ, CIM. Migration policy. 2013, p.5.

The German development cooperation provides support at the macro, meso and micro-level. At the **macro,** or political, level governments are supported in the orientation of developing migration policies encompassing the public sector, private sector and civil society on issues like labour market management, social security, reintegration of returnees, education, and financial systems.[106] The concept is that migration policy will be fully integrated into the broad national development plans, sector policy plans and programmes, as well as - if applicable- in Poverty Reduction Strategy Papers or comparable strategies. See Figure overleaf.

104 Source: BMZ, GIZ. Migration and Sustainable Development, 2013.
105 Source: GIZ, CIM. Migration policy. 2013, p.5.
106 Source: GIZ, CIM. Migration policy. 2013 and www.cimonline.de.

Migration policy as integral part of national and sector policies



Source: GIZ, CIM. Migration policy. 2013, p.8.

At the **meso** level this refers to institution building, development of regulations and facilities (such as entry and exit and visa regulation; recognition of education diploma's and certificates obtained abroad), capacity building (including human capabilities), statistical strengthening, intermediation with international organisations such as the IOM.[107]

At **micro-level** this translates into specific projects, for example related to exchange programmes, technology transfer, and opening up of markets.

Migration and Development at meso level.

Examples of German supported activities at meso level are:

- Promotion of inter-ministerial dialogue for developing and harmonising a labour market strategy in Uzbekistan.
- Establishment of a labour market information system including migration related data in Kyrgyzstan
- Support for the establishment of a network of highly qualified diaspora members for the promotion of innovation and knowledge transfer in Honduras.

Details of these programmes can be found in GIZ, CIM. Migration policy. 2013, p.15-22.

Migration and Private Sector Development policy

Germany is known for the strength of its *Mittelstand*, its small and medium enterprise sector, and its vocational training and education system that is adapted to deliver the skilled manpower required for the private sector and hence the economy. This relation between vocational training, education and labour market is also stressed and apparent in the BMZ-GIZ policies and strategies in development cooperation.

The German development cooperation aims at sustainable economic development in partner countries consisting of four interrelated components: private sector development, vocational education, business training and financial systems development.[108] The strategy is broad and includes the mobilisation of private capital and expertise, improved efficiency in public service delivery in support of the private sector, promotion of private sector commitments (PS4D), support to public enabling environment including regulations and market organisation. As indicated in section 2, the programme is not implemented in all 50 countries where CIM operates, but for the

[107] The CIM website refers to the Philippines. www.cimponline.de.

[108] BMZ. Sector Strategy on Private Sector Development. BMZ Strategy Paper 9. 2013.

active support to business and private sector development, CIM restricts its support to Tunesia, Morocco, Colombia, Cameroon and Ghana and to a lesser extent in Ethiopia and Kosovo.

The main programmes that operationalize the private sector strategy are grouped into:

- Development partnerships and strategic alliances;
- Development partnerships through bilateral agreements;
- Chamber of Commerce and business association support services;
- Advisory services, learning and implementation of corporate social responsibility and networks for inclusive business;
- Promotion of sustainable business activities;
- Expertise; and
- Finance.

The strategy for private sector development is intertwined with the policy on migration and development, at least at the level of instruments, as expressed in:

- Among the subprogrammes of the component 'expertise', the Centre for International Migration and Development runs the ExperTS programme (Integrated Experts programme) that places highly qualified migrant / diaspora experts with organisations or companies in developing countries (not necessarily in the country of origin);
- Among the subprogrammes of the component of support to Chambers of Commerce and business associations, figure the Saving Bank Foundation for Development Cooperation, which is instrumental in facilitating the flow of remittances of migrants;
- In the same component: the German Chambers of Commerce abroad make use of the ExperTS programme. Approximately 25 migrant / diaspora experts are employed by Chambers of Commerce (preferably in the country of origin).

Programmes and projects

The CIM implements the "Programme Migration for Development" on behalf of the BMZ. That are the activities in Germany and countries of origin funded through BMZ (and hence not the activities funded by one of the other ministries involved in Migration and Development). The CIM has been established to deal with migrants in general, and not in particular the diaspora and their organisations. However, the diaspora is an important component of the "programme Migration and Development". The programme has five components[109]:

i. Knowledge transfers by (returning) experts;
ii. Cooperation with the diaspora community (diaspora organisations and diaspora experts);
iii. Business ideas for development;
iv. Migration advice, and
v. Migration policy advice.

Within that context CIM focuses on the promotion of value chains; local and regional economic promotion, promotion of ecologically sustainable growth; strengthening of innovation systems and strengthening of the institutional business environment.

Distinguished in the three levels (macro, meso, micro / target, as indicated above) CIM's approach to private sector development can be grouped as in the matrix overleaf.

[109] BMZ – Federal Ministry for Economic Cooperation and Development. Sektorkonzept Privatwirtschaftsförderung. BMZ Strategiepapier 9/2013. Abril 2014.

Matrix for Private Sector Development in the Migration and Development Programme.

	Before Migration	During Migration	Upon Return
Target Group	***Potential migrants in country of origin***	***Diaspora in the host country*** ***Migrants' families in the country of origin*** ***Institutions in the country of origin***	***Returnees*** ***Institutions in the country of origin***
Micro Level	Business Responsibility/ CSR	SME Development Promotion of Innovation and Technology Value-Chain Promotion Trade of Nostalgic Products Business Responsibility/CSR	SME Development Promotion of Innovation and Technology Value-Chain Promotion Trade of Nostalgic Products
	Before Migration	During Migration	Upon Return
Meso Level	Business Responsibility/ CSR	Promotion of Innovation and Technology Value-Chain Promotion Business Responsibility/CSR	Promotion of Innovation and Technology Value-Chain Promotion
Macro Level		Business and Investment Climate	Business and Investment Climate

Source: BMZ – GIZ – CIM. Migration as a driver for private sector development. GIZ.CIM. December 2014. P.13.

Knowledge transfers by (returning) experts

CIM manages three programmes for knowledge transfer by experts: a Volunteer programme, the Integrated Experts programme and the Returning Experts programme

CIM supports short-term assignments of experts in **volunteer** roles. Support is available for assignments lasting between three weeks and six months with state institutions or public-benefit organisations such as administrative bodies at various levels of government, academic institutions, chambers of commerce, associations and non-governmental organisations. The programme is open to managers, financial advisors, organisational developers, engineers, legal specialists, doctors, vehicle mechanics, skilled manual workers and health care professionals. CIM also places students and graduates in internships in fields related to development in the partner countries. In 2019, the volunteer support is available for assignments in Albania, Cameroon, Ethiopia, Kosovo and Serbia[110].

The **Integrated Experts** Programme places highly qualified experts from Germany (and other EU countries) with companies, state institutions, chamber of commerce, or associations in developing and transition countries. Experts have preferably a background in the partner country. CIM recruits and draws up a shortlist. The final choice of the candidate is then made by the employer. The integrated expert is given a local employment contract and is paid a salary that is based on local rates. The local salary is then topped up by CIM. They usually spend at least two years in the country of assignment.

The **Returning Experts** Programme provides advice and a placement service to individuals from developing countries, emerging economies and transition states who have completed training courses in Germany, or are working in Germany, but are interested in reintegrating into a career at home. The term 'returning expert' is used for those who have gained technical or managerial skills through study and work in Germany (students, migrants, diaspora, including descendants) and who

[110] Source: www.cimonline.de.

aim at using their knowledge and expertise in their country of origin. CIM supports various activities: additional technical and vocational training; management training; labour market information (in the country of origin); recognition of acquired titles, diploma's and certificates; development of a network of contacts for establishing a business, including match making; promotion of access to loans for business start-ups, investment and construction of houses.
In 2019, CIM runs advice centres in Albania, Kosovo, Serbia, Tunisia, Ghana and Senegal to provide information about job and training opportunities in the country and to organise job and career fairs[111].

Cooperation with the diaspora community

Apart from the three knowledge transfer programmes open to individuals (migrants, diaspora), CIM also supports diaspora organisations in capacity building, education, democratisation and own development activities. This cooperation component with the diaspora community is open to organisations from 25 countries. Applications can be made for an annual funding of up to EUR 44,000 per project for small-scale non-profit projects with a sustainable development perspective. The diaspora organisation should be able to contribute 10% of the costs. Next to these subsidies, the diaspora organisations may also engage in larger cooperative projects with the BMZ – GIZ based on sound proposals and 10% own contribution.

CIM provides advice on submitting applications, project management and PR work and supports through technical assistance the planning, implementing and anchoring the project in local structures

Business ideas for development

To assist migrants to set up a business in their country of origin, GIZ-CIM has developed a tool box MITOS (Migration Tools Options for Sustainability). The support programme is open for returning Cameroon, Colombia, Ghana, Indonesia, Morocco, Tunisia. For business start-ups in Cameroon, Morocco and Tunisia the services are provided in the frame of the MEETAfrica programme, co-financed by the European Union that provides also financial support (up to EUR 15,000) for services required to set up a new business.

The services for business ideas and the first steps to establish a business are broad:

- The Business Ideas for Development subprogramme, comprising a migrant business opportunities website and seminars / training in idea generation for migrant investments;
- Orientation on facilities for on-line lending for migrants on the country of origin (KIVA); and advice on money transfers;
- Services to individual business ideas and their financing by a professional consultancy company (Kompass);
- GIZ Technical assistance in the country of origin with bureaucratic processes, such as registration, taxes, customs issues, as well as import-export services;
- Networking tools (fact-finding and matchmaking trips; joint ventures; twinning; mentoring and coaching by earlier returnees).

Box 1.3 KIVA on-line lending

Kiva is not a German creation, but a non-profit lending facility established in 2005 and based in the USA (San Francisco) with offices in Bangkok and Nairobi. Its sourcing is by crowdfunding (including German funds) and its target group are those individuals that do not have access to regular banking services due to different underlying barriers. Loans can be obtained for values as little as USD 25 around in 80 countries. The 2019 portfolio of loans outstanding is USD 1.3 billion; the repayment rate is 96.8%.
Source: www.kiva.org

[111] Source: www.cimonline.de

Examples of projects

Iceaddis

Iceaddis (innovation, collaboration and entrepreneurship is an innovation hub in Addis Abeba in the Ethiopian Institute of Architecture, Building Construction and City Development (EiABC), assisted by CIM. The objective of the hub is to bring together scientists, entrepreneurs, investors, development experts and professionals from the creative scene, in order to turn innovative ideas into sustainable and effective applications for everyday life in Ethiopia. Iceaddis have become a home for start-ups, promoting local technology and focusing on young Ethiopian entrepreneurs and individuals interested in ICT, renewable energy and creative industries. Iceaddis selects a dozen of initiatives yearly and provides support to convert them into incubator companies. One element is the Ethio-German Konnect, a networking platform connecting ideas, incubator business with German diaspora in search for (additional investment), technical expertise, fundraising, and use of the CIM returning expert programme.

Kenyan Germany Career & Entrepreneurship Network

KGCEN (Kenyan Germany Career & Entrepreneurship Network)[112] is a consulting, information and networking platform founded by Kenyan Professionals with different professional backgrounds who are based in Germany. The main focus is to build a sustainable academic, career and entrepreneurship relationship between Kenya/Africa and Germany. The network has a pool of experts and mentors with different academic and professional skills who have been identifying sustainable technologies and solutions for the African market. KGCEN facilitates the establishment of mentoring programmes within the African diaspora to young professionals, students and entrepreneurs. KGCEN also focus on empowering communities within the diaspora.
KGCEN has partnered with an array of companies and organisations to expose existing opportunities in career, market entry, entrepreneurship and networking communities within the diaspora to enhance a sustainable platform (amongst others with the MitAfrica Business Forum). Through the contacts with these business organisations, Kenyan professionals and entrepreneurs are encouraged to start up business in Kenya.



Many of the activity components are supported by CIM and other ministries implementing the Migration and Development programme (i.e. Ministry of Education for the scholarships to Kenyan students; university collaboration, as well as support to the German School Alumni from Kenya). CIM supports through the returning expert programme, match-making facilities and support to start-up companies in Kenya.

[112] See: www. kgcen.com.

Conclusions / lessons learned:

- The German international cooperation has an integrated approach towards Migration and Development, that does not only encompass 'traditional' development cooperation, but also education and science, climate change and broad environmental issues.
- In the international relations with the countries characterised by out-migration, efforts are made to integrate migration and its effects on development in the national development policies and strategies. Germany provides support at macro, meso and micro-level, preferable interrelated and mutually reinforcing.
- At the meso / micro level the relations with the diaspora (organisations) form part of the facilities open to migrants in general. The main implementing entity is the CIM with support from GIZ. A noteworthy feature at the meso / micro level is the presence of GIZ technical assistance as facilitators.
- Among all activities by CIM, only a subset is in particular focused at diaspora organisations.
- Of importance here is that the approach towards diaspora organisations is all-encompassing and deals with issues of relevance in both Germany and the country of origin. And it deals not with development issues only but is also open to charity and governance / human rights and democracy issues.
- When it comes to migration and private sector development, also in this area support activities are integrated and multi-facetted. This is also illustrated by the support to networks / organisations that focus on one single country (i.e. Kenya) where educational aspects, social aspects in Germany, and business development have been intertwined.
- In sum, migration and private sector development have been embedded in broader policies and strategies that try to encompass more than just a single aspect of the life of migrants, both in Germany and in relation to their country of origin.

References

- BMZ – Bundesministerium für wirtschftiche Zusammenarbeit und Entwicklung. Migration. Chancen für Entwicklung nutzen. Berlin, 2010.
- BMZ – Federal Ministry for Economic Cooperation and Development. Migration policy. Guidelines for practice. 2013.
- BMZ – Federal Ministry for Economic Cooperation and Development. Cooperating with diaspora communities. 2013.
- BMZ – Federal Ministry for Economic Cooperation and Development. Development policy in 2032. Global Trends and hypotheses on Future Development Cooperation. March 2018.
- BMZ – Federal Ministry for Economic Cooperation and Development. Making a Difference. An overview of German Development Cooperation. January 2019.
- BMZ – Federal Ministry for Economic Cooperation and Development. Migration and Sustainable Development. GIZ. CIM. 2013.
- BMZ – Federal Ministry for Economic Cooperation and Development. Migration as a driver for private sector development. GIZ.CIM. December 2014.
- BMZ – Federal Ministry for Economic Cooperation and Development. Sektorkonzept Privatwirtschaftsförderung. BMZ Strategiepapier 9/2013. Abril 2014.
- Daxner, Michael; Nicola, Silvia-Lucretia. Mapping and report on the Afghan Diaspora in Germany. Centre for International Migration and Development. 2017.
- Haase, M; Honerath, P. Return Migration and Reintegration Polices. A primer. Integration Strategy Group. GIZ. German Marshall Fund. December 2016.
- Website Center for International Migration and Development (CIM): http://www.cimonline.de

United Kingdom

Background

According to recent estimates by the Migration Observatory from Oxford University, the size of the foreign-born population in the UK increased from about 5.3 million to just under 9.4 million between 2004 and 2017. During the same period, the number of foreign citizens increased from nearly 3 million to about 6.2 million. Although the numbers of EU migrants have increased more rapidly than non-EU migrants over the past decade, Non-EU foreign born still make up a majority of the foreign-born population. In 2017, 39 percent of the foreign-born population were born in the EU. Perhaps not surprising, London has the largest number of migrants among all regions of the UK (3.4 million foreign born people in 2017). During 2004-2017, the share of foreign-born people in the UK's total population increased from 8.9 percent to 14.4 percent. During the same period, the share of foreign citizens rose from 5.0 percent to 9.5 percent (Vargas-Silva & Rienzo, 2018). Poland, India and Pakistan are the top three countries of birth for the foreign-born accounting for 10 percent, 9 percent and 6 percent of the total, respectively (Table 1.1). Poland is also the top country of citizenship of foreign citizens, accounting for 16.4 percent of non-UK citizens living in the UK.

Table 1.1 Top ten countries of origin by country of birth and nationality, UK 2017

Rank	Country of birth	Number	% share		Nationality	Number	% share
1	Poland	922,000	9.8		Poland	1,021,000	16.4
2	India	829,000	8.8		Romania	411,000	6.6
3	Pakistan	522,000	5.6		Ireland	350,000	5.6
4	Ireland	390,000	4.1		India	346,000	5.6
5	Romania	390,000	4.1		Italy	297,000	4.8
6	Germany	318,000	3.4		Portugal	235,000	3.8
7	Bangladesh	263,000	2.8		Lithuania	199,000	3.2
8	Italy	232,000	2.5		Pakistan	188,000	3.0
9	South Africa	228,000	2.4		Spain	182,000	2.9
10	China	216,000	2.3		France	181,000	2.9

Source: Vargas-Silva and Rienzo (2018) based on the Office for National Statistics (ONS) Population of the UK by nationality and country of birth.

Already in 1997, the UK government highlighted the positive and negative effects of migration on development in a White Paper. In 2007, DFID published a document entitled 'Moving out of poverty – making migration work better for the poor', which stated that the aim of DFID's policy on migration "is to increase the benefits and reduce the risks of migration for poor people and developing countries". Two years later, DFID's 'White Paper on development cooperation' stated that migration could have positive effects (such as remittances), bringing in new skills and business links for countries of destination and origin), but also offsetting costs such as brain drain. In 2014, the OECD/DAC criticized the UK government for not including a development dimension into the government's broader work by drawing on capacities in other departments to support aid programmes.

The large-scale arrival of refugees and migrants into the European Union in the mid-2010s has made migration a subject of renewed and intense political interest. Immigration has become one of the central themes in the public debate before, during and after the UK's referendum on the European Union. At the height of the refugee crisis in Europe in 2015, the UK government published its first development strategy, presenting a rationale for UK aid (HM Treasury, 2015). In its 2015 Aid Strategy, the UK government pledged that UK aid would tackle "the root causes of mass migration". The four strategic objectives were:

- Strengthening global peace, security and governance;

- Strengthening resilience and response to crises;
- Promoting global prosperity;
- Tackling extreme poverty and helping the world's most vulnerable.

In September 2016, the Prime Minister David Cameron set down three overarching principles for the government's migration work:
Ensure that refugees claim asylum in the first safe country they reach.
Improve the ways we distinguish between refugees fleeing persecution and economic migrants.
Get a better overall approach to managing economic migration, which recognises that all countries have the right to control their borders – and that countries must all commit to accepting the return of their own nationals when they have no right to remain elsewhere.

Under Theresa May's government, the UK has undergone efforts to maximise the development impact of migration and mobility by continuing to deliver the National Security Council (NSC) strategy on migration to eradicate modern slavery. The UK government uses DFID's international development knowledge and experience in an attempt to deliver a coherent UK migration response. The work has been structured around four major pillars.

1. **Global Migration Agenda and international engagement:** ensuring refugees claim asylum in the 'first safer country' they reach;
2. **Upstream policy and programming:** using aid programmes to (i) help reduce the drivers that force people to move irregularly, (ii) harness the development benefits of regular migration and (iii) provide people with opportunities to stay closer to home;
3. **Migration programming:** providing protection, assistance and durable solutions for vulnerable refugees and migrants along the key migration routes towards Europe;
4. **Tackling modern slavery:** DFID is driving the UK government's international strategy to tackle modern slavery globally.

Institutional framework

The Relevant Stakeholders

The three main stakeholders involved in migration and development policies in the United Kingdom are the Foreign and Commonwealth Office (FCO), the Department for International Development (DFID), and the UK Home Office.

- **Foreign and Commonwealth Office (FCO)**: The FCO promotes the United Kingdom's interests overseas, supporting our citizens and businesses around the globe. The FCO was established in 1968 by merging the Foreign Office and the Commonwealth Office. The FCO is a ministerial department, supported 10 agencies and public bodies. On policy, the FCO works closely together with the UK Border Agency (UKBA), an executive agency of the Home Office, on controlling migration to secure the UK's borders and to promote the country's economic prosperity. In its attempt to maximise the benefits of legal migration, the FCO assists the UKBA to maintain a visa regime that strikes the right balance between protecting the UK border and deterring illegal entry, whilst encouraging the brightest and best economic migrants with the skills the economy needs to come to the UK. The FCO also has a Migration Directorate, which is funded by the UKBA. It comprises staff from across government, including from UKBA, with a mix of professional immigration expertise coupled with the language skills and diplomatic experience of FCO staff. The migration directorate under the FCO also prepares the UK's contribution to the Global Forum on Migration and Development and the UN High Level Dialogue on Migration and Development (UNHLD);
- **The Department for International Development (DIFD):** DFID is the UK Government department responsible for promoting sustainable development and reducing poverty. DFID is a ministerial department, supported by three agencies and public bodies. DFID was set up in 1997 and employs around 2,700 staff who work in offices in London, East Kilbride and globally.

In addition to working directly in countries, DFID also gives UK Aid through multi-country global programmes and core contributions to multilaterals. Two acts of parliament have helped to put development higher on the national agenda. The International Development Act 2002 clarified the purpose of aid spending as poverty reduction while the International Development (Reporting and Transparency) Act 2006 defined DFID's annual reporting to Parliament through its Annual Report. There is a cross-party consensus in the UK on foreign aid and development as all the main political parties are still committed to spending 0.7 percent of gross national income on aid, to using the internationally agreed definition of aid, and to maintaining a separate government department to administer the majority of this aid, led by a Cabinet Minister;

- The UK Home Office: The UK Home Office is the lead department for migration policy. Supported by 30 agencies and public bodies, it is the ministerial department responsible for policies on immigration, passports, counter-terrorism, policing, drugs and crime. The ministerial post covering immigration issues falls under the UK Home Office. Between 1979 and 1997, the ministerial post was called the Parliamentary Under-Secretary of State with responsibility for the Immigration and Nationality Department. Since 1997, however, the post has been subject to fifteen different ministers and eleven name changes, a clear sign of the UK immigration policy reversals over the last two decades.[113] The Home Office is also responsible for the EU's global approach to migration and development and the various dialogues within the EU framework. The UKBA is an executive agency of the Home Office and is responsible for securing the UK border and controlling migration into the UK. It manages border control, enforcing immigration and customs regulations. It also considers applications for permission to enter or stay in the UK, and for citizenship and asylum.

Until very recently, key departments – in particular the UK Home Office and DFID – have not had much experience in cross-departmental engagement on migration-related issues. Cross-governmental discussions on the links between temporary and circular migration and international development efforts only started in the early 2010s. These discussions have often taken place at a decentralized level, for example in DFID offices in partner countries, and have mostly been organised on an ad hoc basis (Frankenhaueser et al., 2013). Moreover, DFID and the FCO have not always ensured a consistent and clear UK approach to its partner countries in the past as "particular development ministers have sometimes taken different approaches with countries leading to incoherence in the UK position" (Mitchell, 2019). High staff turnover notwithstanding, the level of cross-government dialogue and coordination has strengthened according to a recent review (ICAI, 2017).

Response to Migration Crisis in Europe

Since the EU's Migration crisis in the mid-2010s, the UK government has undergone efforts to build migration-related programming capacity across departments and in the EU. In 2016, a cross-government Migration Steering Group was established, co-chaired by the National Security Adviser and the Second Permanent Secretary from the Home Office. According to a recent report by ICAI (2017), the most recent institutional changes regarding the migration-related programming capacity were as follows:

- Within DFID, a four-person surge team on migration was added to DFID's Policy Division in early 2015, to respond to the situation in the eastern Mediterranean. This team has grown into a Migration Department with 20 staff, which manages a number of humanitarian programmes and leads the UK's international influencing work. There are also staff assigned to migration issues within the Africa Regional Department, the Conflict, Humanitarian and Security Department, the

[113] The most recent minister under his post is Caroline Nokes who was appointed Minister of State for Immigration on 8 January 2018.

Europe team, the Humanitarian Policy and Partnerships team and the Research and Evidence Division;

- The FCO-DFID North Africa Joint Unit includes several staff assigned to regional migration policy and programming. In addition, the FCO has a Mediterranean Migration Unit of six staff which includes a Migration Envoy and is located within Europe Directorate. The cross Whitehall Africa Strategic Network Unit in Africa Directorate oversees FCO Migration and Modern Slavery programming across Africa. The FCO has also deployed two specialist Migration Policy Advisers while a number of core embassy staff have migration as part of their broader job remit;
- The Cabinet Office has a senior adviser on migration;
- Within the Home Office, ODA-funded projects are managed by individual business areas. Coordination is provided jointly between the International Directorate and the Directorate for Finance and Estates. The International and Immigration Policy Group leads on international migration policy and strategy. There is a diversity of migration-related projects managed from across the Home Office, including by the Immigration and Border Policy Directorate, Border Force, Office for Security and Counter Terrorism, Immigration Enforcement and the Modern Slavery Unit;
- Under the Migration Steering Group there are regular director-level meetings and several working groups covering different geographical and thematic areas. Although not all working groups are equally active, key informants from the participating departments report that these mechanisms have contributed to mutual understanding of the different departmental agendas and priorities and helped to identify common ground to inform programming and international influencing.

Partner Countries/Regions

The National Security Council produces (unpublished) strategies for priority partner countries but it is not very clear how far this approach extends to other institutions. Since DFID country offices choose the partners they work with (e.g. NGOs, European aid agencies, universities, etc.), it makes it difficult to generalize who its priority partners are with regard to official development assistance, in particular with regard to migration-related programmes. Depending on the country context, DFID chooses its partners. DFID currently conducts bilateral development programmes in Afghanistan, Bangladesh, Burma, Democratic Republic of Congo, Ethiopia, Ghana, Indonesia, Iraq, Jordan, Kenya, Kyrgyzstan, Lebanon, Liberia, Malawi, Mozambique, Nepal, Nigeria, Occupied Palestinian Territories, Pakistan, Rwanda, Sierra Leone, Somalia, South Sudan, Sudan, Syria, Tajikistan, Tanzania, Turkey, Uganda, Yemen, Zambia and Zimbabwe. Regional programmes by DFID are carried out in several regions in Africa, the Caribbean, the Middle East and North Africa, the Sahel region and in Overseas Territories. It is very difficult, however, to identify in which countries DFID carries out migration-related programmes as DFID currently is yet to develop a well-defined migration portfolio.

However, based on the 2015 Aid Strategy, it has become clear that the UK government has and will direct more migration-related funding to fragile and conflict affected states, particularly in the MENA region, to address threats posed to the UK by ongoing crises and conflict which are often regarded as “the root causes of migration” by the UK government.

Furthermore, the government continues to provide strong support to the world’s poorest countries in order to maximise the impact of UK ODA on poverty, while it also supporting a broader range of countries which are home to very large numbers of the world’s poorest people.

The UK government also honours its obligations to the Overseas Territories. The UK will continue to provide economic support those countries and regions that have strong historical, cultural and diaspora links, such as the Caribbean, Africa and South Asia (HM Treasury, 2015).

Policy concerning migration and development

In the early 2010s migration and development was not considered a central theme within DFID. Within DFID, only one person was working in the area of migrants and vulnerability. This post was discontinued in 2012 and policies concerning migration and development were scant until the 'migration crisis' hit Europe in 2015.

Through the establishment of the UK Aid Strategy and National Security Council strategies in 2015, aid-spending departments have been mandated to increase their focus on migration, with a particular focus on reducing irregular migration into Europe and ensuring protection to those who need it (ICAI, 2017). Since 2015, the government has undergone significant efforts to scale up capacity on migration-related programming in the responsible departments, and to create cross-government strategies and coordination structures. However, the announcement by Britain's Minister of International Development, Priti Patel, in 2016 that "to use our aid budget for creating jobs in poorer countries so as to reduce the pressure for mass migration to Europe" raised significant doubts whether future migration-related programmes would be more than just migration-deterrence aid.[114]

The UK aid response to irregular migration in the central Mediterranean has remained at an early stage. While the responsible departments were under considerable pressure to come up with a portfolio of relevant programming, their work was heavily constrained by a number of difficulties:

- Conflicting views on what the migration "crisis" consists of;
- The unpredictability of migration flows;
- Lack of evidence on what influences migration decisions, particularly in the short term.

In January 2017, DFID published its new Economic Development Strategy (DFID, 2017). The topic migration was not highlighted as one of the sector priorities though. In fact, the migration theme was not mentioned once in the document.[115] However, the study by ICAI (2017) identified the following emerging categories of migration-related programming:

- Tackling conflict and fragility, partly in order to reduce forced displacement;
- Reducing the socio-economic causes of irregular migration;
- Supporting local integration in situations of protracted displacement;
- Providing humanitarian support and protection to refugees and internally displaced persons;
- Countering people smuggling and trafficking and modern slavery;
- Promoting regular migration within Africa to provide alternatives to irregular migration through the central Mediterranean.

The government has also developed a set of "principles" on good migration-focused aid programming, published in April 2017. In order to develop its portfolio related to migration and development, DFID has invested in data collection and research on migration. Recent evidence suggests that "the government has not yet settled on a well-defined migration portfolio. (…) Cross-departmental approaches to addressing the root causes of migration are still under development" (ICAI, 2017, p. ii). The report by ICAI also notes that "UK government respondents often mentioned they were under considerable pressure to come up with a portfolio of programming that would quickly and substantially reduce irregular migration into Europe" (ICAI, 2017, p. 12). CSOs, NGOs and aid experts, however, raised concerns that the focus on Europe could detract attention away from tackling the root causes of forced displacement in developing regions.

---

[114] There exists ample academic literature that even casts signficant doubt about the effectiveness of migration-deterrence aid (Clemens & Postel, 2018; Dreher, Fuchs & Langlotz, 2019)

[115] The document also identified the following sector priorities: (i) Infrastructure, energy and urban development; (ii) Agriculture; (iii) Exports, manufacturing and services; (iv) Extractive Industries and (v) Economic inclusion - Leave No One Behind.

In November 2017, the then secretary of state for international development, Priti Patel, resigned. Penny Mordaunt, a staunch UK "Leave" campaigner in the 2016 EU referendum, became the new head of DFID. She has repeatedly voted against the rights of EU nationals already living in Britain to remain in the United Kingdom post-Brexit. The change in leadership provided an opportunity for change as aid experts called for migration to be at the heart of Mordaunt's policy agenda, even though they emphasized that DFID should not use aid as a way to deter migration.[116] However, a recent report by the International Development Committee examining the expenditure, administration and policy of DFID, with a focus on forced displacement in Africa, suggests that the UK government policy agenda on migration has not fully succeeded in this respect. The report concluded that:

> "There is a pressing need for a more joined-up approach to migration and displacement across Government. UK Government policy on displacement and migration is frequently opaque, disconnected and incoherent. (…) .
> DFID encourages host governments to give refugees the right to work, whilst the Home Office significantly limits asylum seekers' right to work in the UK. DFID pushes for durable solutions for refugees, whilst the Home Office limits the number of resettlement places in the UK. There is a real risk that policies pursued by some parts of the UK Government could come into conflict with the work of others. (…).
> There is significant concern that the Government's approach to forced displacement has been influenced by its wish to control the numbers of economic migrants travelling to Europe. Whilst this is understandable, it is important to remember that the vast majority of those forced to flee their homes remain in the region in which they are displaced, and so this should not cloud the primary aim of the UK's aid work in this area.
> The UK Government must push for progressive programmes, including through the EU Emergency Trust Fund for Africa, which prioritise protecting and supporting the most vulnerable people on the move, including refugees. The UK's work in this area should be driven by solid, context-specific evidence on the root causes of forced displacement.
> The Government needs to take a comprehensive look at its policies on migration and forced displacement in order to address these inconsistencies and formulate a coherent cross-Government approach." (IDC, 2019, p. 5-6)[117]

One major challenge in quantifying the amount of migration-related programming is that it is often not categorized as such within the EuropeAid documentation. The majority of the projects through the EU Trust Fund – which accounts for a third of all programming since January 2016 – have been categorized under alternative sectors, such as "economic development" or "governance and institutional development." As a result, it is unclear how much funding has exactly been reshaped under the migration agenda.

Policies concerning migration and private sector development

DFID views private sector development (PSD) as an essential means to economic development and poverty reduction. It also presents an opportunity for developing countries to exit from aid dependency. DFID's PSD work involves macro approaches to trade policy and regulatory reform, midlevel development of market systems and micro support to small enterprises and individuals (ICAI, 2014, p. 1). In 2011, DFID established a strategy for strengthening and deepening its private sector DNA. Between 2012-2013, DFID developed a task plan, named *Building the Architecture*, in order "to provide a set of actions which work across DFID to ensure that DFID staff have the right skills, guidance, communication and measurement tools better to engage with and on the private sector in programme development and delivery" (ICAI, 2014, p. 20). As noted by ICAI (2016), the new aid agenda has increasingly shifted the focus back to the private sector as the main

116 https://www.devex.com/news/what-next-for-dfid-91502.

117 For more information, see the report by the IDC (2019) via the following link: https://publications.parliament.uk/pa/cm201719/cmselect/cmintdev/1433/1433.pdf.

driver of economic growth and prosperity. In its *Economic Development Strategy* 2017, DFID announced that it will

> "increasingly use Development Capital to create jobs, catalyse private sector investment and build markets in challenging settings (…) As the UK's development finance institution, CDC is DFID's main vehicle for investing in private companies in Africa and South Asia and DFID's principal partner on Development Capital." (DFID, 2017, p. 10)

While private companies play an increasing role in migration-related activities in many European countries – for example in the form of recruiting migrant workers and providing job training in host countries or the creation of Special Economic Zones (SEZ) in home countries – UK government policies concerning migration and private sector development are still at a nascent stage. One example is the UK leadership on the Jobs Compact in Ethiopia. To reach the intended scale, the scheme will have to attract a considerable amount of finance from both donors and the private sector (ICAI, 2017).

Beyond the EU Emergency Trust Fund for Africa, the EU has announced in September 2016 to establish the European External Investment Plan (European Commission, 2016), which will be implemented through the European Fund for Sustainable Development. Launched in 2017, its main objective is to deploy a range of innovative financing instruments to leverage private sector development to help addressing the root causes of migration in the longer-term by boosting investments in Africa and the European Neighbourhood. It will draw €3.35 billion with the aim to leverage €44 billion of investments overall (Knoll & Sheriff, 2017). However, the EU can no longer count on the UK funding following Brexit.

Reforms in the UK labour market regarding the recruitment of migrant workers and the provision of on-the-job training are also needed. In the UK, "asylum seekers are only able to apply to work after they have waited a year for a decision on their asylum claim. Even where approval is given, asylum seekers are often unable to work in practice as they are limited to the jobs on the Government's 'Shortage Occupation List'" (IDC, 2019, p. 20). Migrants are not allowed to start their own business and cannot be self-employed. Consequently, as Saghir and Santoro (2017) point out,

> "preventing this population from entering the workforce creates an environment that encourages dependence on the government, rather than self-sufficiency. Not only does this hurt their skills attainment and employment marketability, but it costs the host government a great deal, without investing in a potential future return." (Saghir & Santoro, 2017, p. 3)

As a result, UNHCR has called on the UK Government to support "complementary pathways, including exploring whether and how barriers that skilled refugees face in admission to third countries like the UK can be eased, expanding the eligibility criteria for family reunification in the UK and if private or community sponsorship programmes in the UK can grow" (IDC, 2019).

Programmes and projects

A shared definition of "migration-related" aid programming is absent and the UK government is currently working towards it. Existing programmes that the responsible departments have labelled as "migration-related" fall under the following broad categories:

- **Programming that addresses conflict and instability.** The government has committed to increasing its investment in fragile states and regions, partly "to reduce forced displacement and migration over the long term". For the time being, only a few of these programmes have specific migration-related objectives;

- **Programming that addresses socio-economic causes of irregular migration**. Because irregular migration is often linked to economic aspirations, some of DFID's existing economic development programming, including on livelihoods, market development, the energy sector, the finance sector and extractive industries, has been included migration-related programming. However, they were not designed with migration objectives in mind, and do not explicitly target groups that are most likely to migrate;
- **Programming in situations of protracted displacement**. One of the UK's policy objectives is to change the type of support offered to long-term displaced people, to help them integrate locally and reduce their likelihood of secondary displacement. This entails moving beyond humanitarian assistance and providing them with access to public services and livelihood opportunities, through burden-sharing arrangements with host countries (Compacts). The UK has been actively involved in the development of Compacts with Jordan, Lebanon and Ethiopia – countries with large, long-term refugee populations;
- **Humanitarian support and protection**. Life-saving humanitarian aid to refugees and internally displaced persons is a long-standing feature of DFID's humanitarian work. It is sometimes accompanied by protection activities for vulnerable migrants, such as promoting human rights awareness among national authorities, information campaigns about the risks of irregular migration and related support options, search and rescue operations at sea and assisted voluntary returns;
- **Programming to counter people smuggling, trafficking and modern slavery**. Both DFID and the CSSF are exploring options for a security and justice response to these challenges. In addition, there is long-standing although small-scale Home Office, FCO and National Crime Agency programming in this area.

DFID's Migration Department has also developed a "migration theory of change" which includes programming aimed at promoting "safer and well-managed regular migration". DFID holds the position that regular migration can be beneficial for development and considers programming that can strengthen regional migration options within Africa.

Examples of migration-related aid programmes

- **'Development Research Centre on Migration, Globalisation and Poverty':** Between 2003 and 2009 the UK government supported this project 'which undertook research, capacity building and dialogue on evidence-based and pro-poor migration policies;
- **'Migrating out of Poverty' Research Programme**. This programme ran between 2010 and 2016 and built on the previous programme and focused on the relationship between regional migration, internal migration and poverty, and is located in six regions across Asia, Africa and Europe. It conducted research on how to maximise the poverty reducing and developmental impacts of migration and minimise the costs and risks of migration for the poor. This included generating new knowledge related to migration and poverty; creating new datasets; engaging policymakers, and building capacity to understand and research migration and poverty linkages. The total budget amounted to EUR 7 485 290 or £6 400 000;
- **UK–Somalia Safer Corridor Initiative.** This initiative has been part of a wider effort by the UK government to facilitate remittance flows or improve access to banking and financial services in developing countries. In January 2014, the UK Government established an Action Group on Cross Border Remittances. The Action Group oversees a number of streams of work, including the Safer Corridor Initiative, increased supervision of money service businesses (MSBs), improved industry guidance and training, clarification of regulatory requirements, and risk analysis and sharing of information. With regard to the UK-Somalia Safer Corridor Initiative, the actions taken by DFID were as follows:
  - Funding a survey into remittance sending behaviour in London through the World Bank;

- Funding an assessment of technical solutions for recipient registrations in Somalia, such as the use of biometrics, in order to help provide reassurance to UK banks that funds are not being transmitted to those associated with terrorist organisations, or subject to sanctions;
- Supporting the Federal Government of Somalia to help formalise the remittance sector in Somalia, giving banks in the UK greater confidence about the final destination of any money being sent through their channels.[118]

- **Jordan Compact Economic Opportunities Programme.** The programme covers the period 2016-2022 with a budget of £201.5 million. The main objective is to promote economic development and opportunities in Jordan for the benefit of both Jordanians and Syrian refugees. This programme aims to attract new inward investment and open up economic markets for Jordanian goods and services, creating new jobs for Jordanians and Syrian refugees as set out in the Jordan Compact. The programme will also help Jordanian hosts maintain their resilience and economic stability. As part of this programme;
- **The 'Ethiopian Jobs Compact' Programme.** The programme covers the period 2017-2024 with a budget of £79.8 million. The main objective of the programme is to support the Government of Ethiopia's industrialisation efforts, creating over 100,000 jobs for Ethiopians and refugees residing in the country. The Compact will match international support for job creation in Ethiopia to the gradual relaxation of the limitations on labour market access for 30,000 refugees. The job creation elements of the Compact would focus on Ethiopia's ambitious industrialisation plans. This would support improvements in the investment climate, investment promotion, and improving environmental and social standards in the manufacturing sector. This would create over 100,000 jobs, mainly for young women, in global value chains such as garments and textiles. Support to refugees would include the necessary legislative changes but also training, relocation, rehousing and protection measures for this vulnerable group. It is anticipated that some of these employment opportunities for refugees would be in the manufacturing sector;
- **Conflict, Stability and Security Fund's (CSSF)**. The CSSF has been allocated £1.28 billion for financial year 2018 to 2019. It is split between Official Development Assistance (ODA) that counts towards the UK aid target of 0.7 percent of GNI, and funding that is not ODA eligible. The CSSF works to help make countries more secure from, among others, illegal migration and trafficking. However, most current migration-related aid programming is small and rather fragmented. The programmes also remain some distance away from making a measurable impact on irregular migration through the central Mediterranean. This is the case partly because UK aid's focus on migration is very recent.
- For example, a CSSF project in Libya between 2016-2017, worth £1.7, funded the IOM to improve conditions in four detention centres, provide capacity building to relevant Libyan staff and support "assisted voluntary return" to detained and other illegal migrants' countries of origin.
- **Refugee Response and Reform: Sustaining lives and securing a sustainable future for refugees and migrants in Western Tanzania**. The UK government is currently working with the Government of Tanzania to provide more sustainable support to refugees and the communities that host them. The UK government aims to provide £55 million to support the Government of Tanzania in managing its refugee, migrant and newly naturalised populations and deliver on key components of the Grand Bargain and Wilton Park Commitments for four years from 2017 to 2021.
- **The Safety, Support and Solutions Programme for Refugees and Migrants in Europe and the Mediterranean region**. This regional programme was DFID-funded and ran for 14 months in 2016-2017 with a total budget of £38.3 million. The programme had multiple components, including humanitarian assistance for migrants and refugees, a contribution to a UNHCR regional appeal for migrants and refugees, a women and girls protection fund (still under

[118] Remittances account for approximately half of Somalia's gross national income. Remittances from the UK alone amount to $500 million dollars per year, 90 percent of which are spent on food, healthcare and education.

design) and a £1.5 million contribution to IOM to support data gathering, capacity building for the Libyan coastguard and direct support to an estimated 8,350 irregular migrants in detention (medical and psychosocial support, as well as non-food items and hygiene kits). The design originally included support to NGOs for search and rescue on the Mediterranean, but this was not approved.

Examples of aid programmes related to diaspora and migrant entrepreneurship

DFID works with a wide range of civil society actors and institutions, from traditional development organisations and faith groups to diaspora communities and social movements. Below are some development programmes related to diaspora and migrant entrepreneurship.

- Common Ground Initiative. The Common Ground Initiative is co-funded by DFID and implemented by Comic Relief, a UK-based charity with a long-standing commitment to small and diaspora organisations. The programme started in 2009 and will end in 2020. The project budget amounts to £77.8 million. The project seeks to make a more strategic investment in small and African Diaspora organisations. The project aims to strengthen the capacity of small and Diaspora organisations in the UK so they can become more effective while also creating opportunities for the varied and important voices and experiences of Diaspora and small organisations to influence UK development debates and international development practice.[119] Some examples of funded projects include:
  - **AFFORD Business Centre (ABC), 2012-2016, total project budget, £647,850 :** The project aims to deliver a wide range of business training and coaching to new entrepreneurs in Sierra Leone, who by improving the success of their small and medium scale enterprises can increase employment opportunities for local people from more disadvantaged communities. By establishing a dedicated business centre with a variety of revenue generating approaches to training and capacity building, AFFORD UK and its local partner AFFORD SL aim to create a sustainable model of business intervention targeted at small and medium enterprises. This will help to contribute to greater recognition of the role these enterprises play in the economic development of Sierra Leone. AFFORD UK also aims to mobilise and channel diaspora and social investment into new start-up and growing enterprises in Sierra Leone and aim to replicate this model widely in Africa;
  - **African Women Innovators Network, 2016-2018, total project budget: £45,600.** The African Women Innovators Network (AWIN) is a project that will seek to empower young women in Africa and the diaspora with innovation, entrepreneurship and leadership tools to create technology-based solutions that improve the lives of women and girls in their communities. The project targeted young, entrepreneurial African women aged 18-35 in four cities in Africa (Kampala, Nairobi, Accra and Lagos) and in the UK diaspora (London). The problem that the project aims to address is the fact that currently most technology-based solutions are designed by men and often do not fully respond to the specific needs of women;
  - **Diaspora Finance and Remittance Investment Initiative (DFRII), 2016-2019, Total Project Budget: £2,943,520.** This project's aim is to stimulate and harness diaspora investment to create jobs and enhance the African economy. It helps entrepreneurs to gain funding for enterprises in Sierra Leone, Nigeria, Zimbabwe and Rwanda, as well as provide business support to diaspora entrepreneurs so that they can maximise the sustainability and growth of their businesses. In addition, by building networks, the project increases the diversity and impact of investment by the diaspora.
- Migration and Development (MADE) West Africa project. The "Migration and Development West Africa project, Partnership for a Governance of Migration and Rights-Based Mobility" or MADE West Africa was launched by AFFORD (African Foundation for Development), the CMS (Centre for Migration Studies of the University of Ghana), the FORIM (Forum of International

[119] https://devtracker.dfid.gov.uk/projects/GB-CHC-326568-CommonGroundInitiative.

Organizations of Migration Issues) and ICMC Europe (International Catholic Migration Commission). ICMC Europe is the main coordinator of the project. The aim of the project is to promote good governance of migration and mobility, as well as the protection of the rights of migrants in the ECOWAS region, in order to increase the benefits of migration and mobility on development on six pilot countries, namely Burkina Faso, Ghana, Guinea, Senegal, Sierra Leone and Togo. One of the three main objectives of the three-year project (2017-2020) is "maximizing the contribution of diaspora to the development of countries of origin by promoting innovative cooperation frameworks between diaspora, development NGOs, national/local authorities and the private sector." The African Foundation for Development (AFFORD) is directly involved in the diaspora component in Ghana and Sierra Leone. For example, projects in Sierra Leone include:

  - *Business Plan Competition (BPC):* stimulating entrepreneurial activity and support entrepreneurs in the process of developing successful businesses;

- *Business Development Services programme project:* aimed at developing accessible, affordable, and co-ordinated business development services through harnessing a combination of domestic and Diaspora resources, and to contribute to the creation of an enabling environment for entrepreneurship.
- **Diaspora Finance Initiative (DFI).** DFI has also been launched by AFFORD aimed at enabling and facilitating diaspora investment in Africa. It offers diaspora investors and businesses the support they need to navigate the investment landscape of targeted African countries thereby improving the socio-economic status of these nations. DFI currently assists potential investments in Nigeria, Rwanda, Sierra Leone and Zimbabwe. In addition to providing grants and business development services to diaspora businesses poised to contribute to Africa's development, DFI also helps them scale over legislative and pecuniary barriers to investments that will create jobs, generate wealth and improve the living standards in target countries;
- **CAWOGIDO Diaspora Volunteering Programme in Cameroon**. Set up by CAME Women and Girls Development Organisation (CAWOGIDO), this British community based diaspora organisation is dedicated to improving the health and well-being of disadvantaged women in developing countries. This diaspora organisation is primarily campaigning on behalf of breast ironing victims. CAWOGIDO encourages girls to advocate against the practice of breast ironing in Cameroon;
- **Sri Lankan Diaspora contribution facilitation and strengthening**, **2016-2017, Total Project budget: £45,600.** Funded by the UK - Foreign & Commonwealth Office, this project aimed to facilitate and strengthen contributions that can be made by overseas Sri Lankans to the country's ongoing reconciliation process through investment and technical assistance by providing a platform for joint deliberations between policy makers, overseas Sri Lankans, business community, and civil society on incentive mechanism and policy recommendations;

- **DFID Diaspora Volunteering Programme. 2008-2011, Total Project Budget: £3 million.** The DFID Diaspora Volunteering Programme, working through over 20 diaspora organisations, provides funding to help skilled professionals from the UK's diaspora communities volunteer to work in their countries or continents of heritage and for the volunteers to make a meaningful contribution to a development project. VSO is the long-established charity, which helps UK citizens volunteer to work in developing countries. VSO recognized the risks inherent in in skilled migration such as the perceived effects of brain drain and the benefits that diaspora volunteers potentially bring in terms of language skills and cultural competencies.

A few conclusions and lessons learnt

- Until very recently, the FCO, the UK Home Office and DFID have had only little experience in cross-departmental engagement on migration-related issues. Cross-governmental discussions

on the links between temporary and circular migration and international development efforts only started in the early 2010s;

- Since the EU's Migration crisis in the mid-2010s, the UK government has undergone efforts to build migration-related programming capacity across departments and in the EU. Institutional changes regarding the migration-related programming capacity took place in DFID, FCO, the UK Home Office and the Cabinet Office;
- Based on the 2015 Aid Strategy, the UK government aims to direct more migration-related funding to fragile and conflict affected states, particularly in the MENA region, to address threats posed to the UK by ongoing crises and conflict which are often regarded as "the root causes of migration" by the UK government;
- Policymakers, CSOs and scholars raised concerns that the UK government portfolio of programming on migration and development primarily focused on quickly and substantially reducing irregular migration into Europe, which could detract attention away from tackling the root causes of forced displacement in developing regions;
- While DFID views PSD as an essential means to economic development and poverty reduction, UK government policies concerning migration and PSD are still at a nascent stage;
- A shared definition of "migration-related" aid programming among FCO, UK Home Office and DFID is absent. Existing programmes that the responsible departments have labelled as "migration-related" fall under several broad categories (e.g. conflict and instability, socio-economic causes of irregular migration, protracted displacement, humanitarian support and protection; and people smuggling, trafficking and modern slavery).

References

- Clemens, M. A., and H. M. Postel (2018). Deterring Emigration with Foreign Aid: An Overview of Evidence from Low-Income Countries Deterring Emigration with Foreign Aid. *Population and Development Review*, *44*(4), 667-693.
- DFID (2017). *Economic Development Strategy: prosperity, poverty and meeting global challenges*. London, UK: Department for International Development.
- DFID (2019). Development Tracker. Making Development Assistance More Transparent. https://devtracker.dfid.gov.uk/; London, UK: Department for International Development.
- Dreher, A., A. Fuchs, and S. Langlotz (2019). The effects of foreign aid on refugee flows. *European Economic Review*, 112, 127-147.
- European Union (2018). EFSD. *External Investment Plan*/*The European Fund for Sustainable Development. Promoting investment in the Neighbourhood and Africa*. Brussels, Belgium: European Union, https://ec.europa.eu/europeaid/sites/devco/files/efds-report_en.pdf.
- Frankenhaeuser, M., Knoll, A. et al (2013). *Migration and Development Policies and Practices A mapping study of eleven European countries and the European Commission*, Vienna, Austria: International Centre for Migration Policy Development (ICMPD) and Maastricht, The Netherlands: European Centre for Development Policy Management (ECDPM).
- HM Treasury (2015). *UK Aid: Tackling Global Challenges in the National Interest*, Cm 9163. London, UK: Government of Great Britain.
- ICAI (2014). *DFID's Private Sector Development Work*. Report 35 – May 2014. London, UK:
- Independent Commission for Aid Impact. Retrieved on 8 March 2019, from:
- https://icai.independent.gov.uk/wp-content/uploads/ICAI-PSD-report-FINAL.pdf.
- ICAI (2016). UK Aid in a changing world: Implications for ICAI. London, UK:
- Independent Commission for Aid Impact.
- ICAI (2017). *The UK's aid response to irregular migration in the central Mediterranean. A rapid review*. London, UK: The Independent Commission for Aid Impact. Available at:
- https://icai.independent.gov.uk/wp-content/uploads/Migration-ICAI-review-EMBARGOED-00.01-10-March-2017.pdf.

- IDC (2019). Forced displacement in Africa: “Anchors not walls”. Tenth Report of Session 2017–19. London, UK: House of Commons.
- Knoll, A., and A. Sheriff (2017). *Making Waves: Implications of the irregular migration and refugee situation on Official Development Assistance spending and practices in Europe*. Maastricht, Netherlands: European Centre for Development Policy Management.
- Mitchell, I. (2019). Should the UK’s Development Department be Merged with Foreign Affairs and Trade? Washington, D.C.: Center for Global Development. Retrieved on 11 March 2019 from: https://www.cgdev.org/blog/should-uks-development-department-be-merged-foreign-affairs-and-trade.
- Saghir, J., and J. Santoro (2017). *An Economic Lens on International Migration*. Washington, D.C.: Center for Strategic & International Studies (CSIS).
- Vargas-Silva, C., and C. Rienzo (2018). *Migrants in the UK: An Overview*. Oxford, UK: The Migration Observatory, Oxford University. Retrieved on 12 March 2019 from: https://migrationobservatory.ox.ac.uk/resources/briefings/migrants-in-the-uk-an-overview/.

Annex VI Terms of Reference

Terms of Reference for an external evaluation of migrant entrepreneurship projects

Department for Stability and Humanitarian Aid (DSH)

Department for Sustainable Economic Development (DDE)

October 2017

Table of contents

1. Background and objectives of the evaluation 127

2. Research questions 131

3. Methodology 132

4. Requirements, planning, budget and procedure 134

4.1. Requirements 134

4.2. Deliverables and timeline 134

4.3. Budget 136

4.4. Procedure 136

1. Background and objectives of the evaluation

In 2008, the Minister for Development Cooperation outlined in a policy note, sent to parliament, the Dutch policy regarding migration and development (TK 2007-2008, 30 573, no. 11). In this note, the minister mentioned six priorities:

- Increased emphasis on in the development dialogue and on development in the migration dialogue
- Institutional development in the area of migration management;
- Promotion of circular migration / brain gain;
- Enhance the involvement of migrant organisations;
- Enhance the relationship between remittances and development;
- Promotion of sustainable return (and reintegration).

For the implementation of projects supporting these policies an annual migration and development budget of EUR 5 million was made available (an additional EUR 4 million was earmarked for activities in the field of return). The Ministry published a subsidy framework for projects to be financed from this budget. Tenders under the framework were open to applications from both (international) NGOs and migrant organisations, with a minimum subsidy amount of EUR 100.000. The migration and development policy was evaluated in 2012.[120]

In a letter to Parliament dated 28 November 2014, the Minister for Foreign Trade and Development Cooperation presented an update of the migration and development policy (TK 2014–2015, 30 573, no. 129). In this letter, the Minister announces that she seeks to end fragmentation and increase effectiveness and efficiency of programmes financed by the budget for Migration and Development. The letter announces that the focus will be on cooperation with governments in countries of origin, to stimulate 'brain gain' effects of migration. Several projects supporting migrants in starting a business in their respective countries of origin will continue to be implemented until 2017. The letter of 2014 mentions four priorities:

[120] Frouws, B. and T. Grimmius (2012). Beleidsevaluatie van het Nederlandse Migratie- en Ontwikkelingsbeleid sinds 2008. Zoetermeer: Panteia.

- Improved prospects of refugees and host communities in the region of origin;
- strengthening migration management;
- the involvement of the diaspora in the development of their countries of origin;
- the promotion of sustainable return and reintegration.

In the period from 2011-2017 the Migration and Development Division of the Department for Stability and Humanitarian Aid (DSH/MO) financed six projects focusing on the involvement of the diaspora in the development of the countries of origin to promote entrepreneurship and 'brain gain'. These were aimed at training members of diaspora groups in the Netherlands in business development and entrepreneurship in the country of origin (with a focus on social entrepreneurship). The assistance in some cases involved opportunities for co-financing.

These six projects, implemented between 2011 and 2017, were the following:

1. **Voluntary Service Overseas (VSO) Kenia: "Maximizing the value of the Kenyan diaspora"** in cooperation with Kenyan Diaspora Community in the Netherlands (KDCN) & African Studies Centre (ASC).
   Project number: 26121
   Contribution: €264.687
   Duration: 01/02/2014-31/01/2016
   Goal: The aim of the project is to harness the potential and expertise of the Kenyan Diaspora members in the Netherlands to support local SMEs and to establish trade relationships between Kenyan business organisations and Dutch entrepreneurs.
   Description: During three to six months, 15 volunteer members of the Kenyan diaspora share their expertise with host organizations in Kenya, mostly small and medium enterprises (SME), and stay in contact with them afterwards. Furthermore, the project contributes to:
   - Closer contacts between Dutch and Kenyan companies;
   - Socio-economic development in Kenya;
   - Capacity development of implementing organizations.

2. **Spark: "Circular Migration and Brain Gain"**
   Project number: 26035

Contribution: €1.963.625
Duration: 01/12/2013 – 31/03/2017.
Goals: To contribute to economic growth by providing migrants (mostly youth and women) with opportunities to establish a business in their country of origin (Ghana, Morocco, Surinam, Afghanistan, Iraq and Somalia)
Description: The programme rests on three pillars: (1) Strengthen and improve the capacity and services of partner Business Support Organizations (BSO), Financial Institutions (FI) and government in the target countries as well as NL partner migrant organizations; (2) Increase economic development in countries of origin through supporting migrant entrepreneurs to start enterprises in their countries of origin, so creating new jobs; (3) Support existing migrant SME's in NL to start a branch or sister facility or form a joint venture in their country of origin.

3. **TNU e-learning project in Sierra Leone: "E-learning for Entrepreneurship in West Africa"**
   Project number: 26602
   Contribution: € 145.294
   Duration: 01/09/2014 – 31/08/2016.
   Goal: To contribute to the 'brain gain' and improvement of migrant (organizations) involvement in the development of their country of origin (Sierra Leone) through e-learning programs for entrepreneurship. The project is focused primarily on students and recent graduates of the IAMTECH, one of Sierra Leone's most prominent colleges.
   Description: The project aims at involving members of the diaspora in Europe as coaches from a distance in an online entrepreneurship programme in Sierra Leone. The project has been carried out by Migration and Development Consultancy, Tilburg, in cooperation with The Network University (TNU) and the Institute for Advanced Management and Technology (IAMTECH) in Freetown.

4. **Seva Network Foundation: "Migration and Development 2014-2015"**
   Project number: 26603
   Contribution: €316.905
   Duration: 01/07/2014 – 31/12/2015
   Goal: Strengthening entrepreneurship and the involvement of migrant organisations in the Dutch aid and trade policy in Ghana, Burundi, India and Nepal.

Description: The project aims at strengthening the role of migrants in the development process and poverty reduction in the countries through the promotion of circular migration, strengthening the role of migrant organisations, and enhancing the role of remittances. The project aims at realising these objectives through training, business coaching, meetings and lectures. Furthermore, there is a yearly trade mission and during the project there are various network meetings.

5. **Izere: "Capacity development and entrepreneurship in Burundi by diaspora in the Netherlands"**
   Project number: 26645
   Contribution: € 201.850
   Duration: 01/07/2014 – 30/06/2015
   Goal: Strengthening Burundi's economic development and reconciliation among Burundians. In addition, the project aims at the voluntary return of asylum seekers and migrants
   Description: The project aims at realising these objectives through:
   a) investments in new companies, and
   b) the temporary deployment of Burundian migrants, living in the Netherlands, as experts and thereby realising capacity building and the transfer of knowledge.

   The migrant-experts are also supposed to help starting new companies. The project organisation selects feasible projects and migrants-experts and trains the migrant-experts.

6. **Seva Network Foundation: "Migration and Development 2011-2013"**
   Project number: 23081
   Contribution: €547.410
   Duration: 01/07/2011 – 30/06/2014
   Goal: Supporting migrants and their local partners in social entrepreneurship in the countries of origin (India, Nepal, Rwanda, Ghana, and Surinam) through trainings, trade missions and building networks.
   Description: Seva provided business training to 89 migrants, organised trade missions and was active in building (knowledge) networks through lectures and business clubs. Migrants started, together with local partners, 26 enterprises with 529 jobs.

The present evaluation, which will take the form of a 'qualitative effect evaluation' has the following objective:

1. allowing the Minister to account to Parliament for the six projects implemented, and

2. enabling the Minister to draw lessons for future decision-making on projects focusing on 'diaspora entrepreneurs/entrepreneurship' in fragile and development settings.

4.1. Research questions

The evaluation focuses on the implementation (2011-2017) of the six abovementioned projects. These projects have a total value of EUR 3.5 million.

DSH/MO, among others, is interested to learn to what extent the projects stimulate private sector development (PSD) in a fragile context/developing country. The questions that need to be answered may be divided into four categories:

1. Relevance
2. Effectiveness and efficiency
3. Coherence
4. Sustainability

1. Relevance

1.1. Is there added value in involving the diaspora in developing the private sector in a fragile context/developing country? If so, what is that added value?

2. Effectiveness and Efficiency

2.1. To what extent have the envisaged *outcomes* been realised? In particular:

a. How many enterprises have been established as a result of the projects? (disaggregated for women and youth)

b. How many jobs have been created as a result of the projects? (disaggregated for women and youth)

c. Is there any sign of market distortion (jobs lost, disappeared enterprises) linked to the projects?

d. Is there any sign of positive external effects (such as spill-over effects)?

2.2. To what extent has the added value identified under research question 1.1 been realised by the projects?

2.3. Which factors contributed to the success of specific projects? Which factors negatively impacted the realisation of the objectives?

2.4. Have the projects been managed efficiently (by the beneficiaries as well as by the Ministry)?

2.5. To what extent did the projects align with the context in the area of implementation, *inter alia* other relevant initiatives in the field?

3. Coherence

3.1. Are the different objectives of the projects coherent within each project and among the six projects?

3.2. Is there synergy, overlap or even incoherence with existing Dutch instruments which promote investments and employment in countries of origin?

4. Sustainability

4.2. Is it possible to give an assessment of the sustainability of the created enterprises and jobs?

4.3. Methodology

The evaluation will take the form of a *qualitative analysis* of the relevance of the activities undertaken in the projects on migrant entrepreneurship concerned, the effect of these activities on (envisaged) outcomes and, to the extent possible, their sustainability. The evaluation shall not result in detailed descriptions of project activities, but rather focus on realised outcomes. Moreover, and as mentioned in the previous section, main questions are whether the approach of the projects contributes to private sector development in a fragile context/developing country and whether the projects have been successful, including in their relationship with existing Dutch instruments which promote investments and employment in countries of origin.

It may be difficult to assess the sustainability of the interventions. Nevertheless, the evaluator may be able to assess the sustainability, given experiences with

comparable programmes, the institutional setup up and the continuity of the created enterprises and jobs.

Information may be gathered through the following means:

- *Desk study:*
    - The consultants will conduct an analysis using all relevant (project) documents (project proposals, progress reports and, mid-term reviews, evaluations as well as policy documents).[121] These will be provided to the evaluation team.
    - A review of similar projects with corresponding objectives and contexts funded by other donors to compare the strategies and results.
    - Literature on the role of the diaspora in developing the private sector in fragile contexts/developing countries.

- *Interviews and other contacts with involved parties:*
    - The consultants will interview management, staff, country coordinators, and beneficiaries of the projects. To understand the processes underlying change, it is suggested to conduct in-depth interviews.
    - Local partners and representatives, volunteers and other relevant parties currently not residing in the Netherlands (e.g. Dutch embassies, and business organisations and PSD partners).

- *Visits to countries of implementation:*
    - The evaluation team will visit established businesses and interview beneficiaries and local partners.
    - Where relevant, Dutch embassies will be asked to facilitate the evaluator's work to the extent practicable.

Given the relatively small size of the projects (financially), it will not be possible to visit beneficiaries in all countries involved. A selection is required. This selection must be based on preliminary research (desk study and interviews in the Netherlands). The Ministry would envisage visits to Kenya, Burundi, Ghana, Sierra Leone and Morocco (travel to Kenya/Burundi and Ghana/Sierra Leone may

[121] It must be noted that progress reports, MTRs and evaluations mainly focus on outputs.

be combined), but other any well-founded proposal will be taken into consideration.

Given methodological uncertainties at the start of the evaluation, the process will start with an inception phase, in which the consultants will finalise the approach for the country visits. At the end of the inception phase the consultants are expected to submit an inception note, which will contain at least:

- a proposal for the country selection
- a detailed proposal for the approach for the country visits
- a detailed schedule of work (work plan).

The inception report will be discussed with the reference group. A final agreement on the details of the evaluation methodology needs to be reached between the reference group and the evaluators.

4.4. Requirements, planning, budget and procedure

4.5. Requirements

For the evaluation, the team leader must have:

- an economic background;
- extensive (at least five years) experience with the evaluation of projects in developing countries;
- specific experience with the evaluation of private sector projects in developing countries.

In addition, the team as a whole must have:

- extensive knowledge of problems of migrants
- extensive experience the evaluation of migration projects
- extensive experience with the evaluation of small and medium-sized enterprises in developing countries and emerging economies.

4.6. Deliverables and timeline

The *indicative* planning and deliverables for this proposal are presented in the following table:

Subject	Deliverable	Estimated / proposed Timing
Expressions of Interest, Concept Notes and call for Full Proposals	Shortlist of 3 candidate evaluators	April 2018
Receipt of Full Proposals	Proposals	First half of May 2018
Provisional selection of evaluator	Notification to applicants	Second half of May 2018
Final selection of evaluator	Signed call-off contract	End of May 2018
Start evaluation		End of May 2018
Submission draft inception report	Draft inception report	End of June 2018
Discussion draft inception report with reference group	Final agreement on the details of the evaluation methodology	End of July 2018
Submission inception report	Inception report (in English)	Second week of August 2018
Submission draft final report	Draft Final report	First week of November 2018
Discussion draft final report with reference group	Agreement on modifications to be made to draft final report	End of November 2018
Submission final report	Final report (in English)	December 2018

The following reference group will be formed to provide substantive guidance:

- Jan Rinzema (DSH/MO, Chair)
- Nathalie Gonçalves Aurélio (DDE)
- Antonie de Kemp (Policy and Operations Evaluation Department (IOB))
- An external member to be determined.

The reference group will meet at least twice to discuss the inception report and the draft final report.



4.7. Budget

The budget for the evaluation should not exceed € 140.000 (not including VAT).

4.8. Procedure

The evaluation team will be selected following the 'Guide to the contracting out of effect evaluations via a framework agreement' of the Ministry of Foreign Affairs dated 2 September 2016. The procedure followed will lead to a maximum of three full proposals.

A panel composed of three persons from the Ministry of Foreign Affairs will assess these proposals based on the following criteria:

	Award criteria	**Weighting factor**
1	**Evaluation team**	50%
	Below, expertise means both the availability and contribution of team members, and the level and type of relevant knowledge possessed by the team	
a	Expertise of international team leader (weight 0.5)	
b	Expertise of other team members (weight 0.5)	
2	**Methodology: technical proposal**	40%
a	Address evaluation questions	
b	Methodology and explanation of how results are guaranteed	
c	Implementation plan and calendar	
3	**Price: financial proposal** (both the total price and the fees are taken into account)	10%

(1) The qualifications and experience of the team as a whole will be assessed on the basis of the CVs of the team leader and other team members. Quality measures must be taken to guarantee the required quality level (criteria will be specified in templates for concept note and full proposal).
(2) A technical proposal will be requested in which the candidate sets out a more detailed methodology and timetable for the evaluation. This is used to judge the tenderers' understanding of and approach to the assignment.
(3) A quotation should be provided that falls within the maximum range stated in the tender document and provides details about man-days, fees for the various evaluators and details of all other costs. The quotation is used to assess the cost of the evaluators and the total price, as well as the overall feasibility of the proposal.



All communications relating to this call can be addressed by email to Mr. Jan Rinzema, DSH/MO, email jan.rinzema@minbuza.nl.

About Ecorys

Ecorys is a leading international research and consultancy company, addressing society's key challenges. With world-class research-based consultancy, we help public and private clients make and implement informed decisions leading to positive impact on society. We support our clients with sound analysis and inspiring ideas, practical solutions and delivery of projects for complex market, policy and management issues.

In 1929, businessmen from what is now Erasmus University Rotterdam founded the Netherlands Economic Institute (NEI). Its goal was to bridge the opposing worlds of economic research and business – in 2000, this much respected Institute became Ecorys.

Throughout the years, Ecorys expanded across the globe, with offices in Europe, Africa, the Middle East and Asia. Our staff originates from many different cultural backgrounds and areas of expertise because we believe in the power that different perspectives bring to our organisation and our clients.

Ecorys excels in seven areas of expertise:
- Economic growth;
- Social policy;
- Natural resources;
- Regions & Cities;
- Transport & Infrastructure;
- Public sector reform;
- Security & Justice.

Ecorys offers a clear set of products and services:
- preparation and formulation of policies;
- programme management;
- communications;
- capacity building;
- monitoring and evaluation.

We value our independence, our integrity and our partners. We care about the environment in which we work and live. We have an active Corporate Social Responsibility policy, which aims to create shared value that benefits society and business. We are ISO 14001 certified, supported by all our staff.



P.O. Box 4175
3006 AD Rotterdam
The Netherlands

Watermanweg 44
3067 GG Rotterdam
The Netherlands

T +31 (0)10 453 88 00
F +31 (0)10 453 07 68
E netherlands@ecorys.com
Registration no. 24316726

W www.ecorys.nl

Sound analysis, inspiring ideas