

Developing a Road Map for Engaging Diasporas in Development

**A HANDBOOK FOR POLICYMAKERS AND
PRACTITIONERS IN HOME AND HOST COUNTRIES**

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Chapter 2: Building Capacity for Effective Implementation

Translating promise into reality is more easily said than done. While many governments acknowledge the importance of diaspora engagement in development, many still lack the capacity to design effective policies and implement them on a meaningful scale. This explains the gap between schemes that look good on paper and truly effective policies and programs that actually make a difference. Indeed, effective engagement almost always requires a concerted effort toward capacity building.

For many countries, the main challenges to effective engagement seem to center on two issues relating to capacity: how best to obtain adequate funding and how to improve technical know-how. Governments serious about engaging diasporas have to commit to funding their efforts as fully as possible (and seeking funds from elsewhere to fill in remaining gaps) and to obtaining the operational knowledge and skills needed to pursue goals effectively.

1 Challenges to Building Capacity

A. Amassing Adequate Funding

Analyst Michael Fullilove has noted that most diaspora institutions are underfunded.²⁴ A closer look at the budgets of the Philippines, Mexico, India, and Mali — four origin countries that have actively engaged their diasporas in recent years — seems to support this observation. Institutions in charge of the diaspora portfolio in these countries have received a relatively small allocation from the national government.

The responsibility for protecting and engaging the Philippines' huge diaspora largely rests on three government agencies: the Departments of Labor and Employment and Foreign Affairs, and the Commission on Filipinos Overseas (CFO). In 2009 the three bodies spent a total of 19.7 billion pesos (\$437 million), or 1.7 percent of total government expenses that year.²⁵ CFO, which is the key agency in charge of engaging permanent

emigrants, received the smallest allocation among the three, at only 45 million pesos (\$1 million), or 0.004 percent of the national budget.²⁶

Mexico's spending on its Ministry of Foreign Affairs, as a portion of the total executive-branch budget, is also quite low, at only 1 percent or 5.3 billion pesos (\$397 million) in 2009.²⁷ From this amount, approximately 6 percent (\$24 million) was spent on services to Mexicans abroad. This money funded the Institute for Mexicans Abroad (IME), the key agency driving Mexico's diaspora agenda, consular activities, and other related programs. At approximately \$2.8 million, IME's budget for 2009 was the smallest portion of the ministry's total budget for services to Mexicans abroad.²⁸

India and Mali both created separate ministries whose explicit purpose is to address the needs of diaspora populations. India's Ministry of Overseas Indian Affairs (MOIA) received 80 crores (\$17 million) in the 2009–10 budget, or 0.02 percent of the overall central government budget (416,000 crores or \$90 billion) during the same period.²⁹ The Ministry of External Affairs, which is responsible for maintaining consular presence abroad, among other things, received an appropriation that was six times more than that of MOIA (579 crores or \$125 million), but still a very small proportion relative to other government departments. Combined, the two ministries comprised 0.16 percent of the total Central Plan outlay.³⁰

Similarly, in 2009, the Ministry for Malians Abroad and African Integration had a total budget of about 1.8 billion CFA francs (\$3.9 million).³¹ Government funding for services to Malians abroad provided through consulates is budgeted through the Ministry of Foreign Affairs and International Cooperation, which received 22.7 billion CFA francs (\$49.3 million). Both ministries made up 7 percent of the central government budget of 723.9 billion CFA francs (\$1.6 billion).³²

The amount of money governments should allocate to diaspora institutions is highly debatable. In general, analysts use overall budget allocations to assess a country's spending priorities and values; examining, for example, how much is spent on defense versus health care or education. Determining the appropriate level of spending is difficult when the target audience and main beneficiaries have higher incomes than their compatriots at home and in some cases are not even citizens.

In the absence of reliable data or standards, one reasonable measure of spending might be to compare the budget allocation with the percentage of a country's population that lives abroad. With that in mind,

Mexico, the Philippines, and Mali, which both have nearly 10 percent of their respective populations abroad, could arguably increase their budget allocation on their diaspora efforts.³³ Another suggested yardstick pertains to remittances sent as a percentage of gross domestic product (GDP). Using this measure, the Philippines, where remittances make up 13 percent of GDP, should be spending a significantly higher proportion of its budget on diaspora efforts than Mexico, Mali, and India, where remittances are around 3 percent of GDP.³⁴

However, developing countries with very limited and dwindling financial resources face real spending and allocation constraints. As the case of the Philippines shows, the public works and highways and education departments, respectively, claimed 11 and 5 percent of the 2009 budget.³⁵ The largest budget allocation, at about 252 billion pesos (\$6 billion) or 22 percent of the budget, went to paying interest on the national debt — a problem that plagues many heavily indebted countries.³⁶

Indeed, for many governments, one of the most pressing challenges to diaspora engagement is how to initiate programs that do not drain the already limited public coffers while bringing in critical financial resources.

B. Acquiring Technical Know-How

Budgets alone are imperfect measures of state capacity. Spending more money does not necessarily ensure a higher-quality outcome. For many countries, technical know-how — the operational knowledge and skills needed to pursue goals effectively — presents a larger hurdle than money.

Successful diaspora engagement requires designing smart ways of delivering services and programs to a dispersed and heterogeneous population. A good case in point is the largest migrant welfare fund operated by a sending-country government. Faced with the problems attendant with a rapidly expanding temporary worker population abroad, the Philippine government established the Overseas Workers Welfare Administration (OWWA) in 1981 to protect Filipino migrant workers and provide various services, from repatriation to new-business loans. In 2005, despite amassing huge reserves, OWWA spent only 0.03 percent of its fund balance on services, in most cases meeting only the minimum requirements mandated by law.³⁷ OWWA's limited experience in administering programs partially explains its conservative spending. For instance, it has tried to provide livelihood loans for many years but has

always had poor repayment rates. Aware of its service-delivery problems, OWWA opted to safeguard its funds by placing them in development banks.³⁸

Even more than lack of money, in some cases lack of knowledge constrains the efforts of destination-country governments. In the Netherlands, for example, a 2009 study of twinning projects found that medium-sized municipalities such as Arnhem, Meppel, and Haarlem, which host a relatively small number of migrant groups, had successfully involved migrant organizations in twinning programs.³⁹ On the other hand, large municipalities such as Amsterdam, with a huge migrant population, had learned that involvement with one migrant group over another can create tension among groups and between the state and migrants. Migrant populations abroad are often divided and politicized, which can make involvement with them difficult. Indeed, some Dutch municipalities have chosen to disengage with diaspora groups altogether to avoid dealing with diaspora politics.⁴⁰

The difficulties of acquiring the operational knowledge and skills to engage diasporas effectively can be attributed to many factors. Long-standing programs, such as OWWA in the Philippines, seem to have been subject to very little monitoring and evaluation. For many engagement efforts, however, the key problem stems from a lack of sustained commitment within governments. Critically important technical know-how is acquired typically through years of trial and error. Many government initiatives on diasporas, however, tend to be short-lived and depend on the support of the central government, which can vary across administrations. For instance, the main government institution in charge of Moroccans abroad has been alternately promoted and demoted as it has gained and lost support within the government. Started as a ministry in 1993, it was downgraded to an office under the Ministry of Foreign Affairs in 1995.⁴¹ In 2007 it was promoted to its current position — an institution headed by a minister-delegate (undersecretary) directly under the prime minister's office.⁴²

Similarly, in Yemen, various diaspora institutions have been created and taken down since the first office, the Department of Immigration and Expatriates, was set up in 1962. Recent incarnations include the Ministry of Expatriates Affairs in 1990, the Expatriates Affairs Council in 1996, the Ministry of Expatriates Affairs in 1997, and the Ministry of Foreign Affairs and Emigrants in 2005; in 2007 the diaspora institution was promoted back to being the Ministry of Expatriates Affairs.⁴³ This lack of continuity makes institutional learning — a factor critical to building expertise — more difficult.

To confront financial and technical constraints head-on, governments must learn how to successfully build expertise while sharing costs, both financial and otherwise. Effectively loosening resource constraints requires adopting both conventional and pioneering approaches. In order to build capacity, governments have many options, five of which are outlined below.

A. Create Innovative and Cost-Effective Institutions and Programs

Squarely addressing resource constraints requires, first and foremost, innovative thinking. Some governments, for instance, have taken an atypical route by creating innovative institutions and programs that utilize private resources to pursue decidedly public goals.

1. Innovative Institutions

Some governments do not want to be seen — for whatever reason — as spending too much on their diasporas or intervening in the affairs of destination countries. Others are looking for efficient and feasible approaches that would maximize engagement activities with minimum investment. The solution for some governments is to create quasi-governmental institutions that deliberately blur the distinction between nongovernmental and governmental bodies.

Foundations. Some governments, such as those of the Republic of Korea and Morocco, have created foundations to indirectly manage their diaspora activities. In 1997 the government of the Republic of Korea established the Overseas Koreans Foundation (OKF), a nonprofit organization affiliated with the Ministry of Foreign Affairs and Trade. The foundation had a clear development mandate from the outset: to “utilize the capabilities of overseas Koreans for national development in line with its globalization policy.”

According to the foundation’s website, the Korean government recognized the need to establish a government organization for overseas Koreans; however, “this idea came into conflict with the government’s policy of keeping the government small, and there was fear that it would

cause some friction with the governments of the nations where the overseas Koreans were residing.”⁴⁴

Similarly, in 1990, Morocco created the Hassan II Foundation for Moroccans Residing Abroad (FHII). Established by royal decree, FHII is officially described as a “nonprofit institution with a social vocation, endowed with a moral personality and financial autonomy.” FHII is a private organization that has an especially close relationship with the Moroccan government. It is not a government institution, although the government sets its mandate. Interestingly, at one point in time, the minister in charge of Moroccans abroad also ran the foundation. Currently, FHII’s president is Princess Lalla Meryem.⁴⁵

Welfare Funds. Other countries have chosen to create a government-managed welfare fund financed by migrants or their employers and/or recruiters. These funds, which can be found in Bangladesh, Pakistan, the Philippines, Sri Lanka, and Thailand, among others, provide a range of services to migrants including predeparture orientation seminars, loans, emergency repatriation, life and medical insurance, and reintegration assistance. The setup offers a potentially efficient and feasible solution for origin governments to share the cost of protecting their temporary migrants while abroad.

The Philippines manages one of the largest welfare funds in the developing world, pooled from the mandatory \$25 membership contributions of foreign employers and migrant workers. Entirely self-funded and receiving no budget allocation from the national government, the welfare fund has brought in more money than it has spent. This surplus is added to the fund’s equity. As a result, the fund grew more than fourfold in 13 years, from 2.2 billion pesos (\$47 million) in 1995 to nearly 12 billion pesos (\$266 million) in 2008.⁴⁶ To place the magnitude of this amount in the Philippine context, the welfare fund’s total assets were nearly twice the budget of its mother agency, the Department of Labor and Employment, and almost three times the budget of the Office of the President during the same period.⁴⁷

Diaspora Councils. Creating diaspora councils, usually a mix of community leaders and government officials, can also be an excellent source of funding and technical know-how. Councils typically advise the government on diaspora-related matters with very minimal cost to the government. One of the earliest examples is Mali’s High Council of Malians Abroad, which serves as the official representative of the Malian diaspora, both in Mali and in diaspora members’ countries of residence.

Local councils are elected in various countries where Malian expatriates are concentrated. These national councils then elect representatives to the High Council.⁴⁸ As already mentioned, Mexico's Institute of Mexicans Abroad (IME) was established in 2003. The 2006-08 Consultative Council of the Institute of Mexicans Abroad (CCIME) had 100 of its members elected or appointed by the Mexican communities in the United States and Canada that were large enough to be served by a Mexican consulate; 15 members were appointed based on merit and achievement.⁴⁹

Diaspora councils are particularly significant since they bring invaluable resources to the table: contacts, funding, and ideas to implement programs. They are also excellent sources of feedback from, and information about, the diaspora — feedback that IME can use to justify requests for more funding, among other outcomes. For instance, in Mexico, due in large measure to the pressure exercised by CCIME members, funds collected as passport and consular ID fees now remain within the Ministry of Foreign Affairs to finance the activities of the consular network.⁵⁰

2. Creative Programs

Beyond setting up innovative institutions, governments can also choose to create programs and projects that directly address financial and technical constraints in novel ways. Although some diaspora programs are funded via the traditional budget line, many more are funded by other means. For instance, Colombia Nos Une, a program of the Bureau of Consular Affairs and Colombian Communities Abroad in the Ministry of Foreign Affairs, is funded with a traditional budget line like any other government ministry. However, the program also works with what the Colombian government describes as “investment projects,” which provide an additional budget line for specific projects. As of this writing, Colombia Nos Une had two such projects, which provide a total of \$2.5 million in general program support.⁵¹

Matching Funds. Among the best-known diaspora programs are matching funds — schemes wherein different levels of government allocate a dollar or more for every dollar that migrant organizations invest in their communities. The most frequently cited examples come from Mexico (where matching programs were pioneered and popularized), among which, the state of Zacatecas's Tres Por Uno or 3x1 program is the most celebrated (see Box 1).



Box 1: Tres por Uno (3x1) Program: An Innovation

Considered by many observers as a best practice, the 3x1 program has been replicated across Mexico, throughout Latin America, and around the world. Although much has been written about its now-popular approach to diaspora engagement, few have focused on the program's ground-breaking nature. For instance, when the project started in the Mexican state of Zacatecas in the 1980s, the inherent lack of trust between the state and the diaspora was striking. Thus, the Zacatecas government's motivation was not only to draw migrants' resources into community projects at home, but also to generate a relationship of trust between the state government and the migrants. The program was designed to squarely address both goals at once. Genero Borrego, the Zacatecas governor at the start of the program, was quoted as saying: "The risk that [the migrants] were running by putting a dollar into a public project, well, I was running that same risk. I wanted them to know that we were in it together."

Source: Natasha Iskander, "Social Learning as a Productive Project" in *Development Dimension: Migration, Remittances and Development* (Geneva: Organization for Economic Cooperation and Development Publishing, 2005).

Other governments who look to the 3x1 program as a model would do well to replicate the innovative spirit that made the program a success. The key challenge is not just a matter of taking a model to scale or adapting it to another country or region. Rather, it is about cherry-picking specific elements of a program's design and reconfiguring them in light of particular socioeconomic and political contexts.

For instance, the US Agency for International Development (USAID) recently awarded 14 diaspora-driven businesses in seven African countries matching grants ranging from \$50,000 to \$100,000. The awardees were chosen through a highly competitive process — a diaspora contest aimed at identifying the most viable and sustainable start-ups and established enterprises. USAID collaborated with Western Union, a private remittance company, to jointly finance the grant.⁵²

Another variation of the 3x1 model is the funders' collaborative of the US-based organization Hispanics in Philanthropy (HIP). This fund, considered one of the most successful programs of HIP, has raised more than \$39 million in donations to channel to Hispanic communities as it tries to link large philanthropic organizations with small-scale, community-based donors.⁵³ These local donors join together and pool funds toward a certain goal, to be complemented by matching grants from large national donors, until HIP's matching funds are large enough to allow HIP to initiate calls for project proposals. HIP works closely with the private sector: the Standard Bank Foundation in Argentina, the Falcondo Foundation and a network of individual donors in the Dominican Republic, the Western Union Foundation, and the Mexican Entrepreneur Foundation among them.⁵⁴

Combining Topics. Governments may also augment their capacity to implement diaspora projects by linking them with other projects. Germany, for instance, does not have a specific budget for migration and development projects within the German Agency for International Cooperation (GIZ). However, this limitation does not preclude the agency from engaging diasporas, mainly by linking diaspora-related projects to other topics such as climate change and security.⁵⁵

B. Capitalize on Existing Government Structures and Projects

Another way to augment capacity is for governments to work within existing structures and projects. Reinventing the wheel, although necessary in some situations, may be a waste of resources in others. This is especially true for governments with limited resources at the outset. As Imelda Nicolas of CFO notes, “we are not reinventing the wheel, we are not coming up of with new projects, we are just identifying projects and programs that are already in place that overseas Filipinos can be involved in . . . So CFO is like a coordinator, giving directions and referrals on where to go if they need.”⁵⁶

Governments may also choose to capitalize on existing consular networks and link with other government offices, both at the national and local level.

1. Consular Networks

Consulates remain the most important interlocutors for diaspora populations. A 2004 survey of International Organization for Migration (IOM) member governments revealed that 76 percent had consular services interacting with citizens abroad.⁵⁷ Consulates are in a unique position to gauge diaspora needs and partner with other actors in the private and public realm. They can play a key role both for countries with well-established diaspora policies, where consulates are given special recognition and resources, as well as those with frail policies, where consulates seem the sole link to diaspora populations.

More than ever, governments are instructing their consulates to interact with emigrants more systematically. A review of the embassy and consular websites of 30 origin countries with active diaspora policies suggests an extensive consular presence in the top destinations of their respective diasporas. The services offered at consulates vary, ranging from language instruction to notary services, from issuing identity cards to

organizing discounted tour packages to the homeland, both for business and leisure. Many consulates provide information on developments at home, particularly in the business sphere, as well as programs on culture, education, and economic development.⁵⁸

Many governments have expanded their diplomatic presence to places with large diaspora populations. For instance, although Mexico has maintained an extensive consular network in the United States since the 1800s, the government beginning in 2000 established new consulates in various US cities,⁵⁹ and as of mid-2009 has 50 consulates throughout the United States.⁶⁰ Similarly, the Philippines has opened four diplomatic posts since 2008 to reflect the increasing presence of Filipinos in Ireland, the Syrian Arab Republic, and China.⁶¹ Currently, it maintains 88 offices in 65 countries.⁶²

The composition of diplomatic staff has also evolved to accommodate diaspora needs and interests. Each Ethiopian embassy now has a diplomat assigned to handle expatriate issues.⁶³ About 70 to 75 IME representatives in Mexican consulates in the United States are in charge of implementing IME programs and projects.⁶⁴ Likewise, given the government's focus on protecting Filipino workers abroad, many of the Philippines' consular offices have welfare and labor attachés to attend to distressed and abused workers.

2. Other Government Structures

Governments may also augment their capacity to engage diasporas by capitalizing on the resources already existing in various government agencies. Diaspora engagement covers many traditional areas, from finance and trade to arts and culture. Governmental capacity already exists in these areas; instead of creating new institutions to launch the diaspora effort, governments may choose to adopt a more decentralized approach. They may create intergovernmental committees or choose to support diaspora initiatives at the local government level in order to create synergy among different parts of the government.

For example, Chile created the Interministerial Committee for Chilean Communities Abroad to formulate public policies on the diaspora. The committee is composed of 12 public institutions that in some way or another are responsible for addressing the needs and demands of the nearly 1 million Chileans residing abroad. The institutions include, for instance, the Directorate for Civil Registration and Identity, which issues ID cards and passports and registers marriages and births, and the

National Health Fund, which provides publicly funded national health care coverage.⁶⁵

Local government units are also perfectly positioned to design diaspora programs in tune with home-country community needs and opportunities. With proper coordination, they can complement the activities of the central government and share the cost of engagement. China, for instance, has created one of the most expansive networks of local diaspora offices. The competition for talent among local governments in China is so stiff that cities reportedly send delegations overseas to seek diaspora talent without notifying officials at Chinese consulates.⁶⁶ The Chinese central government has chosen to provide the overall policy direction on diaspora engagement while giving relative independence to local offices so that they can adopt innovative methods suiting local needs.⁶⁷ Concerted engagement at the local level can be also be found in some states in India, in particular Kerala and Gujarat, and in 29 of the 32 Mexican states.⁶⁸

C. Tap into the Available Pool of Resources Afforded by the Private Sector, Civil Society, and International Community

Problems with funding and technical know-how are among the reasons governments need to establish meaningful partnerships with external actors. They can expand their capacities by systematically tapping into the financial and technical resources made available by the private sector, other governments, and international organizations.

1. Private-Public Initiatives

Private-public partnerships augment tight government budgets by leveraging community contacts and resources. The quasi-governmental institutions described in Chapter 4 are good examples in this respect because they use private resources to pursue decidedly public goals. In the Philippines, for instance, CFO formed a Business Advisory Circle composed of government agencies, nongovernmental organizations (NGOs), and private entities that can give advice and guidance to Filipinos abroad who are interested in investing in the Philippines.⁶⁹ Likewise, Colombian consulates abroad work closely with about 800 migrant associations dubbed by the government as “multipliers” since they effectively relay information on consular activities to members of their communities as well as revert back with the needs of those communities.⁷⁰ As Box 2 shows, Mexico has been especially proactive in sharing the costs of engagement.



Box 2: Sharing the Costs of Engagement: The Mexican Experience

Mexico has forcefully pursued partnerships with various organizations in the United States to meet its goals on diaspora engagement. One project maintains on-site education centers that teach English to Hispanic adults. These centers are hosted by sponsoring organizations that provide the classroom and teachers. The National Institute for Adult Education (Instituto Nacional Para la Educación de los Adultos, INEA) and the National Council for Workforce Education (Consejo Nacional de Educación para la Vida y el Trabajo, CONEVyT) provide the core curriculum, while the Mexican government acts in a coordinating role. The success of other Mexican programs in areas including health promotion, financial education, and remittances, depends largely on their partner organizations' resources and technical ability.

Another project is Ventanillas de Salud, which provides basic health care information to Mexican migrants in the United States and makes referrals to US hospitals, health centers, and government programs where patients can get care without fear of being turned over to immigration authorities. Javier Díaz de León, of the Institute for Mexicans Abroad, notes in an interview for this handbook that the project "is not as expensive as it might be expected because the government works with consulates and local organizations. Each ventanilla is an agreement between a Mexican consulate and a local organization. So there are costs associated with this, but most of the services are provided by these organizations."

Many of IME's programs work on sponsorship schemes. One section within IME works on identifying and promoting sponsorship opportunities. As Díaz de León highlights, "there are a lot of people and companies who want to promote themselves towards the Mexican diaspora, they are very interested in appearing with IME in some of our programs . . . We rely a lot on an aggressive strategy to find funds from various sources."

Sources: Laureen Laglagaron, *Protection through Integration: The Mexican Government's Efforts to Aid Migrants in the United States* (Washington, DC: Migration Policy Institute, 2010), www.migrationpolicy.org/pubs/IME-Jan2010.pdf; Interview of Javier Díaz de León, Director, Institute for Mexicans Abroad, government of Mexico, phone interview by author, May 4, 2011; see website for more information, www.ime.gob.mx/index.php?option=com_content&view=article&id=51&Itemid=383&lang=es.

2. Partnerships among Governments

Government partnerships across nations can also make a difference by sharing the financial costs of engagement. While many destination countries support their own diasporas abroad as in the case of Australia's fellowship initiatives for expatriates, funded by the National Health and Medical Research Council others have initiated programs supporting the homeland-development activities of immigrant communities within their borders. For example, the United Kingdom's development agency, the Department for International Development (DFID), initiated a £3 million (\$4.7 million) program in March 2008 with Voluntary Service Overseas (VSO), a UK-based international development charity, to support and help people from diaspora communities work as volunteers in their countries of origin.⁷¹

Indeed, the "codevelopment" policy that was introduced in France in the early 1990s is now back in vogue. The concept made its debut as

a theoretical framework for leveraging the resources of African migrant organizations in France to promote development in Africa. The concept of codevelopment portrays migration as benefiting both countries of origin and countries of destination (although some applications of it have been criticized as placing too much emphasis on migration control). The approach emphasizes developing local economies and promoting partnerships among enterprises, local authorities, training institutions, and associations.⁷² Countries such as Italy, Spain, and France have seen an increase in public policy plans and funding schemes to support codevelopment projects.⁷³ Some developing countries have explored this shared interest with destination governments and identified projects of mutual interest.

As the survey conducted to inform this handbook shows, the majority of diaspora institutions in destination countries are development agencies.

For instance, in December 2000, Mali and France signed a codevelopment agreement. From 2003 to 2005, 250 return-and-reintegration programs, 22 local development projects, and ten projects for youth of immigrant ancestry (in France) were completed. Of the €3.5 million (\$4.8 million)⁷⁴ raised to finance the projects, about 70 percent (€2.5 million or \$3.4 million) came from the French government.⁷⁵

As previously noted, the past decade has seen a number of Dutch municipalities establish relations with local governments in immigrant-sending countries such as Turkey, Suriname, and Morocco. Twinning with these so-called “diaspora countries” is relatively new, with most ties established only after 1999. At present, there are some 39 diaspora-focused municipal twinning initiatives in the Netherlands, and their number is increasing.⁷⁶



Box 3: Doing Development Work At Home: Challenges Facing Development Agencies in Destination Countries

Among destination countries, development agencies are emerging as the key government actors tasked with engaging diasporas. As Regina Barbosa of Germany’s Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) explains, generally “the goal is to see how migrants can be partners of development cooperation.” GIZ in particular wants to “encourage links between integration and development by promoting the engagement of migrant organizations and linking these activities at the municipality levels.”

Realizing the potential of migrants as development partners is not without its challenges. One is the reluctance of some in the development industry to work on diaspora-related projects. In Germany, for instance, a member of GIZ stated that maintaining an “open

dialogue between development cooperation, banks, and migrant organizations” and the “development of a concrete product (information brochure)” were two of the most difficult initiatives implemented because of the “reluctance amongst project coordinators to tackle a new topic which seems to have more relationship with national problems than to development cooperation.”⁷⁷

Another problem relates to how agencies are organized. Alfred Fritschi of the Swiss Agency for Development and Cooperation (SDC) explains that in Switzerland, for example, “integrating the diaspora perspective means opening a new front of contacts and dialogues with organizations.” He states:

“Up until now we were organized in a way that our main dialogue is between our representatives in the country and the local leaders. We are not prepared to have an open front of work in Switzerland addressing institutions here, the very important issue of dialogue opens up many doors and we are not organized and prepared enough for this . . . We are not able to respond to dozens of small initiatives from the diaspora coming directly to our administration.”

Another related issue is how programs are funded. Fritschi explains that SDC cannot be financially active within Switzerland because it is mandated by law to focus on supporting activities in countries where it has programs. For Fritschi, “there is the need for a strong interministerial common approach if you want to deal with the diaspora, because the diaspora has a lot of different interests which are in the field of different administrative bodies.”

Source: Barbosa interview, April 2011; Interview of Alfred Fritschi, Co-head, Division of Western Balkans, Swiss Agency for Development and Cooperation, phone interview by author, May 10, 2011.

3. Partnerships with the International Community

The international community is an important source of both funding and technical know-how. A number of origin governments have explored resources available from international finance institutions. For example, the Social Development Investment Fund El Salvador (FIDSL) funded its Subasta de Fondos Program through a \$20 million low-interest loan from the World Bank. Under this program, municipalities offered to shoulder a proportion of the funds for a specific project. For example, if the World Bank wanted to fund electrification projects, municipalities would present their proposals and offer to finance a certain amount toward the completion of the projects. In an auction-like arrangement, municipalities that offered the most would get a loan for the rest of project. Diasporas were involved because municipalities asked hometown associations (HTAs) to contribute to the municipality’s share of the cost. Also, in many cases diaspora members had projects that they wanted to put forth and so engaged with municipalities to put these projects in line for funding through the auction.

Governments have also partnered with international organizations such as IOM and the United Nations (UN) to initiate permanent return of

highly skilled and well-financed members of their diasporas. As discussed at length in Chapter 8 of this handbook, IOM, for example, has been implementing return-of-talent programs in Africa,⁷⁸ Latin America,⁷⁹ and, more recently, in Afghanistan. Between 1983 and 1999, it reported success in relocating about 2,000 expatriates to 11 African countries.⁸⁰

Recent years have seen international organizations focus less on the return and resettlement of emigrants and more on the transfer of skills and financial resources, regardless of return. A foremost example of such a project is IOM's Migration for Development in Africa (MIDA), which aims to mobilize the skills and financial resources of African diasporas to support development projects at home. Described as a capacity-building program, the project focuses on facilitating temporary movement and does not entail the systematic return of migrants.

D. Build the Capacity of Diaspora Groups

Many diaspora groups are small and underfunded, with entirely volunteer staff, donated office space (if any), and a minimal operating budget. Because most members of these groups hold regular jobs, they may have difficulty finding the time to organize the affairs of the group. As Cindy Horst and her colleagues have noted, "this can have serious implications for what such organizations can achieve, as it means the amount of time and resources they have available may be particularly limited."⁸¹

To address this problem, some governments, especially in destination countries, have chosen to help diaspora groups build capacity. Some governments have provided technical assistance and training for diaspora groups in financial management, fund raising, project management, reporting requirements, and other areas. Some government agencies provided the training directly themselves or indirectly through a contractor.

The Dutch government, for example, held training courses to strengthen the capacities of diaspora organizations in the Netherlands. These covered basic skills in areas such as how to set up an organization, what kind of structure to select, and how to write a good project proposal; how to identify potential donors; and the working of government structures. The Ministry of Foreign Affairs did not provide the training directly but hired another organization to do so. About 30 or 40 people representing various diaspora organizations were trained at a cost of €100,000.

Ultimately, the goal of such training programs is to build up a platform or umbrella organization that represents other organizations. As Sander Werrie of the Ministry of Foreign Affairs (MFA) explains, “if the diaspora organizations could group together and come up with a general agenda, it would be easier for the MFA to interact with them.” Werrie notes that most organizations lack the capacity to organize as such.⁸²

Other destination countries, such as Norway and Finland, have provided similar training sessions.

E. Learn from Others

Learning from the experiences of others is another route to building technical know-how. In the planning and design of a diaspora policy, governments need not start from scratch. Although many diaspora initiatives are new, others have a long record. A number of countries, such as Israel, Taiwan Province of China, Italy, and Greece, have experience that offers critical lessons for today’s policymakers.

The Indian government, for instance, tasked a high-level committee with recommending a broad but flexible policy framework and country-specific plans to engage the estimated 20 million members of the Indian diaspora. For two years, the five-person committee — composed of two current members of the Indian parliament, two retired career diplomats, and an NGO leader — was tasked with studying, among other topics, various governments’ diaspora efforts in order to extract relevant lessons for India. In 2004 the committee produced an impressive, publicly available 600-page report that includes 22 country and regional profiles.⁸³ More recently, the Ministry of Overseas Indian Affairs has signed memorandums of understanding (MOUs) with a number of think tanks and international organizations both in India and abroad to support research in its areas of focus.⁸⁴

Other countries have taken a similar route, but on a much smaller scale. The Emigrant Support Programme of Ireland’s Department of Foreign Affairs, for instance, has asked the Worldwide Ireland Funds, an international charitable network, to outline best practices in diaspora engagement to identify viable strategies and models for Ireland.⁸⁵ Likewise, the governments of El Salvador, the Republic of Moldova, and Serbia have invited the Center for International Migration and Integration, an organization founded by the American Jewish Joint Distribution Committee, to conduct a course on diaspora-homeland partnerships. The course drew upon practical models from the experiences of Israel as well

as other countries. The Salvadoran government sent its top diplomat in charge of diaspora affairs to visit the Israeli Ministry of Foreign Affairs to identify practices relevant to the Salvadoran diaspora.⁸⁶