The African Diaspora Program (ADP) seeks to further enable and enhance the human and financial capital contributions of African Diasporas to the economic development of their home countries. The program was launched in September 2007 and focuses on strengthening policy, financial, and human capital development in Africa through a portfolio of activities and support in partnership with the African Union (AU), partner countries, partner donors, and African Diaspora Professional Networks and Hometown Associations. The ADP will support development efforts through interventions such as:

**Policy** — working with partner country governments to obtain improvements in the enabling policy and institutional environments for engaging their Diaspora in economic and social development activities.

**Financial** — working with the AU, partner countries, and partner donors to understand better the flow of remittances, including issues related to the costs of, and approaches to the leveraging and securitization of remittances for development.

**Human** — working with partner countries, Diaspora Professional Networks and Hometown Associations, and other donors to increase knowledge sharing and transfer (brain gain) between the Diaspora and their home countries, and to undertake human capital development projects for higher education, health, social protection and other sectors through community-driven development approaches and community development institutions.
The World Bank Group consists of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Center for the Settlement of Investment Disputes (ICSID). The World Bank Group is the largest provider of development assistance to Africa, and it has increased its support to the region dramatically over the past five years. In FY2009, the International Development Association (IDA)—which provides interest free loans and grants to the poorest countries—extended a total of US$ 7.887 billion in credits, and International Bank for Reconstruction and Development (IBRD) loans of US$ 362.0 million.

In fiscal 2009, the IBRD and IDA commitments to Africa constituted 17 percent of World Bank lending, totaling $8.2 billion, a $2.5 billion increase compared to the previous year. More than half of total IDA commitments, 56 percent, went to support projects in Africa. The sectors that received the largest funding were Law, Justice, and Public Administration; Energy and Mining; and Agriculture, Fishing, and Forestry. Together, these three sectors received almost 51% of all funds to the region.

The Bank works closely with the Middle-income countries in Sub-Saharan Africa i.e. South Africa, Botswana, Mauritius and Namibia. These countries are key economic drivers in the region, and generate more than half of Africa’s GDP, even though they represent less than 12 percent of the population. The increase in Bank Group support to Sub-Saharan Africa in FY2010 is due to increased IBRD borrowing from these countries.

Mr. Robert B. Zoellick, President of the World Bank Group, has outlined six Strategic and Sustainable themes for Inclusive and Sustainable Globalization as the priorities of the World Bank Group. These are:

- **Sub-Saharan Africa and the International Development Association (IDA):** Helping to overcome poverty and spur sustainable growth in the poorest countries especially in Africa. IDA is the core financing instrument for 81 of the poorest countries in the world.

- **Fragile and Post-Conflict States:** Addressing the special problems of states coming out of conflict or seeking to avoid the breakdown of the state.

- **Middle-Income Countries:** Developing a more differentiated business model for middle-income countries.
• **Regional and Global Public Goods:** Playing a more active role in fostering regional and global public goods that transcend national boundaries and benefit multiple countries and citizens.

• **Arab World:** Supporting those seeking to advance development and opportunities in the Arab world.

• **Knowledge and Learning:** The Bank as a “brain trust” of applied experience that will help to address the five other strategic priorities.

### Sub-Saharan Africa

The World Bank's strategy for development support to Sub-Saharan Africa is based on a country-based development model that emphasizes measurable results, accountability of countries and development partners, and is embodied in the Africa’s Future and the World Bank’s Support to it which was approved by the Board of Executive Directors of the World Bank in March 2011. The Strategy and 2 cross-cutting themes of the AAP has two pillars and a foundation:

**Pillars**
- Competitiveness and Employment
- Vulnerability and Resilience

**Foundation**
- Governance and Public Sector Capacity

The five-year Strategy will deploy:

• **Partnerships:** The Africa region Vice Presidency (AFR) will leverage partnerships with governments, the private sector, civil society and development agencies, and work closely across the World Bank Group to ensure the best possible expertise.

• **Knowledge:** AFR will capture and share what we have learned in Africa and other parts of the world to help build the capacity of governments and contribute evidence in the public debate.

• **Finance:** AFR will promote creative ways of leveraging our financing to bring other sources of investment to Africa.

To ensure the success of the Strategy, AFR will change the way it does its business by:

- Moving closer to our clients.
- Being selective for greater impact.
- Monitoring results through mutual accountability.
The Africa Region of the World Bank launched the African Diaspora Program (ADP) in September 2007. The key elements of the strategy and program are in the areas of **Policy** development and implementation; **Finance**, particularly the leveraging of remittances for development; and **Human Capital** development for “brain gain.” The strategy also calls for:

- **Working with the African Union (AU)** in support of its global Diaspora policies, programs and projects.
- **Working with partner countries** to obtain improvements in the enabling policy and institutional environments for engaging their Diaspora in economic and social development activities.
- **Working with the partner donors** to understand better the flow of remittances, including issues related to the costs of, and approaches to the leveraging and securitization of remittances for development.
- **Working with Diaspora Professional Networks** to increase knowledge sharing and transfer (brain gain) between the Diaspora and their home countries.

**Working with the African Union**

**Memorandum of Understanding (MOU):** In September 2008, Dr. Jean Ping, President of the African Union Commission (AUC), and Mr. Robert Zoellick, President of the World Bank signed a MOU. The two institutions agreed to cooperate in specifically in the areas of regional integration; governance; post-conflict countries; relations with the Diaspora; and communicable diseases, including HIV/AIDS, malaria and tuberculosis.

**Institutional Development Facility (IDF) grant from the World Bank to the AUC** was approved in July 2008. The grant supports the AUC’s Representational Mission to the USA, to: (a) strengthen knowledge sharing with Diasporas and development partners in the Americas; (b) develop a reliable Database of African Diaspora networks and individuals; (c) initiate resource mobilization efforts from the African Diaspora and private sector in the Americas; and (d) improve coordination with the African Diaspora in the Americas (North America, the Caribbean, and Latin America).

Preparations are on-going to provide support to the AUC’s Global Diaspora program through capacity development and other assistance to its Citizens’ Directorate (CIDO).

**AUC Health Initiative** was launched in September 2008. The main purpose of ADHI is to link specific health expertise within the African Diaspora with specific health needs in specific geographical locations in Africa. The World Bank is one of several donor partners supporting this initiative.
Working with Partner Countries

The Bank is providing a range of support to over 25 African countries through analytic and advisory activities (AAA), economic and sector work (ESW), and IDF and other grants to assist these countries in the development and institutionalization of Diaspora engagement policies and programs. These programs are designed to create the enabling environments to facilitate real and virtual return and contributions from the Diaspora to economic and social development.

Working with Partner Donors

European donors provided support to the Development Marketplace for African Diaspora in Europe (D-MADE) through a dedicated multi-donor trust fund as follows: The Dutch Ministry of Foreign Affairs (€ 300,000); DGCD, the Belgian Development Cooperation (€ 150,000); the French Ministry of Immigration, Integration, National Identity and Development (€ 150,000); GTZ, the German Technical Cooperation Agency (€ 70,000); and AFD, the French Development Agency (€ 50,000).

European Commission (EC) has awarded Euro 1,696,350 (US$2.2 million) to the World Bank to provide support and facilitate the establishment of the African Institute for Remittances (AIR) in the African Union Commission. The main objective of AIR is to build capacity of the member states of AU, remittance senders and recipients, private sectors, universities, and other stakeholders to develop and implement concrete strategies and operational instruments to use remittances as development tools for poverty reduction.

Italy has provided US$960,000 equivalent, to support the Ethiopia Diaspora Health and Education Professionals project.

Working with Diaspora Professional Networks and Hometown Associations

Ethiopia: Diaspora Health and Education Professionals project entails the virtual mobilization of Ethiopian Diaspora professionals to improve accessibility and quality of information available to counterparts in selected departments (Neurology, Tele-medicine and Social Work) at the Addis Ababa University (AAU). The development objective is to strengthen capacity for improved delivery of education and health services in Ethiopia through the engagement, deployment and utilization of Ethiopian/African Diaspora professional expertise and networks.

D-MADE: The Bank is providing small grants to individual Diaspora organizations engaged in 16 development projects in 10 separate home countries under the Multi-Donor Trust Fund for the D-MADE.
Leveraging Diaspora Skills for Development

Every year, innumerable young, educated Africans leave home to seek their fortunes abroad. Most of these immigrants never return home, though their abilities and knowledge are a priceless commodity that could contribute to development of their home countries. In addition to this group, millions of people of African descent, located in communities around the world, are actively seeking ways to re-engage with their ancestral homes in Africa.

During a series of frank discussions that took place at the second African Diaspora Open House, identifying and utilizing the unique talents of the African Diaspora in the Bank's work emerged as a clear priority. The World Bank team and 400 representatives of the African Diaspora present collectively recognized that these invaluable human resources can and must be tapped to support Africa in overcoming its development challenges.

As a result, the African Diaspora Program is developing a Database of Professional Skills in the African Diaspora. It is our belief that this database will form a basis on which the diverse skills and experiences of African Diaspora professionals and their firms can be utilized by the World Bank (and its client countries) to support Africa’s continued development.

We cordially invite individuals and firms in the African Diaspora to visit our website (www.worldbank.org/afr/diaspora/) and submit their CVs and/or corporate profile and completed Information Form to afrdiaspora@worldbank.org. Submitting your details is no guarantee of World Bank consulting assignments. However, it will allow World Bank staff to consider you and your firm for potential consulting opportunities.

Did you know?

- There are 499 Bank-assisted development projects in Africa with a total commitment of over US$34.88 billion.
- Sub-Saharan Africa received $7.9 billion, or 56 percent of total IDA commitments in 2009.
- World Bank lending to Sub-Saharan Africa increased 44.3 percent in fiscal 2009, to $8.2 billion.
- In response to the global food crisis, the World Bank committed approximately $1.4 billion in new lending to accelerate agricultural growth and productivity in fiscal 2009.
• In fiscal 2009, IDA commitments for the education sector and training amounted to $697 million, up from $368 million the previous year.

Please fill out the information form, found online at: http://www.worldbank.org/afr/diaspora/. You may submit the form, along with your CV and a photo, if available, to: afrdiaspora@worldbank.org.

Areas of professional specialization may include: Environment; Agriculture; Social Development; Financial Management; Finance; Business Management; Engineering; Energy; Transportation; Water and Sanitation; Urban Development; Public Policy; Health; Education; Nutrition; Social Protection; Health; Economics; Gender; Poverty; Anti-Corruption; Legal; Procurement; Environment.
Youth and Employment

Africa's youth – those between 15 and 24 years – number around 200 million people or more than 20% of the population. The youth population is expected to double by 2045 increasing the pressure countries face with job creation. The large majority of the youth lives in rural areas and is mostly employed in agriculture, for which they account for 65% of total employment. Steadily worsening over the years, youth unemployment on the continent is now assuming crisis proportions, particularly in the wake of the current global economic recession.

**Key Issues**

Each year an estimated 7-10 million youth enter the labor force, often directly from school. For most youth this transition to the labor market is marked by periods of unemployment or underemployment and is fraught with frustration, reflecting the impact of slow economic growth, low employment elasticities of growth, slow private sector growth, poor labor market institutions, and the failure of education and training systems to adequately equip graduates with useful skills.

The lack of opportunities in rural areas has encouraged youth to migrate to urban centers. But, because most countries have not yet initiated their transition to industrialization, urban centers can not create a massive number of jobs. Thus in the short term rural activities, both farm and non-farm, remain a core component of any strategy for job seekers.

Stylized facts suggest that:
- Youth make up 37% of the working-age population, but 60% of the total unemployed.
- Only about 10% of the youth entering the labor force find wage jobs in either the formal or informal sector.
- Youth unemployment is much more prevalent in urban areas; underemployment is the lot of many rural youth who work long hours and spend a lot more of their time in household work.
- Rural youth attached to agriculture are disadvantaged as compared to those in nonfarm activities.
  - Urban youth enjoy greater educational opportunities and stay longer in school.
  - Compared to the average worker, young people are more likely to work longer hours under
intermittent and insecure work arrangements, characterized by low productivity and meager earnings.

- The youth start to work early especially in rural areas. Indeed, even a quarter of children ages 5-14 are working, that is, they enter the labor force before being officially classified as youth.
- Young migrants are more likely to be unemployed and out of the labor force than their non-migrants counterparts.
- Females also face particularly strong challenges in entering the labor force due to early motherhood and lack of educational and job opportunities.
- Those young women who are in the labor force work more hours than males and are more likely to be underemployed and in the informal sector.

To address the problem of youth employment, countries have to make progress in many dimensions. In the medium- to long-term, the solution lies in rapid and labor-absorbing growth. This calls into play all the macro, micro and regulatory measures that attract investment, particularly from the private sector, and promote growth, including in agriculture and the rural areas. It also calls for a better focus by education systems on skills development and for strong public-private partnerships.

Modern agriculture has considerable potential for job and wealth creation and may absorb large numbers of would-be youth migrants or youths who currently crowd the cities with underemployment. Making well balanced choices for employment-intensive investments in agriculture and rural nonfarm activities can create immediate short term employment opportunities which can be more easily tapped by young people. Combined with appropriate local economic development strategies, it can generate more and sustainable jobs. This requires strategies to make agriculture an attractive enough option for youth to engage in, including moving away from subsistence agriculture, and introducing commercialization and productivity improvements through technological changes and infrastructure support. By creating jobs and educational opportunities, rural areas can increase their attractiveness to young workers, thus eventually delaying the rural-urban migration, which is a very critical issue should governments want to mitigate and prevent youth urban unemployment and underemployment to grow, and the well being in the already congested African cities to worsen. Investing in rural education will also create better opportunities for people to migrate more successfully and contribute to the economic growth of cities.
The Development Marketplace for the African Diaspora in Europe (D-MADE)

D-MADE was launched in 2007, as a part of the African Diaspora Program (ADP). It was designed to provide support through a competition, to entrepreneurs from Africa who live in Europe to participate in the development of their countries.

Support for D-MADE came from Belgian Development Cooperation, the Dutch Ministry of Foreign Affairs, the French Ministry of Immigration and Development Partnership, the French Development Agency, the German Federal Ministry for Economic Cooperation and Development, and from Brussels Airlines.

Winning Projects

**Mali:** The aim is to produce high-end textiles which meet the quality criteria of Ami & Co market (France, Europe and USA). The project builds on women’s associations supervised by the Support and Counseling Network, a Malian NGO specialized in assisting artisans.

**Burkina Faso:** A micro brewery in Burkina Faso to brew “sorghum” beer. This beer is brewed and already marketed in Belgium under the name “METISS.” (www.metiss.biz). The project will use renewable energy (wind and solar panel) for the operation of the brewery.

**Benin:** Modern and mobile <Toi Toi> toilets for the Dantokpa market which is the largest open-air market in West Africa.

**Ivory Coast:** The project will involve setting up a semi-artisanal cashew nuts processing with a capacity of one hundred tons of raw cashew nuts, based in the town of Bondoukou. It will create 100 jobs for women and youth and enable small producers to sell their production directly to European customers and receive higher salaries.

**Ivory Coast:** Micro-enterprise for the culture and extraction of Jatropha Curcas for the biofuel industry. The Jatropha plant is inedible, and is important in the fight against soil erosion.
**DR Congo:** Establish a chain of cheap and clean public toilets, first in Kinshasa and later in the country. It will also create a toilet cleaning and maintenance service for hospitals, schools and universities.

**Mali:** This project is designed to train leaders of micro and small enterprises in the informal sector to understand and develop their management and record their daily operations.

**Mali:** The project supports women's groups in production and marketing of a range of shea-based products including shea butter, soap and shea-based ointment for local sale and export.

**Madagascar:** The project will establish a platform for managing financial transactions via mobile phones in Madagascar.

**Malawi:** The project will involve forming a separate company, Lobi Fruit and Veg, owned by Fortune CP and the farmers to manage the whole supply chain from production (farming fruits and vegetables), storing and packaging in a cold room, marketing and financial administration.

**Burkina Faso and Mali:** DEV KIT “VISIODEV”. VISIODEV aims to bring businesses and private and public organizations to opt for ethics and solidarity communication and advertising in favor of disadvantaged populations in Africa.

**Togo:** The project will launch, in addition to existing laying hens, breed goats and ducks for sale.

**Ethiopia:** The project develop a model farm demonstrating more sustainable and quality production techniques.

**Sierra Leone:** The project will establish a storage facility for the preservation of marine resources, particularly fish. This project will provide a service to the numerous women sellers of fish.

**Benin:** This “hospital hygiene and treatment of biomedical waste” project would provide a service to all health facilities to improve safety and quality of care for health professionals and patients.

**Cameroon:** The project will build a network of 5,000 households, which in exchange of jatropha seedlings, will supply jatropha nuts at market prices to a local partner called AIFCIG. AIFCIG will extract oil from the nuts for use in soap and eventually to produce bio-fuel for sale to the off-grid electricity generation market and to local road construction and transportation companies.
Focus on Youth and Employment

Youth unemployment has been a major challenge facing many countries in the Africa. According to the World Bank’s 2008-2009 Africa Development Indicators (ADI), there are 200 million youth (aged 15 – 24 years) in Africa. Of this, approximately 120 million are unemployed and 144 million live on less than $2.00 per day. To escape poverty, many youth look for better opportunities by migrating to urban areas. This increases the strain for jobs in cities without necessarily improving the job conditions for those left in the rural areas, impacts the provision of public goods, education, utilities, housing and infrastructure, and affects demographic and skills composition in both urban and rural areas. Further, youth in Africa are not a homogeneous group and their employment prospects vary according to region, gender, age, educational level, ethnicity and health status. There can be no single approach to addressing the problem. However, the typical African youth, as given by medians, is an 18.5 year old female, living in a rural area and literate but not attending school.

DMADA is a program designed to support African Diaspora who are seeking to implement innovative and sustainable ideas focused on promoting youth employment. African Diaspora from all countries which are members of the African Union, and living in any region of the world, would be eligible to submit proposals through a legally registered organization. The rationale for DMADA is to:

- Strengthen Diaspora ownership and empowerment.
- Provide Diaspora with a marketplace that provides access to financing, technical assistance and other forms of support from partners for their development proposals.
- Engage development partners including the African Development Bank, foundations, the private sector, NGOs, and other civil society partners.
- Support more risk-taking partnerships and networking to support innovative projects and initiatives at the regional and sub-regional levels.
- Contribute to the discovery of early-stage projects with the potential for scale-up, replication, impact and results-on-the-ground.
- Contribute to leadership development through capacity development and technical assistance offered to the finalists.

Making DMADA Operational: African Diaspora from all countries who are members of the African Union, and living in any region of the world, would be eligible to submit proposals through a legally registered organization. Proposals can be on any Youth & Employment theme such as expanding job opportunities, supporting entrepreneurship, improving access to education, addressing demographic issues like young motherhood and the provision of public services, housing and health. Proposals on start-ups and businesses seeking to diversify into Africa are welcome.
DMADA supported projects which could receive awards from $50,000 - $100,000, must demonstrate social and commercial benefits, and should be ready to begin implementation in one or more African country within 12 months of being selected for an award. Applicants will be required to partner with a legally registered African partner based in the country of project implementation. Each fully completed proposal received will be reviewed by a panel of experts from the African Union Commission and its partners.

DMADA would be implemented using the following framework:

- **Call for project proposals**: The formal launch of the program will start once funding commitments/contributions are firm. All communication tools would be utilized to publicize the program. This includes newspaper articles and paid ads, web sites, and AUC Regional Offices. Existing government and non-government networks as well as academia could also be targeted and utilized as conduits. These networks will disseminate the information to their members and encourage them to submit proposals. Detailed application instructions will be given. Proposals will have to be submitted together with reference documents that establish proof of the legal establishment of the organization submitting the proposal.

- **Project proposals screening**: Proposals will first be screened for straightforward compliance with basic requirements. Concept proposals which pass the initial screening will be passed on to the members of the Technical Working Group (TWG) comprised of members of the African Union Commission and other partner institutions, and will be evaluated based on the evaluation criteria outlined above. The TWG will draw up a list of finalists who will be asked to submit detailed project proposals, and will also be invited to participate in the two-day exhibit knowledge forum.

- **Evaluation of Project Proposal through the Knowledge Forum & Exhibit**: All participants will be asked to make presentations to the public and to the board of jurors through the Exhibit/Knowledge Forum. A common format, question guides and templates for the sessions will be prepared. In this last phase of the competition process, the Forum is an opportunity for networking and knowledge exchange on the theme. Each finalist will be given panel boards and a booth to present their project.

- **Selection of Winners**: The Jurors will evaluate and deliberate on the proposals and announce their decision of winners at the end of the two-day event.

- **Supervision of funded projects**: The supervision schedule as well as the M&E planning will be determined by the implementation schedule of the funded projects. The timeline of each project as well as the type of activities to be implemented and the sectors will help determine the supervision schedule and plan the needed M&E activities.
What is the Institutional Development Fund (IDF) Grant?
The Institutional Development Fund is a World Bank Grant instrument which is designed for:
- Facilitation of quick, action-oriented institutional development work
- Fund of last resort
- Not meant to finance project preparation, economic, and sector works
- Maximum of $500,000 and minimum of $50,000

What is eligible for financing under IDF?
Recipient ownership and commitment are key to funding grants under the IDF. The IDF grants are available to:
- IDA / IBRD Borrowing governments
- Low Income Country under Stress (LICUS) which are not in non-accrual status
- International / Regional organizations whose members are IDA / IBRD members
- Non-Governmental Organizations under exceptional circumstances with the relevant government’s approval for national programs and, as appropriate for regional programs.
- Countries in non-accrual status or under suspension are INELIGIBLE (LICUS or otherwise)

What are the focus areas of financing under IDF Grant?
The IDF Grant supports activities in the following consolidated focus areas:
- Public expenditure management and financial accountability
- Procurement
- Results-oriented monitoring and evaluation systems
- Systemic Legal and Judicial Reform Plus Non-focus areas (regional integration, gender, capacity development, Diaspora)

Who is the main decision making body for approval of IDF Grants?
The Regional IDF Committee (RIC) in the World Bank is the main decision-making body for individual Grants under the IDF program. Proposals for IDF financing are submitted to the respective regional IDF Coordinator for consideration by the committee (RIC) for approval within IDF guidelines. Because IDF resources are limited and the demands for them are growing, grant proposals are subject to stringent review and a high degree of selectivity.

Who are the members of the Regional IDF Committee in the World Bank?
The Regional IDF Committee is chaired by the Director of Africa Region Quality and Knowledge Services and members are:
- African Lead Financial Management Specialist
- Africa Region Procurement Manager
Who Executes IDF Grants?
IDF Grants are recipient executed only. The recipients contribute to the activities supported by the IDF grant, as appropriate in each case, and in line with applicable country financing parameters. The extent of such contributions is expected to be greater in IBRD countries.

What are the Procurement Policies and Procedures of the IDF Grant?
The procurement of goods, and services financed by the IDF Grant is governed by the following Guidelines:
- Procurement under IBRD Loans and IDA Credits and
Background and Objectives
The Ethiopian Expatriate Affairs (EEA) Directorate General, a department within the Ministry of Foreign Affairs of the Federal Democratic Republic of Ethiopia, is the focal institution tasked by the Government of Ethiopia (GoE) with mobilizing and engaging the Ethiopian Diaspora. Its major achievements, among many, include actively working with the GoE to establish a legal status for the Ethiopian Diaspora. Consequently, Ethiopian Diasporas who hold non-Ethiopian nationalities have been entitled to an “Ethiopian Origin ID Card” that grants them all the rights and privileges of an Ethiopian national. This act alone has been by far the most important incentive enabling Ethiopians in the Diaspora to increasingly engage with their home country through various activities, most notably through investment and knowledge transfer.

The EEA Directorate General has achieved these results with meager financial resources and limited institutional capacity. Moreover, its initiatives and activities have been guided more by its business mandate and less by a comprehensive policy framework for engaging the Diaspora, as the latter does not yet exist. Notwithstanding these limitations, and in fact to overcome them, the EEA has outlined a number of goals that it would like to pursue: (i) mobilize the Ethiopian Diaspora for the formulation of a national policy framework for Diaspora engagement; and (ii) acquire a state of the art live database that will enable systematic collection and cataloguing of information on the Ethiopian Diaspora.

Activities of the IDF Grant

Component 1: Develop capacity for participatory policy formulation
The EEA Directorate General has been working on a draft Diaspora Engagement Policy Framework that will guide all future government engagement with the Diaspora based on identified national development needs and priorities. The EEA Directorate General would like to create an opportunity for the Ethiopian Diaspora community to actively participate in refining the draft Framework. It would like to create a platform – initially physical and eventually virtual – that will enable the large Ethiopian Diaspora community spread around the globe to provide substantive views and inputs. By undertaking a participatory approach to the formulation of the Framework, the EEA hopes to instill in the GoE and the Diaspora community a sense of ownership to the process so that both stakeholders will have equal stake in the success of its implementation.

Component 2: Develop capacity for acquiring and maintaining a database that collects and catalogues information on the Ethiopian Diaspora
Despite several years of engagement with the Ethiopian Diaspora, there has been to date no systematic gathering and cataloguing of personal and professional information on the Diaspora. The EEA recognizes that the Ethiopian Diaspora community is diverse and is keen to tailor its initiatives to target varied groups differently and would like to build the technological capacity that will enable it to differentiate the Diaspora community by different categories and characteristics.
Mali has a strong migrant population. It is estimated that over 4,000,000 Malians live abroad (Diaspora), out of which 3.5 million live on the African continent. To make sure that the needs of this heavily migrant population are meet, the Government of Mali created in 1991, a Ministry in charge of Diaspora affairs and a secretariat, “Le Haut Conseil des Maliens de l’Extérieur” (HCME) through which Malians abroad make their voice heard. Mali Diaspora policy is designed to encourage continued contacts with, and investment in the homeland by Malians living outside of the country.

In key development areas, namely higher education, there is a lack of highly qualified professionals with enough expertise in scientific and technological areas. In addition, a significant number of high-level professionals become Diaspora every year by moving abroad permanently and exacerbating the brain-drain phenomena.

In order to address the issue of brain drain and the consequences of large unplanned return of immigrants, the Government has adopted the Transfer of Knowledge through Expatriate Nationals (TOKTEN) approach. The Transfer of Knowledge through Expatriate Nationals Program (TOKTEN) was first propose by UNDP in 1977 and has been operational in 50 countries in Africa, Asia, North America and Europe. The program presents an opportunity for developing countries to take advantage of the expertise of their Diaspora. Through the program, Diaspora professionals can voluntarily return to their home country for short periods, through consultancies, and give their expertise to improve development.

In 2007 as the Malian Government and the World Bank were developing their country assistance strategy, it was proposed that an increased in technical support was necessary to enhance capacity to produce measurable results. To this end, the policy of engaging Diaspora in the country would be supported through an institutional development fund (IDF) grant. In addition to several ongoing capacity building initiatives in monitoring and evaluation and reinforcing audit institutions, the Mali-IDF will support capacity development through a specific program for “brain-gain” through the increased engagement of Malian Diaspora professionals in the university and attendant institutions.

Therefore, the Mali-IDF’s objective is to strengthen the capacity of the Ministry of Malians Living Abroad to expand the university teaching aspects of the Transfer of Knowledge through Expatriate Nationals or Diaspora (TOKTEN) program. The IDF grant was approved on July 13th 2010 and will commence implementation by December 2010.

The two components of the IDF grant are:

**Coordination of Malian Diaspora for university teaching** which comprises the following activities: Review of existing teaching curriculum to incorporate distance learning modules and e-courses by Malian visiting professors. The Ministry in Charge of Malians Living Abroad will make sure that a pool of Malian experts are also available to assist students taking e-courses.
Support to the establishment of a Virtual Library. At the request of the Ministry in Charge of Malians Living abroad and of the Ministry of Higher Education, Diaspora Malian professors from universities outside Mali will assist the University of Bamako in establishing a Virtual Library and exchange references with their respective universities. The Virtual Library is also an opportunity to further the exchange of knowledge and reverse the brain drain.
Uganda: IDF Grant for Strengthening Capacity for Diaspora Engagement with Specific Focus on Infrastructure Sector (Energy, Roads and Railways)

Background
The Government of Uganda (GOU) looks to its Diaspora to assist in rebuilding capacity in infrastructure support in the selected focus areas of energy, roads and railways. Infrastructure has, and will continue to be, an integral part of the Government’s development plan. Capacity issues in the infrastructure sector are a central part of the Republic of Uganda’s National Development Plan (2010/11 – 2014/15) and the World Bank new Country Assistance Strategy for 2010-2013. The Bank is providing support to Government to improve institutional efficiency and capacity through the Kampala Institutional and Infrastructure Development Project and the Transport Sector Development Project.

Recognizing the need for specialized services that would enable the country to engage the Diaspora for Uganda’s development, H. E. President Museveni directed the Ministry of Foreign Affairs (MoFA) to create a Diaspora Department / Division (Division). The MoFA was selected by the President as the Ministry to house this Department because of its coordination role in dealing with external partners outside the country. The Division seeks to: (a) undertake programs for Uganda Diaspora to engage in development activities; (b) support organized Uganda Diaspora associations to carry out some of these development activities; and (c) work closely with Uganda’s foreign missions to identify and facilitate professionals to return to Uganda and contribute to national development.

In July 2009, the GOU requested Bank support for developing and implementing a national Diaspora engagement policy framework. The Government has expressed concerns about the shortage of civil servant personnel for infrastructure support. The Diaspora Division would like to provide support in all public sectors but for the purposes of this Grant, decided to focus on the infrastructure sector (energy, roads and railways) as a pilot. On May 14, 2010, GOU and the World Bank signed an agreement for an IDF grant for $500,000 for strengthening the capacity of staff in the Diaspora Division. The MoFA is working with other development partners such as UNDP on obtaining additional resources for the Diaspora Division.

The Objectives and Activities of the IDF Grant
The main objective of the IDF Grant is to enhance the capacity of staff in the Diaspora Division in MoFA and Ministry of Energy and Mineral Development’s Petroleum Exploration and Production Department (MEMP), Uganda National Roads Authority (URA) and Uganda Railways Cooperation (URC) to engage Ugandan Diaspora in infrastructure development support in selected focus areas i.e. energy, roads and railways. The main components and activities to be supported are:

Component 1: Design Strategic Framework and Plan of Action to Engage Ugandan Diaspora Talent in Infrastructure Development. This component will strengthen capacity of staff in the Division to design the strategic framework, plan of action and benchmarks to engage Uganda Diaspora in infrastructure development. Activities include to support to:
• Learn from best practice experiences of Diaspora engagement through study tours of Diaspora engagement in Asia and utilizing the Global Distance Learning Network (GDLN).

• Organize workshops in Europe, UK, and North America with a focus on infrastructure talent in the Ugandan Diaspora.

• Produce three Diaspora capacity needs assessments and a strategic framework and plan of action in the focus areas of energy, roads, and railways.

Component 2: Strengthening Knowledge Sharing and Building Infrastructure Capacity in Energy, Roads, and Railways. The component will finance short term consultant assignments to strengthen staff capacity in the MEMP, URA and URC to ensure that they have the essential institutional capacities. The activity is to issue the following three reports:

• Energy: Report on options for sources of financing and human capital for a mini oil refinery.

• Roads: Report on recommendations for updating all sections in the manual for highway and road safety.

• Railways: Report on recommendations for guidelines to design and evaluate Private Public Partnership proposals.
Sierra Leone: IDF Grant for Strengthening the Directorate of Diaspora Affairs in the Ministry of Foreign Affairs with Specific Focus on the National Health Sector program

Background
The Government of Sierra Leone (GoSL) looks to its Diaspora to assist in rebuilding the capacity of its governing institutions. Civil service, local government, public financial management, judicial systems, anti-corruption, and police reforms are at the center of GoSL’s Poverty Reduction Strategy Paper (2005-2007). The Bank has been supporting the government’s agenda through the Institutional Reform and Capacity Building Project and strengthening the Medium-Term Expenditure Framework budget process. The government, in turn, has enacted key legislation to support the decentralization policy and public sector reform programs.

The government established the Directorate of Diaspora Affairs (Directorate) in the Ministry of Presidential and Public Affairs (MOPPA). The primary roles of the Directorate are to: (a) help mobilize the Diaspora for the country’s development, (b) coordinate efforts to improve relationship with the Diaspora, and (c) harness the Diaspora expertise and resources for development. This central office will ensure broad stakeholder involvement, coordinate alignment and harmonization of all donor activities for capacity development through the Diaspora. In May 2008, GoSL requested Bank support for developing and implementing a national Diaspora engagement policy framework. The government also expressed concerns about the shortage of health personal such as medical doctors and nurses and requested the Bank’s support especially in the health sector. The Directorate would like to provide support in all public sectors but for the purpose of this Grant, the GoSL decided to focus on Health Sector as a pilot.

The Objective and Activities of the IDF Grant
The main objective of the IDF Grant is to enhance the capacity of the Directorate in the MOPPA for mobilizing Sierra Leone’s Diaspora in addressing critical gaps in the Public Sector with a specific focus on the National Health Sector program. The main components and activities to be supported are:

**Component 1: Develop the capacity of the Directorate to prepare Consultative Strategies for the Public Sector.** This component provides support short term consultant assignments to support improving the capacity of the Directorate to develop various Diaspora consultative strategy papers with specific objectives. For example, the objective of the strategy paper is to enhance the capacity for improved services in public and private sector, institutions by Diaspora Technical Expert Networks. Activities would include:

- strengthening the communication and network coordination capacity of the Directorate
- developing data generation, management, and application capacity of the Directorate
- learning from the experience of other countries through study tours and other exchanges

**Component 2: Designing a Diaspora Engagement Strategic Framework, Plan of Action, and benchmark in the Health Sector.** This component will finance short term consultants to assist in strengthening the Directorate in (a) preparing four health sector analytical papers; and (b) developing the National Comprehensive Diaspora Engagement Strategic Framework, Plan of Action and benchmarks with focus on the health sector. Activities would include:
- strengthening the knowledge of Directorate and other policymakers about African Union Diaspora-Health Sector Initiative which was launched in September 2008

- strengthening the Directorate to prepare analytical papers and issue the National Diaspora Engagement Framework, Plan of Action, and benchmarks for building capacity in the health sector
Liberia: Liberia Will Rise Again Diaspora Engagement Program

Background
The Lift Liberia Poverty Reduction Strategy articulates the Government of Liberia’s vision and strategies for moving toward rapid, inclusive and sustainable growth and development during the period 2008-2011. The four pillars of this strategy are: peace and security, revitalizing the economy, strengthening governance and rule of law, and rehabilitating infrastructure and delivering basic services. The Government of Liberia has achieved considerable progress in the first two years of its three-year Lift Liberia Poverty Reduction Strategy, with major achievements in debt reduction through reaching HIPC Completion Point. As a result of tireless efforts, GOL managed to fast-track Lift Liberia, averaging 80% in implementation within the past year.

However, lack of capacity continues to remain the overall binding constraint to implementation and broader long term development goals. Among these obstacles are: (i) the availability and coordinated disbursement of financing; (ii) administrative and technical capacity; (iii) external stability and economic contagion effects; (iv) internal security; and (v) the realization of economic growth projections. With the coordinated contribution of the Liberian Diaspora several of these potential barriers to implementing Lift Liberia and beyond could be minimized or overcome. In light of the rapid speed of Liberia’s post-conflict reconstruction, the Government has realized the pivotal role Diaspora Liberians has played in the three-year medium term Poverty Reduction Strategy (PRS), Lift Liberia, and will continue to play in the forthcoming Liberia Rising 2030.

Diaspora Liberians can promote in-country development through individual and collective efforts in their various communities abroad. Their role, which has remained largely underutilized by the Liberian Government, is having a major impact on poverty eradication programs in the country through remittance flows and investment capital. In Liberia, the Government has worked to improve the investment climate, facilitate access to credit, and develop fiscal policies conducive to Diaspora investment. Yet, in order to complete the implementation of the Poverty Reduction Strategy, the Government has recognized that it needs to invest in a more robust and capable work force. As security conditions and basic services improve, members of Diaspora continue to return and help to develop capacity within public sectors. The Government has also completed a 10-year National Capacity Development Strategy, which includes deliverables on the utilization of Diaspora skills for private sector growth and public sector capacity development.

The Objectives and Activities of the IDF Grant
The objective of this IDF grant is to enhance the capacity of the Government of Liberia’s Diaspora Engagement program, through a Diaspora Unit within the Ministry of State. This program will address the critical gaps in post-conflict reconstruction, focusing particularly on the education sector by harnessing the financial and intellectual capital of the Liberian Diaspora.

Furthermore, this program will assist in the formulation of a National Liberian Diaspora Policy devised to buttress the implementation of the third year of the Lift Liberia Poverty Reduction Strategy, and the forthcoming Liberia Rising 2030 development agenda. The main components and activities to be supported are:
Component 1: Develop Networking and Coordination capacity of the Diaspora Unit within the Ministry of State. This component will enable the Diaspora Affairs Unit to function as a network hub for coordinating country and regional Diaspora strategies for development in the public and private sectors and in line with the African Union’s Diaspora Program of Action. Activities to be supported include:

- Strengthening the Communication and Network Coordination capacity of the Diaspora Unit
- Developing Data Generation, Management and Application capacity within the Diaspora Unit
- Developing Liberian Diaspora Consultative Strategies.

Component 2: Designing Education sector Diaspora interventions under The National Liberian Diaspora Policy (NLDP) and Plan of Action. This component focuses on designing specific interventions in the education sector under the NLDP and Plan of Action, with benchmarks for the education sector as a pilot, for discussion, adoption and implementation. Activities include:

- Strengthening the Diaspora Unit and Policymakers Knowledge about the AU’s Diaspora Strategy and Global Practices.
- Preparing Four Analytical Papers on engaging the Diaspora in the education sector through the National Diaspora Engagement.
Background
In recent years, the role and potential of the Tanzanian Diaspora in the development of the country has been increasingly recognized by the Government of Tanzania at the highest political level, providing the required political will for advancing Diaspora engagement in the country’s development debate. In recognition of their significant potential contribution to national development, the Government has decided to undertake the development of a National Diaspora Engagement Strategic Policy Framework (NDESPF), and to establish a Diaspora Engagement and Opportunities Department in the Ministry of Foreign Affairs and International Cooperation (MFAIC). The MFAIC will spearhead and coordinate the development of the NDESPF and other Diaspora-related matters, and has incorporated Diaspora coordination as one of its core functions in advancing its efforts.

The Department, however, is in its infancy and requires training and human and institutional capacity development in many areas. This Institutional Development Fund (IDF) grant-assisted project will contribute to this capacity enhancement effort. Through a participatory approach to the formulation of a Framework and Plan of Action, the MFAIC hopes to also mainstream and institutionalize the Diaspora’s participation in national processes, as well as institute among the Diaspora community, a sense of belonging and ownership in the process, thus building consensus and an equal stake among key players in the policy framework’s implementation, accountability and overall success.

The Objectives and Activities of the IDF Grant
The main development objective of the IDF grant is to supplement the efforts of the Government of Tanzania to effectively institutionalize and mainstream the Diaspora engagement process, plans and implementation activities into the Government’s plans and programs. Specifically, it will be used to enhance the capacity of the Diaspora Department and will cover capacity building and training costs for the dedicated staff in the Department, purchases of necessary information communication technology (ICT) office equipment for communication, as well as consultancy costs for identified priority needs, i.e. to design the Diaspora Strategic Policy and Plan of Action.

Emphasis will be given to mainstreaming the Diaspora into national development as outlined in Tanzania’s National Development Vision, known as “Vision 2025”. Enhancing the capacity of the Diaspora Department will help strengthen the Government of Tanzania’s communications with, outreach to, and gathering of information from its Diaspora. The main components and activities to be supported are:

Component 1: Preparation of Tanzania’s Draft National Diaspora Engagement Strategic Policy Framework (NDESPF), Plan of Action (POA) and its consultative processes. This component will facilitate the participation of Diaspora communities in the process of the development of the NDESPF and associated Plan of Action. Activities would include:

- Consultative and outreach Workshops for engagement of the Diaspora;
• Convening of Biennial Conferences for Ambassadors and High Commissioners; and
• Engaging the Diaspora through collaboration and networking with Tanzanian Policy Think Tanks.

**Component 2: Building Government of Tanzania’s capacity for engaging its Diaspora through outreach, knowledge and Information gathering and sharing, and through the use and management of Information Communications Technology (ICT).** This component aims to improve institutional and human resource capacity of the Government and increase Diaspora engagement from its current 10% to 40% by the end of the project. Activities include:

• Capacity building for efficient and effective knowledge and information management, outreach and learning; including the creation and maintenance of a database on the Diaspora and the establishment of a functional virtual platform for engaging the Diaspora;

• Capacity building through South-South learning activities, fielding of study tours, and the use of the Tanzanian Global Development Learning Center (TGDLC); and

• Development and implementation of a Diaspora training curriculum and modules at the Tanzania Center for Foreign Relations (CFR) in the Ministry of Foreign Affairs and International Cooperation (MFAIC).
Kenya: IDF Grant for Strengthening Capacity for Diaspora Engagement with Specific Focus on Building Capacity of Diaspora Affairs Directorate in the Ministry of Foreign Affairs

Background
The Government of Kenya (GoK) has recognized that Kenyans in the Diaspora can contribute to economic development through the injection of their knowledge, ideas, and resources for projects and programs. Best practices gained by the Diaspora who work in and/or do business in developed economies, can be applied to fast-track government goals as articulated in the Kenya economic blueprints such as the “Economic Recovery Strategy for Wealth and Employment Creation” and “Vision 2030”.

In 2007, GoK in recognition of the significant contribution of Kenyans living abroad to its national development established the Diaspora Affairs Directorate i.e. International Jobs and Diaspora Office (Directorate), in the MoFA to specifically deal with Diaspora matters. MoFA plans to create opportunities for the Diaspora community to actively participate in refining the draft Diaspora Engagement Strategic Policy Framework (DESPF). By undertaking a participatory approach to the formulation of the Framework, the MoFA hopes to instill in the Diaspora community, a sense of ownership in the process so that it will have an equal stake in the success of implementation. The Ministry has entrenched Diaspora Diplomacy as one of its key objectives as outlined in its Strategic Plan for the 2008-2012 period.

The Directorate has the mandate to design and implement strategies that would integrate the Kenyan Diaspora into national development as outlined in “Vision 2030”. The Directorate has been assigned to work on a draft DESPF that will guide all future government engagement with the Diaspora based on identified national development needs and priorities. More specifically, the Directorate has been tasked to: (a) mobilize the Diaspora to participate in the formulation of a Diaspora engagement policy; (b) establish a database that will enable systematic collection and cataloguing of information on the Diaspora; (c) undertake programs for the Diaspora to engage in development activities; (d) support organized Diaspora associations to carry out some of these development activities in a coordinated manner; and (e) work closely with Kenya’s Foreign Missions to identify and facilitate professionals to return (real or virtual) to contribute to national development.

The Objectives and Activities of the IDF Grant
The main objective of the IDF Grant is to enhance the capacity of Directorate in MoFA to mobilize the Kenyan Diaspora for development. Emphasis will be given to mainstreaming the Diaspora into national development as outlined in the Kenyan Economic blueprint: “Vision 2030”. Enhancing the capacity of the Directorate would lead to the development of a national Diaspora Engagement Strategic Policy Framework and Plan of Action; and would strengthen the GoK’s communications with, outreach to, and information gathering from its Diaspora.

Component 1: Develop the Kenya’s Diaspora Engagement Strategic Policy Framework and Plan of Action of Action
This component will strengthen capacity of staffing the Directorate to develop the strategic framework, plan of action and benchmarks to engage Kenyan Diaspora for development. Activities include to provide support to:
• Outreach workshops to the Kenyan Diaspora Networks and Hometown Associations in the United Kingdom and Europe, and in the United States.

• Outreach for participation of the Kenyan Diaspora at the Bi-annual conference of Kenyan Ambassadors and High Commissioners.

• Outreach Kenya Diaspora through engagement with Kenyan Think Tanks for preparation of policy notes on Kenyan Remittance flows and leveraging investments for development investment climate and constraints.

Component 2: Develop the Communications, outreach, and information gathering capacity of the Directorate office. The component will finance short term consultant assignments to strengthen staff capacity in the Directorate. Activities include to:

• Develop a web portal for exchanging experiences, and global communication strategies

• Learn best practices experiences of Diaspora engagement through study tours in Asia and Africa as well as utilization of the Global Distance Learning Network (GDLN)

• Improve the virtual technology of the Directorate to engage with the Kenyan Diaspora

• Develop a training module which includes training curriculum and training manual at the Foreign Service Institute in MOFA on the role of Diaspora in Kenya's economic and social development.
Malawi: IDF Grant for Strengthening the Diaspora Affairs Unit in the Office of the President and Cabinet to Engage Diaspora in Malawi’s Economic Development

The Malawi Growth and Development Strategy (MGDS) is “the overarching operational medium-term strategy for Malawi designed to attain the nation’s Vision 2020. The main thrust of the MDGS is to “create wealth through sustainable economic growth and infrastructure development as a means of achieving poverty reduction.” The MGDS (2006-2011) identifies six priority areas for economic growth and wealth creation: (i) agriculture and food security; (ii) irrigation and water development; (iii) transport infrastructure development; (iv) energy generation and supply; (v) integrated rural development; and (vi) prevention and management of nutrition disorders, HIV and AIDS. It is envisaged that these six priority areas will also help to accelerate Malawi’s attainment of the MDGs in health, education, gender, environment, and governance.

The President of Malawi, Dr. Bingu Wa Mutharika indicated in the Presidential Statement to the MGDS, “Government will spearhead the implementation of the MGDS. However, the strategy calls for active participation of all stakeholders in the implementation process. Political will, change of mindset, and cooperation among the stakeholders will be paramount for the successful implementation of the strategy. While Government will ensure the creation of an enabling environment for private sector participation, all Malawians are urged to aggressively take up the challenge to invest and spearhead industrial development to create wealth and employment.” The Diaspora was identified as one of the stakeholders.

The Government has established a Diaspora Affairs Unit in the Office of the President and Cabinet (OPC). This Unit is headed by a senior government official at the level of a Principal Secretary to the government. The Unit will be responsible for chairing the government’s Inter-Ministerial and Agency Coordination Committee. In addition to OPC, the Coordination Committee will include representatives from the Ministries of Finance, Foreign Affairs, Land Administration, Health, Education, the Reserve Bank of Malawi, and any other Ministry and Agency which the government deems critical to engaging the Diaspora. This Committee will be responsible for the development and ultimate approval by the Cabinet and President of the Government’s Diaspora Engagement Strategy, Policy, and Plan of Action. The Diaspora Affairs Unit will be responsible for the overall management of the project.

The Objective and Activities of the IDF Grant

The main objective of the grant is to enhance the capacity of the Diaspora Affairs Unit to contact and mobilize the Malawian Diaspora for economic development. The main components and activities are:

**Component 1: Strengthening the capacity of Diaspora Affairs Unit to develop and manage Malawi’s Diaspora Program.** This component supports:

- Improving the capacity of the Diaspora Affairs Unit to develop a Diaspora Engagement Strategic Policy Framework, and Plan of Action;
- South-South Learning through study tours in Africa and Asia;
- Creation of a database of Diaspora Professional Networks, Hometown Associations and individuals, and a web portal; developing data generation, management, and application capacity of the Directorate; and
• Development of the virtual communications capacity of the Diaspora Affairs Unit.

**Component 2: Improving the market for remittances through the General Principles for International Remittances Services (GPs).** This component will be implemented by the Reserve Bank of Malawi.

It will finance:

• Reserve Bank of Malawi preparation of a comprehensive report which will provide a complete analysis of the local market and offers a series of recommendations to the different stakeholders in the area of remittances. The remittance assessment would look at: (a) transparency and consumer protection; (b) the payment systems infrastructure; (c) the legal and regulatory framework; (d) market structure and competition; and (e) governance and risk management. It will also provide an analysis of the different roles of both the public authorities and the industry in the implementation of the General Principles; and

• Two information consultation workshops with stakeholders including money transfer operators, private sector, remittance senders and recipients and Diaspora.
The Africa Region of the World Bank has developed a strategy to address remittances. This includes: (a) reducing costs of remittances; (b) integrating remittances better with financial systems; (c) leveraging remittances for innovative finance; and (d) improving data on remittances, including monitoring vulnerability in times of crisis and tracking impact.

Reducing Costs and Improving Efficiency
The cost of remittances to SSA countries is high, particularly in corridors within the Sub-Saharan Africa (SSA) region. In SSA, a large share of remittances (up to 50%) takes place through informal channel; and in many African countries, remittances play a significant role in financing housing construction and development. Hence ways to leverage remittances for housing finance will be valuable. Thus a key developmental objective is to reduce the cost of remittances through improvements in payments systems infrastructure and regulations affecting remittance services.

Improving on Payments Systems Regulation and Infrastructure
A number of actions will improve payments systems regulation and infrastructure. These include: permitting non-bank retail outlets to serve as agents; evolving a risk-based AML/CFT approach; clarifying the legal boundaries of retail payments, e-money etc.; allowing non-bank participation in electronically stored value on defined terms; introducing or strengthening robust but simple consumer protection; and considering the likely longer-range competitive landscape.

Addressing Regulatory Obstacles in SSA
The strategy will address specific obstacles such as:

- Over-regulation in context of AML/CFT: Remittances, which are typically under $500 in size, are needlessly impacted by AML/CFT regulations. South Africa is an early mover in introducing context-sensitive regulation.
- Negative impact on competition in the market for money transfers. Regulations focusing on banking institutions inadvertently limit competition from non-bank players. Uganda is an early mover with the regulatory framework for Bank of Uganda recognizing the diverse nature of remittance service providers.
- Uneven access rules for different players vis-a-vis domestic payment systems. Access may be more favorable for banks. Implications on ability to extend secure coverage of money transfer services beyond urban centers by non-bank service providers (e.g. post offices).

Remittances as Basis for Innovative Financing Instruments
African countries need greater access to international capital markets. Country risk constraints mean there is a need for developing innovative financing approaches such as harnessing remittances through securitization; Diaspora bonds, and improving country creditworthiness i.e. the potential positive impact of predictable flows of remittances on country credit ratings. This underlines the importance of accurate and timely data.
Background to the ADIF

Over the past year and more, the African Diaspora Program (ADP) has been having discussions with International Finance Corporation (IFC) regarding a collaborative proposal with the African Development Bank (AfDB), the African Regional Economic Communities (RECs), African Governments, bilateral and multilateral Donor partners, Diaspora members and related stakeholders, to establish an African Diaspora Investment Fund (ADIF). This proposed Fund would be an umbrella “offshore” fund with country windows domiciled in Mauritius. The Fund would create multi-class shares denominated in multi-currencies targeting African Diaspora members across the globe. The African Diaspora members would subscribe to the retail “A” shares of the Fund; the IFC, AfDB and other interested international financial institutions would own the “B” shares to mobilize and provide initialization capital; and African Governments and donors including the World Bank and other bilateral and multilateral donors would own the “C” shares to provide last fall cushion, abatement/absorbers/guarantees.

The saliency of the emerging concept of the Fund along this line is that having IFC, AfDB, the World Bank, other IFIs and interested donor agencies on board would address the issues of trust, confidence and credibility of the Fund. Involving African Governments to own shares and provide matching funds would imply commitment not only to harness Diaspora resources for developmental purposes, but would also indicate promissory commitment on the part of the participating governments to address challenges related to the investment environment of the various countries. The aforementioned stakeholders of the proposed Fund provide ground to remove skepticism towards the Fund on the part of the African Diaspora and enable them to embrace the initiative with enthusiasm and full-fledged participation and involvement.

From discussions with IFC, certain critical issues require clarifications to enable an assessment of the various institutional roles, and participation in the initiative. These issues include:

- **the investment thesis**, i.e. clarity around the fund’s investment objectives, business targets, liquidity, diversification, exit etc.

- **management**: approach to secure fund team and ideas for any early lead on who may run the fund, including track record, similar experience, and return history;

- **pipeline information**: Any research already done to demonstrate pipeline for investing etc. and expected IRR for any early leads (including information on comparable undertakings in other parts of the world involving Diaspora investments).

- **beyond IFI contributions**, any potential anchor investors, and approach to fund raising for private capital (including plan to engage and mobilize capital from Diaspora members).

- **for target investments**, given experience in private sector in Africa, details on any advisory component attached to the investment component to build capacity and thereby enhance returns for investors.

Providing clarity on these issues would signal the basis under which IFC would evaluate its potential investment and indicate a sense of commercial viability. To this end, the ADP has initiated technical assistance consultations with certain private sector companies – the Emerging Capital Partners (ECP), Africa Finance Corporation (AFC), Opportunity Funding Corporation (OFC), and Gravitas Capital – to help clarify these issues and develop a fund structure for consideration.
The Future of African Remittances Program (FAR)

The Future of African Remittances (FAR) Program is managed by African Region’s Financial and Private Sector Development and is African Remittance Institute (ARI) Project main partner. FAR is a collaborative engagement with policymakers and private sector stakeholders and it aims to raise awareness of the significance of remittances and work with client countries to enhance collaboration and commitment to reform actions among relevant regulatory agencies and public and private sector stakeholders.

The Program will undertake capacity building and technical advisory activities to strengthen remittance markets in participating countries with a focus on:

1. creating an integrated legal and regulatory framework for money transmission services and harmonizing these regulations within the region;
2. partnering with commercial banks and MFIs to pilot technological platforms and innovative financial products that improve interoperability between financial services and leverage remittances to increase access to finance; and
3. improving central bank remittance data statistical measurement.

Currently, the Program is fielding household surveys in Ethiopia, Kenya and Uganda. The surveys aim to better profile remittance flows and provide a more details regarding the channels and costs of transmission, origins and uses of remitted funds, including the gender dimensions of remittances. The surveys will also highlight the extent that formal statistics underestimate actual remittances and migration. We anticipate the survey results to be ready during September and will motivate authorities in the pilot and other African countries to record remittances better, which could in turn impact the remittances map of Africa.

The Program also calls for the updating of legal and regulatory frameworks supporting money transfer networks, increased investments in innovative technologies and better financial products. Other key focus areas are linking micro-finance institutions (MFIs) to remittances channels and promoting mobile technologies for cross-border payments.

Series of conferences in the three countries are scheduled to take place in third and fourth week of October 2010. Main purposes of the conferences are to:

1. disseminate the results of the remittances household surveys undertaken to update the profile of informal and formal remittances flows,
2. discuss ways of reducing the cost of remittance transfers and engage the private sector in designing products that leverage remittances, and
3. launch country-specific initiatives to improve competition and foster technological innovation, leading to lowering of transaction costs, financial deepening and increasing formality of money transfers by channeling remittances away from cash and towards new financial products.
IDF Grant: Strengthening the AUC’s Diaspora Program in North America

Background

African Diasporas in North America represent some of the most highly educated, skilled and resourceful communities of Africans anywhere in the world. Remittances from African immigrants in the U.S. constitute significant percentages of the GDP of several countries e.g. Nigerians and Ghanaians in the U.S. are among those who remitted more than US$1 billion to their home countries in 2006. African Diaspora populations are also influential e.g., in the U.S., African Americans constitute about 13% of the population, and this constituency champions Africa’s development through advocacy for appropriate U.S. Government policies and priorities on Africa. On July 14, 2008, AUC and the World Bank signed an agreement for an IDF grant for $487,900 for “Strengthening the African Diaspora Program of the African Union Commission.”

The Objectives and Activities of the IDF Grant

The grant is part of Bank’s support in enhancing capacity of AUC, specifically the AU’s Representational Mission to the United States of America to carry out its core functions of developing and maintaining productive institutional relationships with the African Diaspora in the Americas. The main activities being supported are:

- **Development of a reliable database** of African Diaspora networks and individuals, their resource potentials, products and services

- **Facilitating deployment of Diaspora professional networks**, especially in the health and education sectors: e.g. the AU mission launched the Diaspora Health Initiative on September 26, 2008. African Diaspora professional networks are being nurtured in education, finance, business and procurement, governance, infrastructure (energy, water & sanitation), information technologies, agriculture, community and rural development, based on Diaspora participant data during the World Bank-African Union Open House for the Diaspora held at the World Bank Headquarters in November 2007.

- **Establishing the AU Mission as a Policy Center on African Diaspora Mobilization**: The Mission will improve coordination with the African Diaspora in the Americas for their inputs and participation in the frameworks and activities of international, bilateral and multilateral institutions on Africa.

- **Helping to identify good practices in the Americas on leveraging remittances** e.g., Inter-American Development Bank (IADB) and its work with Latin American economies and their Diasporas, which could assist African Governments develop policies for banking reforms and value-added services to recipients and senders of remittances, issuance of Diaspora bonds (see separate note), and securitization of future remittances.

- **Organizing African Diaspora Business Roundtables** in the Americas, primarily in the U.S., on investment opportunities in Africa, and how the Diaspora could help investors identify these opportunities and constitute part of the elite human resources in firms that want to do business in Africa, and thus address the skills gaps often experienced by investors.
Memorandum of Understanding between IBRD, IDA and AUC

The African Union (AU), established as a unique Pan African continental body, is charged with spearheading Africa’s rapid integration and sustainable development by promoting unity, solidarity, cohesion and cooperation among the peoples of Africa and African States as well as developing new partnerships worldwide. The Union seeks to encourage international cooperation, by establishing necessary conditions, which would enable the continent to play its rightful role in the global economy through working with relevant international partners. Further to its operations, the African Union Commission (AUC) has an interest in collaborating with the Bank and International Development Association (IDA) to foster economic development and to fight poverty in Africa.

The Bank is an international development institution established by Articles of Agreement adopted by its member countries. The Bank’s mission is to reduce poverty, improve living conditions, and promote sustainable and comprehensive development in the developing world. It achieves these objectives by providing loans, concessional financing, technical assistance, and knowledge-sharing services to its member countries, and through partnerships with other organizations. Further to its mission, the Bank, through its Africa Region (AFR), has an interest in collaborating with AUC to foster economic development and fight poverty in Africa.

On September 26, 2008, Dr. Jean Ping, President of the African Union Commission (AUC), and Mr. Robert Z. Zoellick, President of the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA), signed a Memorandum of Understanding (MOU) between the two institutions.

Common Objectives
Given their respective mandates, the AUC and the Bank agreed to cooperate in carrying out activities conducive to promoting and supporting broad-based and sustainable development in Africa. In so doing, the AUC and Bank will advance the achievement of the Millennium Development Goals (MDGs), the Bank’s Africa Action Plan (AAP), and the objectives of the Constitutive Act of the African Union.

The AUC and the Bank anticipate that their collaboration will focus on a number of specific substantive areas which will include, but not be limited to:

- Regional integration;
- Governance;
- Post-conflict countries;
- Relations with the Diaspora; and
- Communicable diseases, including HIV/AIDS, malaria and tuberculosis.
IDF Grant for Strengthening the AUC’s Global Diaspora Program

Background
In 2009, the AUC requested World Bank support of its global Diaspora program in the following areas:

(a) Completing the regional consultative process to include Middle-East, Australia and Asia, working in close coordination and cooperation with the AU Member states;

(b) Creating a consolidated Africa skills database, inclusive of new and existing Africa and Diaspora skills databases;

(c) Working with the International Organization for Migration (IOM) and the United Nations Development Program (UNDP) for the Migration for Development in Africa program;

(d) Mobilizing skills and resources of the Diaspora to enhance the institutional capacities of national and regional institutions;

(e) Supporting the role of the AUC as the focal point and coordination hub of all Diaspora initiatives on the Continent; and

(f) To this end, Diaspora issues should be a standing item on the programs and agenda of AUC Summits, and the AUC’s Directorate tasked with Diaspora matters, be strengthened and capacitated in financial and human resource terms.

The IDF Grant
In August 2010, the Region’s Institutional Development Fund (IDF) Committee (RIC) approved in principal the Grant for $990,000.

The Objectives and Activities of the IDF Grant: The main objective of the Grant is strengthening the capacity of African Union’s Citizens and Diaspora Directorate (CIDO) in order for it to implement selected high priority activities of its larger global Diaspora Program. The main components and activities to be supported are:

Component 1: Strengthening implementation capacity of staff in CIDO to implement its global Diaspora program, specifically by supporting the regional coordination liaison function located in the AUC representational missions in different parts of the World.

Component 2: Implementing the high priority activities of the AUC’s global Diaspora to include:
- Developing a legal framework for Diaspora participation in the AU;
- Preparing the African Heads of State Summit on the Diaspora including a draft Plan of Action;
- Creating and consolidating the Regional Diaspora networks through Regional Consultative Conferences in USA, Caribbean, and South America; in Europe; the Middle East and the Gulf; and in Australia and Oceania;
• Strengthening AU’s outreach and communication capacity to African Diaspora and African Member states; and

• Launching a pilot project to establish the AUC’s Diaspora Volunteers Program with specific focus on volunteer medical doctors and nurses.
The Project is an initiative in which the World Bank and selected development partners i.e. the European Commission (EC), African Development Bank (AfDB), and the International Organization for Migration (IOM) are collaborating to facilitate the African Union Commission (AUC) and its member states in establishing the African Institute for Remittances (AIR).

The project is funded by a grant from the European Commission (EC) for Euro 1.6m to the World Bank which is responsible for the overall implementation. The project was signed in December 2009, and launched in June 2010.

The AIR will be anchored within the AU Commission (AUC). A Steering Committee chaired by the AUC has been established, with membership from the AfDB, IOM, and World Bank, and is supported by a small Secretariat based in the AUC. In addition, a Technical Committee has been established and is chaired by the World Bank. It provides a forum for consultation on technical issues related to the project.

**Objectives of the project:** The core objective of the AIR project is to facilitate the process leading to the creation of the AIR institute, as well as capacity building of Member States of the African Union (AU), remittance senders and recipients, and other stakeholders, to manage remittances.

**Activities of the project:** The AIR project will undertake a number of activities including:

(i) providing technical assistance to government institutions (central banks, ministries, financial and non-financial institutions) on putting in place the necessary regulatory frameworks;

(ii) carrying out training and capacity building programs of relevant institutions and organizations (e.g., national statistical services departments);

(iii) studying remittances flows within Africa, which includes North Africa;

(iv) conducting policy research and dialogue and sharing information on how remittances can contribute to the development of African countries;

(v) developing content and technology platforms for country-based payment and settlement systems for remittances;

(vi) developing partnerships between African central banks and remittance service providers and non-bank correspondent agencies to improve financial access; and

(vii) Disseminating data and research findings on good practices through annual reports, conferences and workshops for stakeholders as well as meetings with the region's policy makers.

The target groups of the project are Member States of the AU, in particular Ministries of Finance, central banks and financial and non-financial institutions. The key beneficiaries of the project are remittance senders and recipients and the broader African Diaspora, and their families and communities in home countries.
Italian Government Trust-Funded: Ethiopian Diaspora Health and Education Professionals Mobilization Project

The World Bank Institute (WBI)-Government of Italy Trust Fund has financially supported the virtual mobilization of Ethiopian Diaspora professionals to improve accessibility and quality of information available to counterparts in selected departments (Neurology, Tele-medicine and Social Work) at the Addis Ababa University (AAU). The main results achieved under a pilot project include: (i) improved internet connectivity at the three participating departments; (ii) increased capacity for video and audio conference at the University teaching hospital (Black Lion Hospital); (iii) joint curriculum development in neurology, infectious diseases, and internal medicine; and (iv) increased interactions between the Diaspora professionals and counterparts including vigorous discussions of patient cases and joint consultation via email. Overall, the accomplishments under this project laid the foundation for improved interactions between Diaspora health professionals and their counterparts at the University.

Development Objectives
The development objective of the new project is to strengthen capacity for improved delivery of education and health services in Ethiopia.

The Project
This project will extend the pilot program in Ethiopia in the following ways:

A: Strengthening networking and coordination capacity of the participating departments at the AAU, selected regional hospitals and Diaspora professional cluster teams by establishing campus-wide Diaspora coordination units as local network hubs, and enhancing the coordination capacity of Diaspora professional networks. This will involve:

(i) Engaging coordinators (one per participating departments at AAU and adjoining regional hospitals; one per corresponding disciplinary/subject professional networks in the Diaspora) to manage networks, recruitment, formation of thematic clusters, scheduling, tracking and monitoring deployment, evaluation, analysis, preparing reports on lessons learned and identifying further capacity building needs; (ii) Expanding existing database to include all faculties and graduate students and researchers at the participating departments at AAU and units in the regional hospitals (the current database is limited to the three participating units at AAU, and Diaspora professional networks in the corresponding fields and areas); (iii) Training additional pool of local and Diaspora virtual faculty to use the established virtual platform of “Blackboard” and “Elluminate” software which links participants abroad and at participating universities; (iv) Completing design and manage a secured portal for patient medical records and student thesis/research papers to be accessed and analyzed/diagnosed for professional opinions and recommendations by Diaspora (Portal has been designed by the WBI multi-media team); (v) Developing sound communication strategy to establish and maintain strong links between Diaspora and local counterparts.

B: Providing technical support services to strengthen modern information and communications (ICT) infrastructure for robust virtual links between the participating departments and the Diaspora professional networks for service delivery. This will entail:

(i) Engaging local IT companies to install and maintain rental software/equipment/facility and provide assistance to users; (ii) Strengthening intra- and inter-University departments Wireless Network Systems for accessing internet bandwidth from an Internet tier-1 company; (iii) Providing ‘last mile solution’ (Wimax) option to enable the target University departments and faculties to be connected to the Internet gateway provided by the tier 1 company; (iv) Helping establish Wi-Fi Network option for spreading connectivity within each remote site at participating departments and units; and (v) Ensuring regular and reliable connectivity for 10-20 networked computers per departments as dedicated access points for local participants.
C: Content generation and delivery: (i) Engaging Diaspora and local counterparts in joint curriculum development, course design (online), teaching, graduate student supervision and mentoring; (ii) Organizing appropriate training and workshops for participants on the designs and uses of e-learning materials, products and services (using multi-purpose delivery modes / methods adapting to local context); (iii) Upgrading existing electronic subject library; negotiating free access to archives of scientific and other relevant education publications / journals; providing periodic stocktaking to ensure regular addition of current literature; and (iv) Preparing and delivering outreach and awareness raising services, through radio and TV commentaries, panel discussions, op-eds, print and weblogs.

D: Bank Technical Assistance: (i) Providing implementation support through proactive coordination and implementation support, forging institutional partnerships and helping draw global good practice lessons to sharpen the results drive of the overall Bank Diaspora program; (ii) Organizing appropriate training and workshops for participants on the designs and uses of e-learning materials, products and services; establishing and implementing robust monitoring and evaluation systems; (iii) Organizing knowledge sharing and lessons dissemination forums to integrate project participants with sub-regional counterparts such as the Ghanaian and Nigerian components of the Bank’s mobilizing the African Diaspora for Development initiative; and (iv) Identifying policy issues to be included in national strategies

Expected Outcomes/Impact
University Department Diaspora coordination units will function as local network hubs; faculty to student ratios improved; the period to completion of student thesis and graduation would be shortened; and opportunities for regular peer-to-peer knowledge exchange and consultations enhanced. The project will enrich graduate education and training at the participating universities by strengthening teaching and supervisory capacity with increased availability of well-qualified Diaspora personnel. Institutional partnerships involving African universities (researchers) and global learning / research centers will be strengthened; the human resource (faculty and researchers) gap within the tertiary educational system minimized.

Local communications capacity would be improved for access to global online resources; and access to relevant literature by in-country practitioners and students made more reliable. Improved quality teaching, research and student outputs; Services of established world class multi-media lab would be extended to other levels in the education system.
What is the Japanese Social Development Fund (JSDF)?
The Japanese Social Development Fund (JSDF) was established in June 2000 by the Government of Japan and the World Bank as a united mechanism for providing direct assistance in support of community-driven development and poverty reduction projects that empower the poorest and most vulnerable groups in eligible World Bank countries. JSDF Grants can range from US$200,000 to US$2.0 million.

Who is eligible for financing under the JSDF?
All low-income and lower middle income countries as defined in the 2006 World Development Report are eligible for both Project Grants and Capacity Building Grants.

What are the different types of JSDF Grants?
There are two types of JSDF Grants:

(i) **Project Grants** finance: (a) activities directly providing relief measures, supporting the improvement of services and facilities for poorer population groups, or reinforcing/reinvigorating social safety nets, or (b) innovation and testing of new approaches, particularly in the social sectors.

(ii) **Capacity Building Grants** finance capacity building and improvement measures, e.g., to bolster local communities and Non-Governmental Organizations (NGOs) through learning by doing, to expand the capabilities or coverage of social fund-type institutions, or to support local governments working with local communities.

What are the criteria for JSDF Projects?
JSDF projects are expected to meet several fundamental criteria, mainly:

- **Target and respond to the needy**, delivering direct benefits to the poor, vulnerable, and disadvantaged groups, achieving rapid results
- **Pilot alternative approaches or partnerships**, utilizing NGOs and Civil Society Organizations (CSOs) or local governments to reach the target groups
- **Reflect a participatory design** and consultation process with the targeted beneficiaries who endorse the grant inputs
- **Empower local communities**, local governments, NGOs/CSOs through capacity building to participate in society and government and to affect their development and learning by doing
- **Utilize participatory monitoring and evaluation** to help beneficiaries address their vulnerability and to ensure ownership and sustainability
- **Promote scale-up of pilot at completion** through World Bank-financed operations, recipient government activities, or other entities

Who is the main decision making body for approval of JSDF Grants?
JSDF project proposals are appraised by World Bank staff, cleared by Country Directors who ensure alignment with Country Assistance and Poverty Reduction Strategies, and are approved by the Government of Japan. The grants are disbursed through the World Bank as Trustee for the JSDF Program, which also oversees implementation and ensures transparency and efficiency in the use of funds in accordance to the World Bank's Procurement and Financial Management Guidelines.

Who executes JSDF Grants?
Unlike most World Bank-financed projects that are executed by the government at the central level, JSDF grants are executed by NGOs/CSOs and local governments, implemented at the community level. A
valued feature of the JSDF program is that it provides a platform for cooperation with NGOs and other local stakeholders in the development process. This had led to meaningful progress in areas not previously associated with the World Bank’s work with the public sector.
Nigeria, Mali, Burkina Faso: Japanese Social Development Fund (JSDF) Grant Financing to Support Consultations with Communities and Hometown Associations

Diaspora engagement extends beyond the transfer of knowledge and often begins, if not always, by the transfer of funds from individuals or groups acting on their own initiative, to send money to families or to start community development initiatives in their community of origin. Some of the funds are used for example to build schools and pay the teacher salaries. The intent therefore of the JSDF Seed Fund grants is to conduct a series of participatory consultations for the design of a community-driven schemes to leverage remittances and contributions from Hometown Associations to support community coping strategies for rural development.

The JSDF focuses on building the capacity of marginalized groups within the community, particularly women who are the backbone of African communities, to enable them to take charge of their lives and the opportunity to increase their economic power.

In general, task teams prefer to have initiatives which complement an ongoing operation and the JSDF does just that: one of its requirements is to demonstrate linkages of the African Diaspora Program (ADP) with current country operations. In both Burkina Faso and Nigeria, the seed fund proposal builds on the community-driven investment projects (CDD), while in Mali; the initiative is linked to the human development sector. It is in this context therefore, that the ADP team is putting forth several seed funding requests depending on country needs and portfolio performance, as well as individual country requests. The use of JSDF appears to be the best avenue to create a bridge between Hometown Association contributions, their communities of origin, and Government programs.

The approval of JSDF seed fund grants for Nigeria, Mali, and Burkina Faso is the first time these grants are being used in such unconventional way: i.e. helping those who are being helped. The bottom-up approach of the JSDF is also an important element for fostering good governance and accountability at the community level.

The ADP received three JSDF seed fund grants for Burkina Faso and Mali for US$48,790 each, and US$49,530 for Nigeria. The seed fund is to be used to initiate consultations with communities on better management of the remittances they received. More specifically, the seed fund seeks to conduct:

- Assessments through mapping of Hometown Associations initiatives where the CDD projects are being implemented;
- Stakeholders consultations and workshops; and
- A short assessment of the capacity and the needs of the communities to efficiently manage funds.

The results of the stakeholders consultations will help communities develop their own management mechanism and will strengthen the relationship with community development Hometown Associations operating from abroad, as well as, set priorities to develop communities and provide safety nets where Government’s interventions have been limited.

The assessment is to last 12 months, after which a full proposal (requests can go up to US$3 million dollars per country) will be presented to the JSDF for approval.