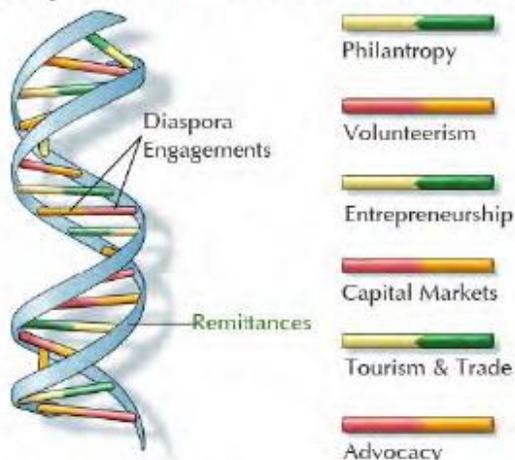


DIASPORA NETWORKS ALLIANCE

Diaspora groups are being recognized as important stakeholders and potentially powerful actors in international affairs and foreign assistance. These groups and individuals are using their influence and financial resources to contribute to the development of their countries of origin or ancestry. For instance, in 2010 officially recorded remittance flows – person-to-person money transfers – exceeded US\$325 billion worldwide. However, the influence that diaspora communities wield goes far beyond financial transfers and has the potential to extend along the whole spectrum of human development. Recognizing this untapped potential, in 2009 USAID launched its Diaspora Networks Alliance (DNA) as a roadmap through which USAID resources can engage with diaspora communities towards effective programming in the developing

Diaspora Networks Alliance



countries where it has a field presence. The DNA framework has identified six channels for diaspora engagement.

Diaspora Philanthropy: Also referred to as “collective remittances”, this concept is based upon strong personal, cultural, and community ties and offers unique promise for migrants to become directly engaged in development of their home communities. Partnerships have emerged to leverage the collective donations that migrant associations send to their home countries to finance community development projects. A successful example is Mexico’s “4-por-1” program, which brings together home town associations, local and national governments, and Western Union to support development projects in communities with high levels of emigration.

Diaspora Volunteerism: There have been steady increases in volunteering organizations that offer opportunities to diaspora community members to return to their home countries to perform short or long-term public service, bringing specialized and local knowledge to the tasks of economic and social development. Some notable in Diaspora volunteerism are the *Armenian Volunteer Corps* and *IndiCorps*.

Diaspora Entrepreneurship: One area that academics, development practitioners, and policymakers are increasingly keen to explore is the role that diaspora entrepreneurs are playing in establishing enterprises in their country of origin or ancestry (particularly in-conflict, fragile, and post-conflict countries). Standing at the intersection between remittances and enterprise development, diaspora entrepreneurs are demonstrating the willingness and commitment to invest their own financial resources and sweat equity in what are typically characterized as risky markets.

Diaspora Capital Markets: Diasporas can provide much needed capital to home economies through various capital market instruments. These include hard currency bank accounts, certificates of deposit, equity and debt funds, bonds, and securitization of remittances. A notable example of diaspora capital market instrument is diaspora bonds, which is typically issued by a country or a private corporation, to their diaspora communities abroad in order to raise debt capital to finance development projects. Some notable examples are India and Israel, which have successfully raised \$32.4 billion and \$11.3 billion respectively. Several development countries with a size diaspora have the potential to do similar a bond issuance in the future.

Diaspora Tourism & Nostalgic Trade: Developing countries receive over 300 million tourists visit each year. Diasporas make up a large portion of this group. In addition to stimulating the local economy they are visiting, diaspora tourists support their home communities by buying nostalgic goods which typically are produced by micro and small-scale enterprises. Greater efforts can be made to promote diaspora tourism and to develop the capacity of the producers of nostalgic goods through value chain development.

Diaspora Advocacy & Diplomacy: Increasingly diaspora communities are participating in the policy dialogues of their countries of origin or ancestry and are engaging in cultural, political and commercial activities especially with the use of social media. DNA can help to leverage this important influence through partnerships in support of program areas, such as conflict mitigation, democracy and governance, and institutional development.

For more information on DNA, contact:

Tahalia Barrett
Global Advisor for Diaspora Partnerships
U.S. Global Development Lab | USAID
1300 Pennsylvania Ave, NW, Washington D.C.
T. 202.216.3451 | M. 571.232.5838 | tbarrett@usaid.gov