



The Market Potential and Challenges  
for Diaspora Finance Products within the  
African Diaspora Space in Europe: A Report

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## Abstract

This report analyses the market and its potential for companies aiming to provide financial products to the African diaspora in Europe, who are both willing and able to subscribe to Diaspora Direct Investment (DDI). We carry out a survey of the African diaspora in Europe and interviews with experts among the diaspora alongside secondary literature research to provide a comprehensive report. Specifically, we begin by examining the total addressable market size and the most promising markets and sectors for DDI products to enter. Secondly, we investigate the investment interests and habits of members of the African diaspora. Thirdly, we identify the biggest challenges when trying to mobilise the African diaspora and reflect on lessons from existing stakeholders. Our conclusion suggests some potential strategies to overcome these challenges.

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## List of Acronyms and Abbreviations

DDI	Diaspora Direct Investment
COO	Country of origin
SGDs	Sustainable Development Goals
UN	United Nations
IMF	International Monetary Fund
AU	African Union
OECD	Organisation for Economic Cooperation and Development
GDP	Gross Domestic Product
NGO	Non-governmental Organisation
IO	International Organisation
IOM	International Organisation for Migration
AFFORD	African Foundation for Development
UNCTAD	United Nations Conference on Trade and Development
KNOMAD	Global Knowledge Partnership on Migration and Development
ESG	Environmental, Social and Governance

## 1. Introduction

Due to the increasing migration from African nations to Europe, there has been a recent upswing in remittances sent by the African diaspora in European countries to African nations. As a result, a fresh opportunity has emerged for diaspora finance industries and a demand for financial products tailored to the specific needs of the diaspora community. However, the task of determining the market's size, pinpointing the most favourable sectors, understanding the investment preferences of the African diaspora, identifying the hurdles in engaging the diaspora, and learning from the successes and failures of key market participants is quite complex due to the market's relatively new nature.

Our research will analyse the market and its potential for companies aiming to provide financial products to the African diaspora in Europe, who are both willing and able to subscribe to Diaspora Direct Investment (DDI). Henceforth, 'the market' refers to the African diaspora in Europe. We focus specifically on financial products which can facilitate DDI as well as remittance flows through money transfer services. Our main research question seeks to investigate **the market potential and challenges for diaspora finance products within the African diaspora space in Europe.**

To answer this question, our research investigates several related issues. Firstly, we examine the total addressable market size and the most promising markets and sectors for Diaspora Direct Investment (DDI) products to enter based on the market size and potential. Secondly, we investigate the investment interests and habits of members of the African diaspora. Thirdly, we identify the biggest challenges when trying to mobilise the African diaspora for impact in Africa. Lastly, we reflect on the lessons from the successes and failures of the existing stakeholders (financial products and start-ups offering these products) in the space and the challenges limiting the uptake of DDI financial products. Our conclusion suggests some potential strategies to overcome these challenges.

## 2. Literature review

### 2.1. Concepts and definitions

We outline a definition of diaspora which is most relevant and appropriate in the context of developing financial tools that require their users to have sufficient interest and connection to their homeland. In the same vein, as Hack-Polay and Siwale, 2018 argue, our understanding of diaspora is a group of people who have left their country of origin to reside in a foreign country for an extended period or indefinitely, and who maintain connections with their country of origin<sup>1</sup>. Such connections include sending remittances to family members, engaging with diaspora networks and personally investing in the COO (for example, into housing or pension funds). The diaspora comprises economic migrants and their dependents who have lived abroad for at least five years, as well as refugees. This definition also includes diplomats, students and tourists, as well as third or later generations of migrants who have become

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<sup>1</sup> Dieu Hack-Polay and Juliana Siwale, eds. (2018) *African diaspora direct investment: establishing the economic and socio-cultural rationale*, Palgrave Studies of Entrepreneurship in Africa.

citizens of their new countries and may primarily identify with the host communities, such as Black Americans, Black British, Caribbean, and so on<sup>2</sup>. This broad definition falls in line with the African Union's (AU) definition of the diaspora as 'peoples of African origin living outside the continent, irrespective of their citizenship and nationality and who are willing to contribute to the development of the continent'<sup>3</sup>.

In the context of the African diaspora, Diaspora Direct Investment (DDI) refers to the practice of investing capital in African businesses, start-ups, and projects by Africans and individuals of African descent residing outside of Africa<sup>4</sup>. The primary aim of DDI in this case is to stimulate economic growth and development in Africa, while simultaneously generating returns on investment for the investors. DDI can be implemented in various ways such as investing in real estate, stocks, or bonds, as well as providing venture capital to start-ups and small businesses<sup>5</sup>. This investment method is essential for African countries where conventional financings, such as bank loans or venture capital, is not always accessible. Moreover, DDI is considered a potential solution for the historic limitations of economic growth in Africa, including corruption, lack of infrastructure, and limited access to education and technology<sup>6</sup>. By providing financial support to African entrepreneurs and businesses, DDI can aid in the creation of job opportunities, the establishment of new industries, and innovation<sup>7</sup>.

## 2.2. Market size: identifying the African diaspora in Europe

A central challenge of this research project is to understand the true market size - i.e., the size of the African diaspora living in Europe. Additionally, it is crucial to identify what portion of this population is willing and able to use Diaspora Direct Investment products to create a revenue stream for themselves and their families while providing much-needed funding for promising businesses in their countries of origin. This research will evaluate the African diaspora's market size in Europe for Diaspora Direct Investment (DDI) through demographic and economic analysis, investment willingness surveys, and reviews of existing investment rates. This approach aims to provide a precise estimate of the DDI market potential and real size, aiding the design and promotion of DDI products for this demographic.

The African Union estimates that the size of the African diaspora globally is at least 170 million people<sup>8</sup>. This population presents a significant opportunity for investment in Africa, with the

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<sup>2</sup> Hack-Polay and Siwale, eds. (2018) *African diaspora direct investment*.

<sup>3</sup> Hakima Abbas (2008) 'Chapter 9: From Roots to Branches: The African Diaspora in a Union Government for Africa,' in Timothy Murithi, ed., *Towards a Union Government for Africa: Challenges and Opportunities*, Institute for Strategic Studies.

<sup>4</sup> PAC (2023) 'Diaspora Engagement & Bridge Building,' Pan-African Council, <https://www.panafricancouncil.org/our-work/diaspora-direct-investment-engagement/>

<sup>5</sup> Paul Asquith and Stella Opoku-Owusu (2021) 'Diaspora Investment to Help Achieve the SDGs in Africa: Prospects and Trends,' *Foreign Direct Investment Perspective through Foreign Direct Investment*, <https://doi.org/10.5772/intechopen.93129>

<sup>6</sup> Pritha Mitra (2016) 'Addition by Subtraction: How Diasporas Can Boost Home-Country Growth,' Blog Post, International Monetary Fund (IMF), <https://www.imf.org/en/Blogs/Articles/2016/05/18/addition-by-subtraction-how-diasporas-can-boost-home-country-growth>

<sup>7</sup> Asquith and Opoku-Owusu (2021) 'Diaspora Investment to Help Achieve the SDGs in Africa'.

<sup>8</sup> OECD (2017) 'Maps & Facts: Sahel and West Africa Club,' OECD Report, <https://www.oecd.org/swac/maps/48-six-regions-African-Union.pdf>



potential to drive economic growth and development on the continent. The vastly different estimates of the African diaspora size are due in no small part to the varying definitions of 'African diaspora'. By 2020 the number of African *migrants* alone in Europe reached 11 million, a number which did not include those people of African origin who had settled in Europe from previous generations<sup>9</sup>. The EU-funded European Network Against Racism reported that at least 15 million people of African origin resided in Europe<sup>10</sup>. However, the AU's greater estimate of the diaspora at over 170 million people includes those people who trace their descent to Africa and is therefore a more appropriate estimate in line with the definition of the diaspora that this report adopts.

## 2.2 Identifying promising target markets and sectors for DDI products to enter

Though the diaspora exerts a mixed influence on African economies, analysts expect that with better governance, deregulation and greater stability, millions of Africans abroad could lead to drastic improvements in the continent's growth picture<sup>11</sup>. That said, with better local support (political and government authorities, SMEs and large companies), DDI can prove to be a boon for the continent. DDI and personal remittances are also a major source of funds for the most vulnerable section as they are less likely to end up in the pockets of corrupt officials. On the sending side, it does not require a costly government bureaucracy, and on the receiving side, there is a lower possibility of it being syphoned off into the pockets of corrupt government officials. It appears to be beneficial in terms of equity and poverty, but at the same time imposes few budgetary costs<sup>12</sup>.

At the same time, DDI should not be seen as a risk-free alternative to traditional modes of investment and comes with its own set of socio-economic implications. For example, in the 2020 book chapter 'Remittances and Bribery in Africa,' included in *Migration, Remittances, and Sustainable Development in Africa*, authors Maty Konte and Gideon Ndubuisi explore the link between migrant remittances and instances of bribery in 36 African countries. Through their analysis of Afrobarometer survey data using a multilevel logit model, they find a higher propensity to bribe officials among those who receive remittances<sup>13</sup>. Yet, this inclination is subject to variations based on the country's remittance influx, the effectiveness of its corruption control measures, and the size of its migrant population in OECD countries<sup>14</sup>. The authors suggest that remittances can potentially sway corruption through two channels: income and societal norms. They conclude with a call for the incorporation of anti-corruption policies in strategies aimed at increasing remittances, to promote sustainable development in Africa.

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<sup>9</sup> Mehari Taddele Maru (2022) 'The Future of African Migration Mobility,' Brief no.8, European Union Institute for Security Studies,

[https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief\\_8\\_Imagine%20Africa%204.pdf](https://www.iss.europa.eu/sites/default/files/EUISSFiles/Brief_8_Imagine%20Africa%204.pdf)

<sup>10</sup> ENAR (2016) 'Introduction,' European Network Against Racism, <https://www.enar-eu.org/introduction-2/>

<sup>11</sup> Mitchell, Charlie (2022) 'How can Africa make the most of its huge diaspora?' *African Business*, <https://african.business/2022/10/trade-investment/how-can-africa-make-the-most-of-its-huge-diaspora>

<sup>12</sup> UNCTAD (2004) 'Remittances: The New Development Mantra?' *UNCTAD*.

[https://unctad.org/system/files/official-document/gdsmdpbpg2420045\\_en.pdf](https://unctad.org/system/files/official-document/gdsmdpbpg2420045_en.pdf)

<sup>13</sup> Maty Konte and Gideon Ndubuisi (2020) 'Remittances and Bribery in Africa,' in Maty Konte, & L. Mously Mbaye, eds., *Migration, Remittances, and Sustainable Development in Africa*, Taylor and Francis, 179–198.

<sup>14</sup> Konte and Ndubuisi (2020) 'Remittances and Bribery in Africa.'

In the midst of global challenges, Africa remains an appealing investment destination because of its youthful population and wide natural resources which give it enormous potential for growth and innovation<sup>15</sup>. Although a lack of infrastructure poses challenges in the short to medium-term, Africa’s rapid population growth plays into the continent’s favour in the long term as an attractive investment destination. With an increased contribution (transfer of capital resources, knowledge and ideas) of the diaspora to the development of their countries of origin, the African continent appears to be a good investment hotspot with a high return on investment potential, especially for the transnational diaspora<sup>16</sup>. For instance, the return on equity on FDI in Rwanda was at 13.2%, higher than the world average of 6%, as of 2018<sup>17</sup>. The major recipients of African immigrants are high-income OECD countries (26.1%), high-income non-OECD countries (5.0%), intra-regional (65.6%) and other developing countries (2.95%)<sup>18</sup>.

DDI is a lucrative alternative for the FDI for the countries missing out on FDI’s focus. Also, because diaspora groups are better informed about the capabilities and technology necessary for working in their home country and are well-versed with cultural and socio-economic linkages, DDI can be superior to FDI, especially in developing countries in Africa. Below we present several ‘Countries of Focus’, where DDI and remittances play an important role in development:

Country of Origin (COO)	Reason of Focus	Latest Remittance Inflow (2021) <sup>19</sup> *	Major Contributing Host Nation <sup>20</sup> *	Major Markets and Sectors (in COO)
Nigeria	Biggest Market	19,483	US: 5711 UK: 2765	1. Renewable energy 2. Agriculture 3. Infrastructure and healthcare
Rwanda	Biggest Tech Adaptive Market	391	Congo: 174 France: 12	1. Agriculture and agribusiness 2. Information and Communications Technologies (ICT) 3. Mining 4. Tourism
Cameroon	Favourable business climate	350	France: 94	1. Renewable energy 2. Organic production 3. Construction

\* In US\$ Million

<sup>15</sup> EY (2021) *Africa Attractiveness Report*, Ernst & Young Global Limited (EY), [https://www.ey.com/en\\_zs/attractiveness/21/africa-attractiveness-report](https://www.ey.com/en_zs/attractiveness/21/africa-attractiveness-report)

<sup>16</sup> Hack-Polay and Siwale, eds. (2018) *African diaspora direct investment*.

<sup>17</sup> ODI (2022) ‘Rwanda: macroeconomic and trade profile,’ *GIZ*, Overseas Development Institute (ODI), <https://www.giz.de/de/downloads/giz2022-en-afcfta-rwanda-macroeconomic-trade-profile.pdf>

<sup>18</sup> World Bank (2022) ‘Rwanda Country Overview,’ <https://www.worldbank.org/en/country/rwanda/overview>

<sup>19</sup> World Bank (2021) ‘Personal remittances, received (current US\$),’ World Bank Data, <https://data.worldbank.org/indicator/BX.TRF.PWKR.CD.DT?end=2021&start=1970>

<sup>20</sup> KNOMAD (2021) ‘Remittances Data,’ Global Knowledge Partnership on Migration and Development (KNOMAD), <https://www.knomad.org/data/remittances>



Of the most attractive markets in Africa for diaspora investment, Cameroon and Rwanda in particular have begun to implement strategies aimed at attracting diaspora investment. The Cameroonian government has undertaken policies in the field of investment promotion aimed at attracting domestic and international investments with a specific focus on sectors which support diversification, job creation and sustainable development. There has been a change of mindset within the government about the diaspora and it has emerged as a helping agent for policymakers to tackle the economic and political crisis<sup>21</sup>. The government is also thinking of offering up to 40% tax exemptions for diaspora investments and interest-free loans of up to \$10,000 in Cameroon for diaspora youths investing in agriculture and livestock<sup>22</sup>.

The Rwandan government has implemented a National Investment Strategy which seeks to attract Rwandan entrepreneurs and foreign investors, including the Rwandan diaspora. Diaspora investors enjoy certain incentives in Rwanda, such as being able to open national bank accounts while living abroad. Thus, a 2020 joint study by the International Organisation for Migration (IOM) and the African Foundation for Development (AFFORD) surveyed Rwandan diaspora professionals in the UK and found that at least a third of respondents had invested in some type of commerce in their COO<sup>23</sup>. While land and small-scale family businesses were the most common form of investment, other forms included investments into import-export, IT and the stock market. The examples of Cameroon and Rwanda demonstrate the increasing awareness among African governments of the high potential for mobilizing diaspora investments for impact on the continent.

For more detailed information on the most promising markets identified, we have included country overviews for Nigeria, Rwanda and Cameroon in Appendix II.

### 2.3. Existing stakeholders, DDI products, and challenges they face

The African diaspora space in Europe presents numerous opportunities for individuals to invest in their countries of origin, owing to pre-existing understanding, obligation, and duty to contribute to the growth of their home countries. The opportunity to send money back home to sustain projects presents finance companies with the opportunity to develop reliable and easy-to-use products for Africans in Europe<sup>24</sup>.

#### 2.3.1. Remittance trends and market potential

The common remittance approaches used by Africans in Europe involve the outward transfer of funds, allowing individuals to rely on digital money transfers, wire transfers, or bank

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<sup>21</sup> Leger Mbohou (2023) 'Understanding the role of institutions in the multiple streams approach through the recognition of the diaspora as a development agent in Cameroon,' *Policy Sciences*, 56:2, 355–376, <https://doi.org/10.1007/s11077-023-09500-x>

<sup>22</sup> Moki Kindzeka (2022) 'Cameroon Woos Potential Diaspora Investors, But Faces Distrust of Government,' *Voice of America*, [www.voanews.com/a/cameroon-woos-potential-disapora-investors-but-faces-distrust-of-government/6629715.html](http://www.voanews.com/a/cameroon-woos-potential-disapora-investors-but-faces-distrust-of-government/6629715.html)

<sup>23</sup> AFFORD (2020) 'Diaspora engagement mapping: Rwanda,' Facts and Figures Sheet, Diaspora for Development Initiative, African Foundation for Development (AFFORD), [https://diasporaforddevelopment.eu/wp-content/uploads/2021/10/CF\\_Rwanda-v.5.pdf](https://diasporaforddevelopment.eu/wp-content/uploads/2021/10/CF_Rwanda-v.5.pdf)

<sup>24</sup> Asquith and Opoku-Owusu (2021) 'Diaspora Investment to Help Achieve the SDGs in Africa'.

transfers. A report by the World Bank shows that Africans in Europe rely on digital platforms to perform international transactions<sup>25</sup>. In this case, different money transfer platforms, such as PayPal, national banks, and Send Wave have gained popularity as they enable seamless transfer of money<sup>26</sup>. Africans who reside abroad have numerous opportunities to invest back home, which enhances the development of local communities. The World Bank reports that 33% of adults in Sub-Saharan Africa can access mobile money services, allowing family members in the diaspora to send them financial support<sup>27</sup>. In this regard, money transfer companies should focus on developing compatible solutions to ensure families, groups, and organisations can transact conveniently, to support local economies and communities. Data localisation challenges continue to hinder operations by recognised institutions, including the European Central Bank, and digital payment solutions, including PayPal and mobile banking<sup>28</sup>. The diversity of solutions within the market indicates exceptional market growth potential, as some of the solutions adopted to curb the COVID-19 pandemic will be advanced to facilitate swift digital transactions. Localising international financial institutions in promising African economies will encourage outward remittance by Africans in the diaspora.

Over the years, there has been an increasing interest in DDI (Diaspora Direct Investment) among the African diasporas. Various organisations and initiatives are working towards linking investors with promising African businesses and start-ups. The African Diaspora Investment Symposium and the African Private Equity and Venture Capital Association are some examples of these initiatives (See ADIS, and AVCA, 2023 below). The potential to tap remittances as a source of direct investment for African start-ups has been championed by several stakeholders that seek to promote sustainable development and new financial solutions, including the Kudu Investment Management Fund, the Asante Finance Group, and the Africa50 Infrastructure Investment Fund (See AFG, Kudu, and Africa50, 2023 below). Some traditional financial institutions have also initiated programs to promote DDI, such as the 'Ria Money Transfer' platform that allows African diaspora communities to send money to their home countries and invest in various financial products<sup>29</sup>.

### 2.3.2. Financial products for the African diaspora

#### A. Financial products for the African diaspora

Numerous money remittance products are available to Africans in Europe; as such, they can contribute to economic development in their home countries, both directly and indirectly. For instance, the African Development Bank Group has augmented access to popular money transfer companies, including national and international banks, to accelerate economic

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<sup>25</sup> World Bank (2022) 'COVID-19 Drives Global Surge in Use of Digital Payments,' [www.worldbank.org/en/news/press-release/2022/06/29/covid-19-drives-global-surge-in-use-of-digital-payments](https://www.worldbank.org/en/news/press-release/2022/06/29/covid-19-drives-global-surge-in-use-of-digital-payments)

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> Erik Feyen, Jon Frost, Harish Natarajan, Matthew Saal and Leonardo Gambacorta (2021) 'Fintech and the Digital Transformation of Financial Services: Implications for Market Structure and Public Policy,' *The Bank for International Settlements and the World Bank Group*, 117.

<sup>29</sup> Shawn Fielder (2023) 'The impact of remittances on investment and development,' *FinTech*, <https://fintechmagazine.com/articles/the-impact-of-remittances-on-investment-and-development>

development on the continent<sup>30</sup>. The challenges posed by the localisation of transactions continue to undermine the reliability of digital platforms in enabling money transfer operations. International money transfer regulations require the protection of client data, which increases challenges associated with securing user data. The centralisation of diaspora transactions under the African Development Bank and the African Union Commission, in cooperation with the International Organisation for Migration, has encouraged individuals to transact through banks when sending money back home<sup>31</sup>. The European African diaspora relies on other conventional methods including telecommunications companies to send remittances<sup>32</sup>. The wide variety of transaction platforms has ensured diversity in transactions and amounts transacted and spurred the development of local economies. One of the popular telecommunications platforms is M-Pesa, a mobile money transfer service by Safaricom, a Kenyan based company; notably, it serves locals and diaspora community members who seek to send and receive money<sup>33</sup>. The emergence of convenient solutions such as M-Pesa has improved African immigrant workers' ability to send money to their home countries. M-Pesa has revolutionised the financial experience for African migrant workers by offering a cheaper, faster alternative for cross-border money transfers compared to traditional banks. Its accessibility to any mobile phone owner, regardless of their location, is particularly beneficial in rural areas where banking facilities are sparse.

In the context of new companies seeking to offer diaspora direct investment (DDI) platforms for the diaspora to invest in a selected range of businesses in their country of origin or interest – several similar initiatives exist albeit with some key differences. Homestrings is one such initiative and was founded in 2011 as a web-based crowdfunding platform that offers African Diaspora exclusive access to vetted investment opportunities in emerging economies. The platform has over 5,000 members and a four-year track record and provided funds worth over US\$25m for 35 transactions in 12 countries, according to its official website<sup>34</sup>. Other similar initiatives include CcHUB Syndicate, an African accelerator and technology hub which seeks to attract diaspora investments to fund new tech start-ups in Africa<sup>35</sup>. Two more recent projects are Pangea Trust (with their platform *Connect*) - an equity crowdfunding platform directing diaspora remittances as funding source for early-stage start-ups, as well as Investzilla, a platform founded by Nigerian entrepreneur Jason Njoku which enables users to invest in African start-ups vetted by company<sup>36</sup>.

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<sup>30</sup> ADB (2022) 'Diaspora's remittances, investment, and expertise vital for Africa's future growth, say participants at African Development Bank Forum,' African Development Bank, [www.afdb.org/en/news-and-events/press-releases/diasporas-remittances-investment-and-expertise-vital-africas-future-growth-say-participants-african-development-bank-forum-57024](https://www.afdb.org/en/news-and-events/press-releases/diasporas-remittances-investment-and-expertise-vital-africas-future-growth-say-participants-african-development-bank-forum-57024)

<sup>31</sup> Ibid.

<sup>32</sup> Dilip Ratha (2021) 'Keep remittances flowing to Africa,' *Africa in Focus*, Brookings, <https://www.brookings.edu/blog/africa-in-focus/2021/03/15/keep-remittances-flowing-to-africa/>

<sup>33</sup> Esha Chhabra, Kazuko Shirono, Bidisha Das, Yingjie Fan and Hector Carcel Villanova (2021) 'Is Mobile Money Part of Money? Understanding the Trends and Measurement,' International Monetary Fund (IMF), [www.imf.org/en/Publications/WP/Issues/2021/07/01/Is-Mobile-Money-Part-of-Money-Understanding-the-Trends-and-Measurement-461315](https://www.imf.org/en/Publications/WP/Issues/2021/07/01/Is-Mobile-Money-Part-of-Money-Understanding-the-Trends-and-Measurement-461315)

<sup>34</sup> Homestrings (2022). *Homepage*, [www.homestrings.com/](http://www.homestrings.com/)

<sup>35</sup> Danielle Myles, (2021) 'Awakening Africa's sleeping giant,' *fDi Intelligence*, [www.fdiintelligence.com/content/feature/awakening-africas-sleeping-giant-79910](https://www.fdiintelligence.com/content/feature/awakening-africas-sleeping-giant-79910)

<sup>36</sup> Ibid.

The recent and relatively niche emergence of platforms specifically offering the African diaspora investment opportunities into African start-ups seek to capitalise on the enormous potential for growth on the continent. A recent *McKinsey & Co* report titled 'Fintech in Africa: The end of the beginning' found that Africa's fintech market could grow by 10% annually soon and reach up to US\$230 billion in revenues by 2025<sup>37</sup>. Online banks offering faster and cheaper money transfers fill the gap left in Africa's relatively underdeveloped traditional banking sector and potentially make the cost of remittance flows six times cheaper<sup>38</sup>. However, African diaspora direct investment products take the progress a step further by enabling the African diaspora to capitalise on the rapid growth of burgeoning economies like Nigeria, Rwanda and Ethiopia while providing much-needed funding to African start-ups<sup>39</sup>. However, with such vast and untapped potential for redirecting remittances as a driver of economic growth also come many challenges that the new DDI products face.

### 2.3.3. Challenges and barriers to access

A crucial task for this research project is suggesting ways to overcome the myriad challenges that diaspora direct investment products have encountered in African markets and among the African diasporas. Using surveys of the African diaspora and interviews with experts in the realm of fintech, remittances and sustainable finance in Africa, we build on the obstacles and potential solutions identified by previous authors in the field. Among these challenges, the most commonly identified are; (1) lack of awareness: many people in the African diaspora may not be aware of the investment opportunities available in Africa or may not know how to invest in African markets; (2) perception of risk: there may be a perception among some potential investors that investing in Africa is risky due to political instability, corruption, and economic uncertainty; (3) lack of trust: some potential investors may not trust African governments or businesses, or may be concerned about fraud or mismanagement, (4) limited access to information: it may be difficult for investors to access reliable information about African businesses and markets, which can make it difficult to make informed investment decisions; (5) lack of infrastructure: in some cases, limited infrastructure in African markets can make it difficult to invest or do business in these markets; (6) limited financial services: many African countries may lack the financial services infrastructure needed to support investment, such as reliable banking services, investment management firms, and legal and regulatory frameworks; and (7) currency risk: fluctuations in currency exchange rates can add to the risk of investing in African markets<sup>40</sup>. Our research aims to investigate these challenges while offering potential remedies for initiatives seeking to promote DDI products among the African diasporas.

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<sup>37</sup> Max Flötotto, Eitan Gold, Uzayr Jeenah, Mayowa Kuyoro and Tunde Olanrewaju (2022) 'Fintech in Africa: The end of the beginning,' Report, McKinsey & Company, [www.mckinsey.com/industries/financial-services/our-insights/fintech-in-africa-the-end-of-the-beginning#/](https://www.mckinsey.com/industries/financial-services/our-insights/fintech-in-africa-the-end-of-the-beginning#/)

<sup>38</sup> Ibid.

<sup>39</sup> Hack-Polay and Siwale, eds. (2018) *African diaspora direct investment*.

<sup>40</sup> Cyrus Rustomjee (2018) 'Issues and Challenges in Mobilising African Diaspora Investment,' Policy Brief No. 130, Centre for International Governance Innovation.

### 3. Methodology

The research will be conducted using a combination of secondary literature research, surveys of the African diaspora and interviews with experts in remittances, sustainable finance and development. In our primary research, we will conduct both interviews and surveys on the African diaspora's investment interests and habits, as well as the experiences of diaspora members in mobilising the diaspora for impact in Africa.

Online research will identify and analyse literature that discusses Africans' evolving financial and transaction needs in the diaspora market space, mainly in Europe. The research will look at popular international money transfer platforms for Africans in the diaspora and the main challenges users face when sending money back home. The identified platforms can be used to model recommendations for developing convenient and easy-to-use solutions. The diaspora community should be involved in decision-making to foster the provision of international money transfer platforms that meet diverse needs, including protecting transaction data and private information. The availability of modern solutions can encourage the African diaspora to support activities that propel economic development in their home countries.

Surveys aiming to collect responses for both quantitative (statistical) and qualitative data from at least 45 participants will be carried out with the help of the partner organisation to disseminate the surveys among African diaspora social networks and online communities. Survey questions will aim to investigate the interests and concerns of the target market for DDI products (African diaspora). A large portion of the people surveyed reside in Switzerland, but we also reached out to diaspora networks in other European countries such as France or the United Kingdom. Criteria were established for understanding the profile of the people surveyed to help us investigate the market size. This included optional questions on the survey participant's nationality, country of origin, country of residence, professional occupation and income group.

We carefully chose the interviewees to reflect the diversity of the African diaspora and ensure that our selection is balanced. The interviewees' nationalities or countries of origin range from Rwanda, Senegal and Ghana to Morocco, Malawi and Cameroon. Their professional experience includes working in international organisations (IOs), professional coaching, management consulting, investment banking, testing, inspection and certification (TIC), and non-governmental organisations (NGOs). Our appendix provides a list of interviewees with a short description of their background and professional experience. The appendix of this report also includes the list of questions we compiled for the interviews, which lasted approximately 1 hour each.

A systematic set of questions was drafted for both the surveys and interviews to ensure the collection of fair and reliable data. Interviews will be adapted to a format for experts in fintech and sustainable development in Africa and the interviewees will reflect one potential, smaller target market for DDI products – the high-income, highly-educated and financially literate/experienced user. Meanwhile, the survey will target the broader African diaspora in Switzerland/Europe and collect responses ranging from questions that collect statistical data

(how many respondents chose X, etc.) to questions that include qualitative responses (such as personal investment style, market and sector interests, concerns regarding the platform, etc.).

The interviewees will be selected by several criteria. Firstly, we will contact authors and organisations who are referenced in the key publications that form part of our secondary literature. Given the relatively niche nature of the market being explored, we will also reach out to those individuals with demonstrated professional experience and expertise in the fields of sustainable finance, remittances, financial technology and investment banking in Africa.

Each survey and interview participant will go through a process of informed consent, during which they will be given a comprehensive overview of our research project to ensure their complete understanding (refer to Appendix I). To preserve the anonymity of the interviewees, we will refer to them as 'Participant 1' with their corresponding numbers in the report. The research team will implement stringent measures to safeguard the collected data, always maintaining its confidentiality. Given the potentially sensitive nature of the interview queries and topics, participants are not compelled to respond and are allowed to take intervals if necessary. Moreover, all participants maintain the prerogative to retract their involvement in the study whenever they wish.



## 4. Our findings

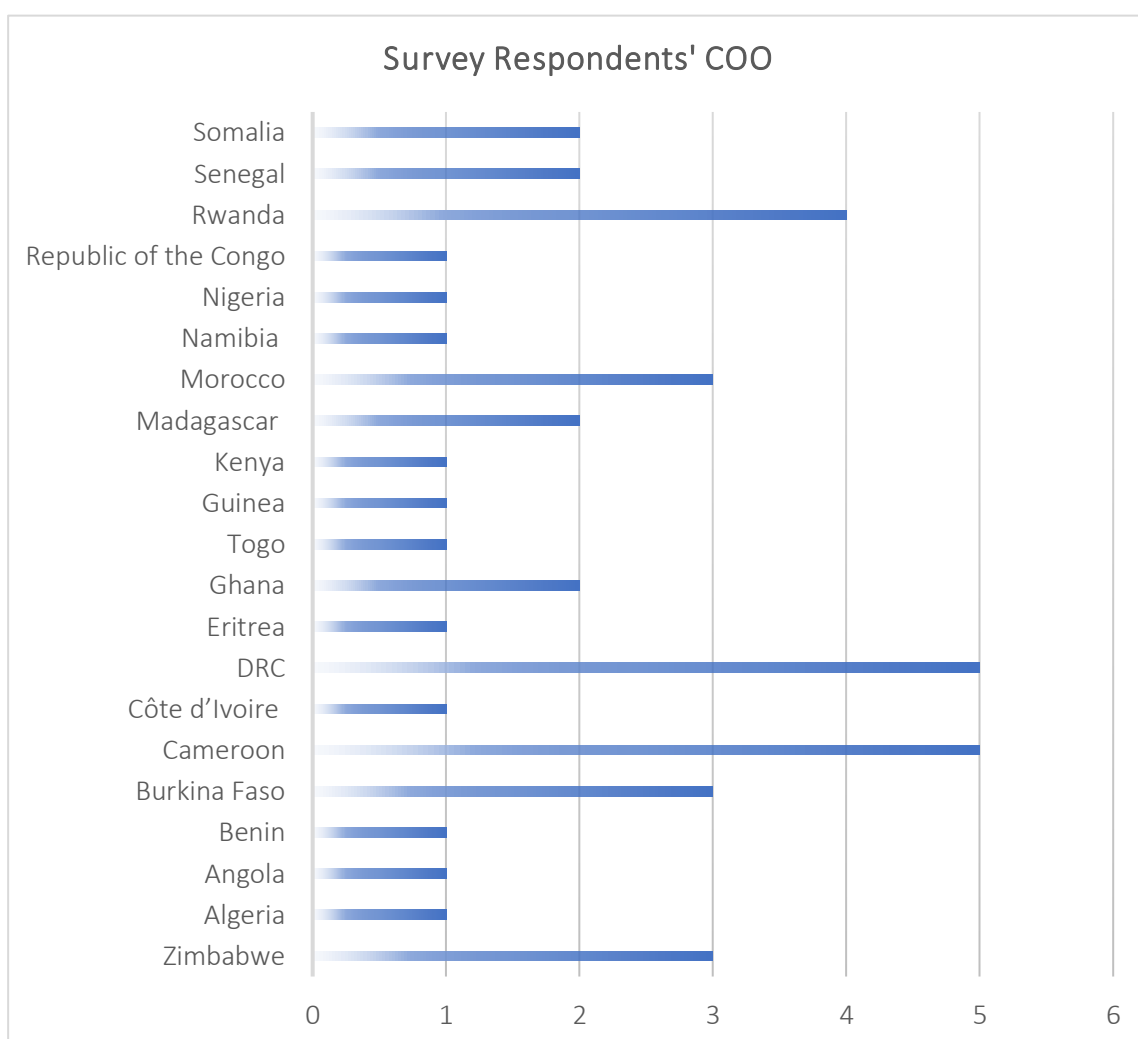
### 4.1 Surveys: understanding the investment interests of the African diaspora

A total of 45 members of the African diaspora took time to respond to the survey questions. This section begins by presenting the findings based on the patterns, trends, and preferences observed in the responses. Covered areas include respondents' profiles, return on investment, country preferences, markets of interest, generational differences, and investment motivations.

#### 4.1.1 Profile of respondents

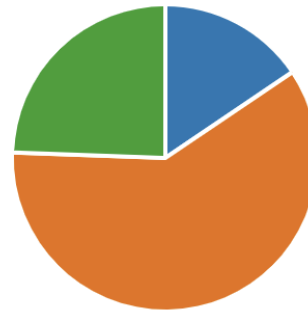
##### Country of Residence, Nationality, and Country of Origin (COO)

A large portion of the people surveyed – 37 out of 45 respondents (82%) – reside in Switzerland. The respondents come from 21 different African countries of origin. One of the observable patterns is that most respondents residing outside of their country of origin have obtained dual citizenship or full citizenship in their current countries of residence – 30 out of 45 respondents (67%). While 23 have revoked their African nationalities, seven have dual citizenship. Only 15 have retained primary African citizenships.



### Which age bracket do you fall under?

● 18 – 25 years old	7
● 25 – 40 years old	27
● 40 years or older	11



This population is generally youthful as only 11 participants were over 40 years, while the majority – 26 out of 45 respondents (60%) were aged between 25 – 40 years. They have a professional background in a highly diverse range of industries, including finance, management consulting, law, international affairs, psychology, engineering, IT and auditing.

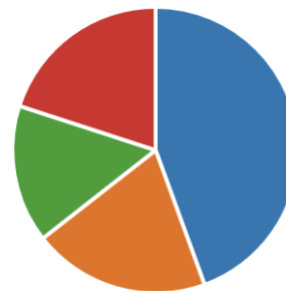
### Which income bracket do you fall under?

● \$50,000 or less	15
● \$50,000 - \$100,000	9
● \$100,000 - \$200,000	15
● \$200,000 - \$500,000	3
● \$500,000 or more	2



### Do you currently invest and if so, how long have you been investing for?

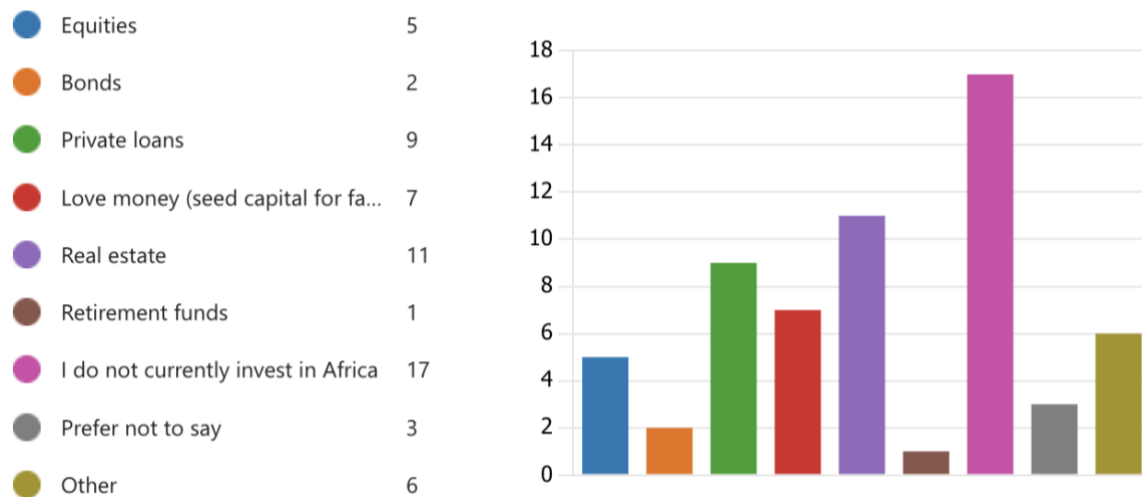
● No	20
● 0 - 2 years	9
● 2 - 5 years	7
● 5 years or more	9



It is interesting to note that most of the respondents are high-income earners compared to average African incomes since two-thirds of them earn over US\$50,000. These figures explain the significant amount of money sent to Africa annually and the growth of the fintech industry across the continent.<sup>41</sup> Furthermore, the majority (66%) of respondents already invest, with a further 36% having invested for at least 2 years. This relatively high rate of existing investments among the respondents suggests that members of the diaspora have sufficient financial literacy to subscribe to a potential DDI platform.

<sup>41</sup> Flötotto et al. (2022) 'Fintech in Africa: The end of the beginning'.

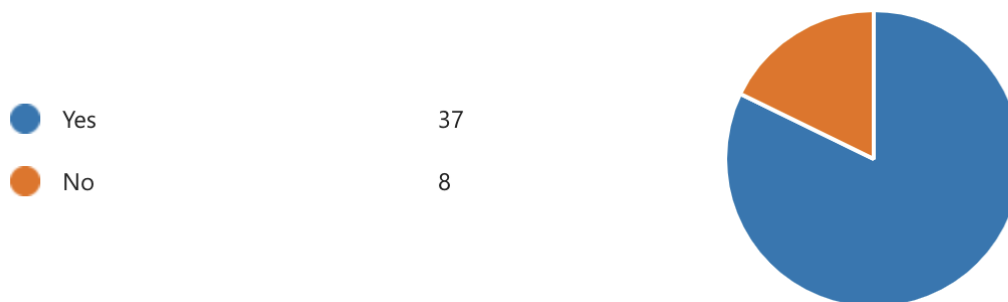
### Do you already invest in African markets and if yes, in what form?



At the same time, only a slight majority of the respondents – 28 out of 45 people (62%) – reported already investing in Africa, with the most common form of existing investment being either real estate, private loans or love money. Thus, while most members of the African diaspora invest their money abroad and have sufficient financial literacy, there is still a lot of untapped potential for the diaspora to begin investing back into the African continent and their countries of origin.

#### 4.1.2 Investment interests of the African diaspora

### Do you believe that acquaintances of yours who invest would be interested in a Diaspora Direct Investment platform like the one described above?

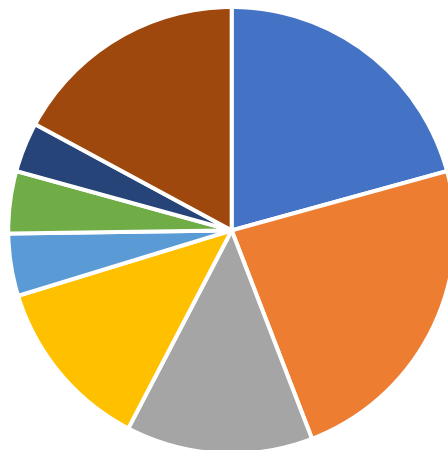


The best way to gauge the growth potential of the DDI-fuelled fintech industry in Africa is the willingness of Africans living abroad to invest their money. Most participants expressed enthusiasm toward the idea of DDI, with 37 indicating that their acquaintances would also be interested. This result supports findings that there is enormous growth and development potential held by Africa’s 170 million-strong diaspora.<sup>4243</sup>

<sup>42</sup> ADB (2022) ‘Diaspora’s remittances, investment, and expertise vital for Africa’s future growth’.

<sup>43</sup> Hack-Polay and Siwale, eds. (2018) *African diaspora direct investment*.

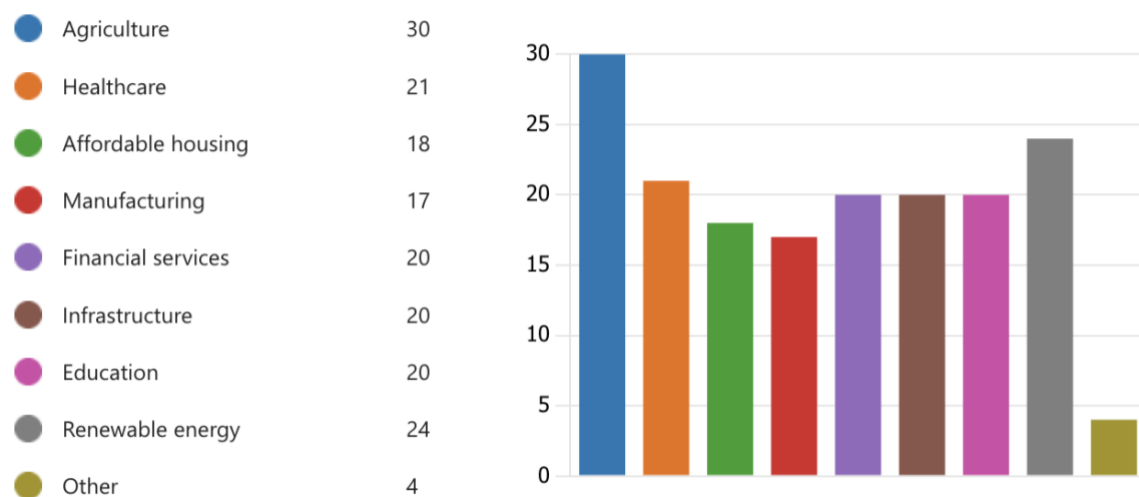
### Which African markets would you be interested in investing in?



■ Nigeria ■ Rwanda ■ Cameroon ■ Ethiopia ■ Sierra Leone ■ Kenya ■ DRC ■ Other

Whether Africans residing abroad choose their home countries or other African countries for investments is crucial since it indicates their general confidence in Africa’s growth. It also paints a picture of how far the participants are willing to go in DDI beyond sending money back home. The results confirmed that most respondents (38) intend to invest in other African economies, with only seven giving precedence to their home countries. This statistic indicates the considerable growth potential in the African fintech industry.<sup>44</sup> The most popular target countries were **Rwanda** (26), **Nigeria** (22), **Cameroon** (15) and **Ethiopia** (14). This supports our findings that the three countries in focus in this report (+ Ethiopia) as attractive and favourable destinations for diaspora investment.

### Which sectors would you be interested in investing in?

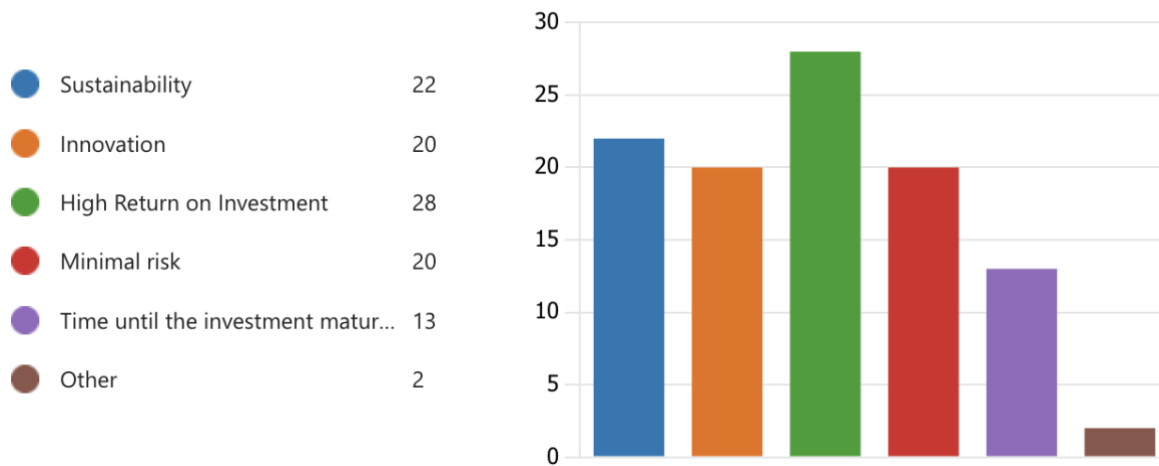


Among the markets of particular interest to respondents were **agriculture** (30), **renewable energy** (24), **healthcare** (21), **financial services**, **infrastructure** and **education** (20), as well as **affordable housing** and **manufacturing**. DDI platforms and fintech organizations should focus on these sectors to tap the numerous investment opportunities.

<sup>44</sup> Flötotto et al. (2022) ‘Fintech in Africa: The end of the beginning’.

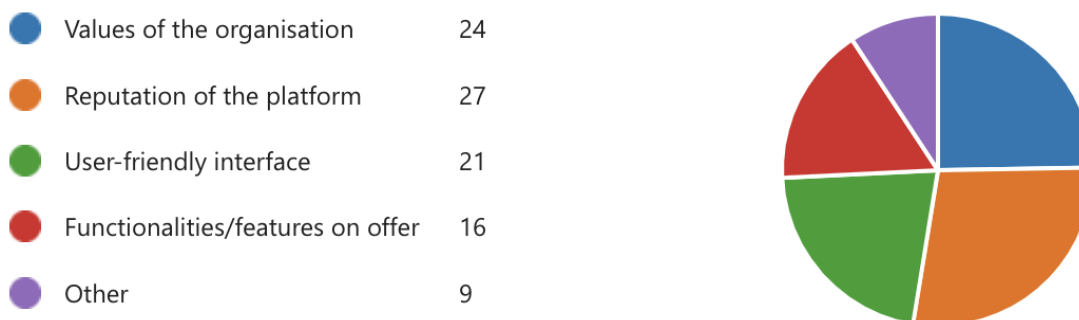
### 4.1.3 Factors for choosing DDI platform and ability to invest

#### What are the factors driving your investment decisions?



The most common factor driving the survey respondents' investment decisions was a high return on investment, suggesting that DDI opportunities in Africa could be greatly attractive to the diaspora due to the potential for high returns of such investments. Sustainability and innovation were also commonly cited as motivations for investment and reflect the desire among the diaspora for their investments to have a positive impact. This desire can be channelled by DDI into impactful projects on the African continent, so companies planning to offer DDI platforms should take into consideration such socially aware motivations.

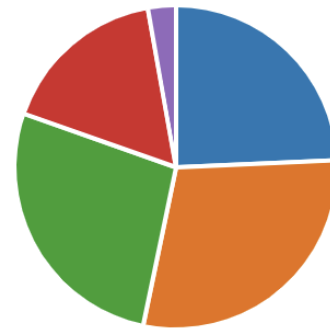
#### As a potential investor through a Diaspora Direct Investment platform, what would your criteria for choosing the platform be?



In line with the previous question, more than 53% (24) of the survey respondents identified the values of the organisation as a key criterion for choosing a DDI platform. Even more respondents (27) selected the reputation of the platform as an essential criterion, highlighting the need for companies offering DDI platforms to build a reputed image and generate public confidence in their activities. A user-friendly interface and functionalities on offer were also prominent criteria for the respondents. Any DDI platform must therefore be easy to use and enhance financial literacy by clearly and concisely presenting the necessary information to the users to facilitate their investment decisions.

**What information would you want to know before determining whether you would like to use a Diaspora Direct Investment platform like the one described above?**

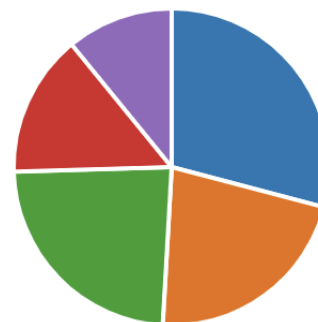
● Due diligence process	26
● Expected return on investment (...)	31
● Exit strategies (conditions for wi...)	29
● Tax implications in country of re...	18
● Other	3



Although there is a general interest in DDI due to the high return on investment, most participants are eager to make informed decisions. Nearly all respondents emphasized the importance of the due diligence process in verifying facts and information about fintech start-ups before committing to investments. They also want to know the proposed exit strategies and tax implications of their DDI engagements. While affirming the African diaspora’s desire to capitalize on Africa’s high growth potential<sup>45</sup>, these results thus indicate the need for companies offering DDI products to demonstrate excellence and transparency. Key takeaways from this data analysis process are that DDI-focused start-ups should overcome predominant challenges, invest in creating user-friendly apps, establish solid organizational values, and maintain a trustworthy reputation.

**What level of investments would you consider making through a Diaspora Direct Investment platform with an approach and objectives for impact in Africa?**

● \$100 - \$500	16
● \$500 - \$1,000	12
● \$1,000 - \$5000	13
● \$5,000 - \$25,000	8
● \$25,000 or more	6



Finally, in terms of being able to invest through a DDI platform, there are notable generational and professional differences in the studied sample. Firstly, younger participants were either students, interns, or undertaking relatively low-paying jobs. These individuals are not able to commit high amounts of money for DDI, with the level of investment these respondents are willing to commit ranging from US\$500 – US\$5,000. Most respondents aged between 25 and 40 years old reported being willing to commit between US\$5,000 - US\$25,000. Meanwhile, most respondents above 40 years old were willing to invest between US\$25,000 – US\$50,000 and more, which reflected their tendency to occupy higher-paying jobs. Despite these differences, there is a general interest in contributing to the growth and development of Africa since all participants were willing to contribute significant proportions of their incomes to DDI.

<sup>45</sup> Hack-Polay and Siwale, eds. (2018) *African diaspora direct investment*.



## 4.2 Interviews: identifying the challenges of mobilising the African diaspora

To deepen the findings of our research, we conducted interviews with 9 members of the African diaspora who have had extensive experience working in business and finance sectors in Africa or who have actively worked to mobilise the African diaspora for impact in Africa. To preserve the anonymity of the interviewees, we will refer to them as 'Participant 1' with their corresponding numbers.

### 4.2.1 Potential for DDI products

Several of our interviewees confirmed the findings of reports such as McKinsey's (2022) study, that there is a vast potential for fintech services to grow on the continent<sup>46</sup>. Participants 1 and 3 both told us of the great need to improve the flow of remittances on the continent, and the potential for new technologies to facilitate this process. They both stressed that while the traditional financial infrastructure remains relatively underdeveloped on the continent, many people rely on their phones and online services to transfer money and pay their bills. While the goal of mobilising the African diaspora to leverage diaspora direct investment is a relatively new idea which has only begun to be explored by emerging fintech start-ups, engaging the diaspora in other ways has been an increasing ambition of many businesses, banks, governments, non-profit organisations and other groups working with the continent. We therefore asked our participants what challenges they faced in attempting to mobilise the diaspora and what strategies they have used to overcome these challenges.

Participant 3 told us that as a board member of one of the largest banks in Rwanda, they have been pushing the bank to reach out to the diaspora and understand how African banks can help improve the tremendous flow of remittances being sent back home by diaspora members. 'The diaspora members have purchasing power, [...] and if they could have trust in the services and apps being developed, I'm sure we could find a way for them to channel money on a regular basis to Rwanda'. The participant suggested to his bank that the priority should be to conduct a census and identify where the largest pockets of the diaspora are based. This requires setting up a dedicated team within the bank for engaging the diaspora and working with embassies to map out the diaspora's locations. The bank must then identify what products and services the bank can offer based on the diaspora's needs and interests.

A major issue that Participant 3's organisation encountered is the lack of financial literacy among many diaspora members. 'A lot of these diaspora members are not really well educated on financial instruments or ways that they could use to eventually bring money home,' they told us, and that 'usually what most people do is they go to Western Union, MoneyGram, and they pay a huge fee to transfer the money'. At the same time, our own survey results suggested a relatively high financial literacy rate among the diaspora, particularly as many diaspora members already invest and demonstrate an informed decision-making process regarding the selection of the DDI platform. These results could vary greatly, however, depending on the location and professional background of the respondents. Therefore, a larger survey sample could further clarify the level of financial literacy among the diaspora.

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<sup>46</sup> Flötotto et al. (2022) 'Fintech in Africa: The end of the beginning'.

Participant 3 also suggested that his bank partners with a well-known company. In Rwanda's case, this could be RwandaAir, a national carrier with ambitions to become a major African airline. Such a large partner can help gain access to nationals from other countries; for example, Congolese nationals often fly with RwandaAir and may trust the Rwandan banking sector more because of its solid reputation, so such a partnership could help a Rwandan bank tap into the diasporas of other countries. This is equally important for a start-up aiming to offer direct investment and money transfer services to the diaspora, as partnerships with major private actors in the target country would help the start-up to build trust and credibility. Private-sector partnerships provide a useful alternative to public-sector collaboration. Many African banks rely on partnering with big government projects, which can be highly useful but also carries risks in the event of regime change or political instability. Therefore, it's important to diversify partnerships and include both major companies and small to medium-scale businesses.

Participant 3 highlighted the numerous advantages of building such alliances with respected companies. Firstly, such a partnership can help to get the attention of the diaspora. 'I was trying to tell the team that they need to be creative and find a way to really connect with the members of the diaspora in a way that's relevant for them', the participant told us. An initial partnership could be a promotional campaign where the airline, for example, offers a complementary flight for individuals who open an account with the financial institution. 'If you do a [joint] promotional program, it's a win-win, for RwandaAir because they are also building their brand by working with a bank. These suggestions resonated with our own survey findings that there is a need for companies offering DDI products to build public confidence and trust – major partnerships like the aforementioned ones could facilitate this goal.

#### 4.2.2 Investment interests of the diaspora

Our participants offered some conflicting views on the level of interest and engagement among different groups in the diaspora, such as the generational and income differences at play. On the issue of generational differences, Participant 3 argued that 'if I look at my kids, the second or third generation [diaspora], they have different aspirations. 'It's important to connect with the first-generation immigrants,' he added, 'I'm sure that my kids don't have the same connection as I do with my country. My firstborn went to Harvard, she is now working as a consultant in New York city, and has lived abroad her whole life. I'm not sure she has the same emotional connection that I have with Rwanda'. For Participant 3, the first generation who left their home country have the strongest desire to return, and they consider investing in a house back home for their retirement. On the other hand, Participant 5 argued that many first-generation Africans left the continent at a bad time, often for political reasons, and 'would be the least willing to invest in their home country,' while young second or third-generation Africans may be more willing to reconnect with and invest in their home country.

Participant 6 gave a more nuanced impression of the diaspora, arguing that many millennials among the diaspora have a shared 'African' identity. The participant cited her experience leading the African society at an American university, where Africans from many different countries joined the same association and helped projects across their continent with the same passion. In comparison, older generations like the participant's parents may have stronger ties to their home country rather than Africa as a whole, and may even be culturally tied to the particular village from which they are from. The participant suggested that individuals from

certain countries may identify more strongly as African than their particular countries, while individuals from other countries may identify more strongly with their local community or region of origin, rather than the continent. In parallel, our own survey results suggested no major variations in the level of interest among different diaspora groups. This can be attributed to the fact that respondents were often contacted through existing diaspora social networks and were therefore already likely engaged in some way with the continent, regardless of their background. Companies wishing to offer DDI products would thus benefit from reaching out to potential users through such networks as they will likely bring together those diaspora members who are the most interested and engaged in working with African-based projects.

On the issue of income differences, several participants stressed that while the diaspora direct investment platform can be marketed to all members of the diaspora, the ideal bracket of potential investors is the high-income and financially savvy individuals. Participant 4 believed that the most likely investors in Africa are those with a highly diversified portfolio who are open to investing in non-traditional assets or emerging markets. Participant 7 also argued that diaspora members with high incomes prefer high-risk investment options, including cryptocurrencies. At the same time, the participant said that most Africans living abroad invest in their host countries as its operationally easier and can be done through personal channels. Several participants consequently stressed that while there is a strong interest among the diaspora to invest in companies back home, there are few existing platforms which offer such services and even the financial infrastructure for basic transactions like remittance flows remains limited. Our own survey results suggest that while high-income investors are able to commit more funds for DDI, there is a sufficient interest among younger and lower-income diaspora members to use DDI products.

On the question of using DDI returns to increase remittance flows, participant 4 strongly argued that remittance services should not be associated with a direct investment platform. The participant argued that the biggest 'game-changer' for remittances is finding a way to offer money transfer services for a lower commission fee. He stressed that 'the vast majority of remittances that go back to the home countries are dedicated to basic needs'. He added, 'there is zero room for those people, and I believe it's the vast majority of investments sent back, for any sort of other potential investments'. The participant, who teaches Ethics at a renowned university in Switzerland, argued that offering a DDI product to individuals who are not financially educated is unethical – 'if you are not financially aware, you should not invest'.

On the other hand, Participant 1 argued that there are not enough potential high-net-worth users for a DDI platform to raise sufficient funds and that it would be necessary to open the platform to the mass market. On the question of whether users should have greater control over their own investment decisions, or have their investments managed by professionals on the DDI platform, the participant argued that giving more control is sensible for savvy and 'highly-educated' users but risky for less financially literate individuals.

According to Participant 4, the vast majority of lower-income individuals want to invest in housing as a safe investment option that they can personally use – a view echoed by Participant 1, who added that Africans in the diaspora want to own something tangible. Participant 6 also stated that they never considered investment opportunities in Africa, except investment in the sense of 'giving back to the community'. The participant also only considered investing in

property or land, which can bring returns but does not involve a platform offering a portfolio of companies. Participant 7 argued that younger and second-generation African immigrants are showing more interest in technology and ESG as investment considerations and would like to develop secondary/passive income sources. Meanwhile, both Participants 7 and 8 argued that older and first-generation African diaspora members prefer investing in safer assets like housing and gold. They prioritise building a home for their retirement and feel more connected to their COO. Participant 9 added that real estate and land are preferred investment options in the COO as they can provide rental income for the diaspora. While several participants previously wondered if such a platform exists, most reported having never heard of or used a DDI platform. Our survey findings supported these comments, with 71% of respondents having never heard of or used such a platform, and suggesting the significant potential for DDI platforms to enter this market.

#### 4.2.3 Impact vs profitability: approaching the diaspora

Participants 4 and 5 both argued that the emotional aspect in trying to mobilise the African diaspora to invest in their home country or in the continent is often emphasised too much, and should not be used as the primary motivation for investing. 'We have to start removing the emotional aspect,' Participant 5 argued, adding that 'if we talk about business, you have to talk about business. [...] 'When you put the emotional aspect into it, you're telling the people "you should invest because it's where you come from", but it is not their country, whether they are first or second generation'. In fact, by focusing on the emotional connection of the diaspora to their home country, a potential DDI product could unwillingly restrict them to investing in this market and not others. Participant 4 stressed that high-income individuals in the African diaspora, after a certain level of wealth, are 'totally agnostic' as to where they invest, and there is 'zero emotional impetus to invest in their continent or country'. Furthermore, the participant added that those diaspora members who often return to their home country already invest in their country or start their own projects there, relying on personal connections rather than a generic investment platform or product. Participant 4 also said that 'the discourse around impact should not come at any point at the expense of the returns. You say the returns first, that this is the best company ever'.

Interestingly, Participant 1 suggested that a DDI platform should present investment options separately for each country, as the participant believes that most diaspora members are only interested in their home country. At the same time, Participant 4 argued that simply offering a platform to invest in a diaspora member's home country is unlikely to attract them, because if they have sufficient funds for such investments, they have likely already invested them back home and consider that they know their country better than the company offering such a DDI product. The participant added, 'If you tell me you have a portfolio of private companies that you have studied to death, and you have done local due diligence, and you know them better than anyone else, and you're positioning yourself with smaller private companies which private equity firms cannot give me access to, then I will say yes [to investing on the platform]'.

The contentious issue of whether to appeal to potential diaspora investors based on emotional connection, social and environmental impact, or the financial indicators of the investment, as raised by the above discussion, led us to inquire what the participants' criteria for choosing a DDI platform be. Participant 2 argued that the most important information for them to have

confidence in the platform would be how the company offering the DDI product identifies investment opportunities, how it assesses if they are a viable opportunity, and what due diligence they carry out. Participant 1 noted similar concerns and added that they would need to know who is behind the company (its credentials), and their compliance with regulatory frameworks. Participant 4 echoed these questions and stressed that the companies being offered as investment options should not be start-ups and should have been around for at least 3 years.

Participant 6 argued that impact and profit are both important considerations. ‘When we talk about investments, I tap into a different side of who I am as a person’. Putting a large amount of money into a project is different from giving a few hundred dollars to a family member or an NGO. ‘If I’m investing or 5,000 or 10,000 into a project, great if the money comes back, but I’m doing that because I want to see an impact and I want to see it help somebody. But if I’m looking at a 100,000 or 200,000 investment, there must be a solid return on investment, because you’re taking a much greater risk’.

Our survey findings sought to investigate this contentious issue of how to approach the diaspora and suggested some interesting results. Few survey respondents showed a preference for their country of origin over other markets in Africa, and most demonstrated a strong consideration of the sound financials, risk level and returns of the investment as factors driving their investment decisions. Similarly to the interviewees, the survey respondents identified the due diligence process as a key criterion for choosing a DDI platform. These findings thus suggest that companies wishing to offer DDI products should highlight the sound financials and the potential for a high return on investment in approaching users, and be transparent about the due diligence process and risk level of the investments in question.

#### 4.2.4 Challenges in mobilising the African diaspora

Participant 5 argued that the first challenge in mobilising the diaspora is identifying who the diaspora is in the first place, as this group can be defined very broadly. He argued that interactions between diaspora members are greatly limited by the lack of a common network between them. Africans living abroad organise themselves around social groups defined by their country or region of origin, and there is no single group that brings the African diaspora together to discuss challenges on the continent. He argued that the diaspora thus remains deeply fragmented and their networks are based on personal connections. The participant stressed that he has never seen any initiative to mobilise the diaspora on a global scale, and the first challenge for a company developing a diaspora direct investment platform would be to understand why few such initiatives have succeeded. However, this claim was highly questionable as Participants 2 and 6 both had extensive experience leading successful initiatives aimed at mobilising the diaspora. One such initiative is the Africa Tech Summit, which has organised regular conferences to bring together tech entrepreneurs, investors and start-ups to support innovation on the continent<sup>47</sup>. A more permanent organisation mobilizing the diaspora, for example, is United Actions for Africa (UAA), an NGO which connects potential

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<sup>47</sup> Tom Jackson (2023) ‘12 startups selected to pitch at Africa Tech Summit London,’ Disrupt Africa, <https://disrupt-africa.com/2023/05/29/12-startups-selected-to-pitch-at-africa-tech-summit-london/>

diaspora investors with promising and impactful projects in Africa<sup>48</sup>. Another such NGO is the African Diaspora Leadership in Action (ADLA), which mobilizes members of the diaspora to support local projects across the continent and support community-led development<sup>49</sup>.

At the same time, the preceding remarks by Participant 5 suggested that there are significant obstacles for any project aiming to mobilise the African diaspora to invest or engage with the continent. We therefore asked our interviewees which challenges they could identify in their experience working with the diaspora. The challenge of gaining trust among the African diaspora was the single most common issue which our respondents identified. Participant 6 attributed the issue of trust to the historical impact of colonialism, which has left an enduring sense of 'white superiority' and left many Africans with a perception that European businessmen and bankers are more trustworthy than Africans when it comes to investment advice - 'Africans tend to be very untrusting of Africans'.

Furthermore, Participant 2 argued that savvy investors among the African diaspora are generally conservative and weary of risky investments. He said that the principal challenge for companies seeking to raise investments among the diaspora is to overcome distrust, as Africa in general is considered unsafe for investing, and countries such as Nigeria often evoke 'scams' in the minds of investors due to the country's reputation of high levels of financial fraud. The participant also spoke of their personal experience creating and leading an initiative which seeks to mobilise the diaspora for impact in Africa, by connecting potential investors with promising projects in Africa that align with the values of the initiative, such as the SDGs. The participant told us that the initiative's biggest challenge was gaining recognition among a larger audience and mobilising people, as business in Africa is defined by personal relations. The participant suggested that to build authority, credibility and trust, a diaspora-focused initiative must have a credible board (governance), build partnerships with famous brands/companies, and form a coalition with other initiatives to attract more attention.

Participant 6 also spoke to us of their experience leading an NGO which mobilises the African diaspora to assist local non-profit projects and help communities in Africa. The biggest challenge for this initiative was getting people to commit time and resources, as the non-profit does not have incentives beyond impact. The participant pointed out that a company offering DDI products would solve this problem by providing a monetary incentive in addition to the impact of the investment. However, when it comes to giving more than just a small donation, and in the case of attracting large investments, there is a deep suspicion and distrust among the diaspora. To overcome this challenge, Participant 6 stressed the need for transparency to address these issues. 'When you show up with excellency, with a certain level of transparency, and having done your homework, having done your market research, and having been armed with the knowledge that you need to be able to explain the work you are doing, people tend to open up their pockets a lot more,' the participant explained.

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<sup>48</sup> UAA (2023) 'About us,' United Actions for Africa (UAA), <https://www.uaa-impact.org/>

<sup>49</sup> ADLA (2020) 'About us,' African Diaspora Leadership in Action (ADLA), <https://www.adlaprojects.org/about-us/>



### 4.3 Conclusion and recommendations

This report analysed the African diaspora market and the potential for companies aiming to provide financial products to the African diaspora in Europe, who are both willing and able to subscribe to Diaspora Direct Investment (DDI). We carried out a survey of the African diaspora in Europe and interviews with experts among the diaspora alongside secondary literature research to provide a comprehensive report. We began by examining the total addressable market size and the most promising markets and sectors for DDI products to enter. Subsequently, in our surveys and interviews, we investigated the investment interests and habits of members of the African diaspora. We then identified the biggest challenges when trying to mobilise the African diaspora for impact in Africa. Our conclusion thus suggests some potential strategies to overcome these challenges:

#### **Building partnerships with trusted public and private actors**

Diaspora members identified the reputation of the company offering a DDI platform as their top criterion for choosing the platform. Partnerships with major public, private, and civil sector actors are thus one highly effective way for building trust and credibility.

#### **Building a community and social network to increase personal trust**

Companies wishing to offer DDI products would benefit from reaching out to potential users through existing diaspora social networks as they will likely bring together those diaspora members who are the most interested and engaged in working with African-based projects, regardless of their background.

#### **Ensuring excellence, transparency and carrying out strong due diligence**

Investors among the African diaspora showed a high degree of financial literacy and would choose a DDI platform based on the strength of the company's due diligence process. They expect a high degree of excellence and transparency from such companies. This would help overcome mistrust and risk aversion among the diaspora.

#### **Striking a balance between financial appeal and positive impact**

High return on investment (ROI) was a key factor driving the African diaspora's investment decisions, but so were sustainability and innovation. Companies planning to offer DDI platforms should take into consideration such socially aware motivations while stressing the sound financials, ROI and risk level of the investments in question.

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## 6. Appendix I

### 6.1 Survey Questions

#### Personal information

This section of the survey is optional and you can choose to leave the answers blank if you prefer not to disclose any personal information. However, these answers would be helpful for us to better understand your background and interests.

What is your nationality?

What is your country of origin (COO)?

In which country do you currently reside?

What is your current occupation and in which professional field do you work or study?

Which age bracket do you fall under?

- 18 – 25 years old
- 25 – 40 years old
- 40 years or older

Which income bracket do you fall under?

- \$50,000 or less
- \$50,000 - \$100,000
- \$100,000 - \$200,000
- \$200,000 - \$500,000
- \$500,000 or more

#### Investment interests

Do you currently invest and if so, how long have you been investing for?

- 0 - 2 years
- 2 - 5 years
- 5 years or more

As a potential investor through a Diaspora Direct Investment platform, what would your criteria for choosing the platform be?

- Values of the organisation
- Reputation of the platform
- User-friendly interface
- Functionalities/features on offer
- Other:

What information would you want to know before determining whether you would like to use a Diaspora Direct Investment platform like the one described above?

- Due diligence process
- Expected return on investment (ROI)
- Exit strategies (conditions for withdrawing investments)
- Other:

Have you heard of or used a similar investment platform?

- Yes
- No

Do you believe that acquaintances of yours who invest would be interested in a Diaspora Direct Investment platform like the one described above?

- Yes
- No

What are the factors driving your investment decisions?

- Sustainability
- Innovation
- High Return on Investment
- Minimal risk
- Time until the investment matures
- Other:

Which African markets would you be interested in investing in?

- Nigeria
- Rwanda
- Cameroon
- Ethiopia
- Sierra Leone
- Other:

Which sectors would you be interested in investing in??

- Agriculture
- Healthcare
- Affordable housing
- Manufacturing
- Financial services
- Infrastructure
- Education
- Renewable energy
- Other:

Do you already invest in African markets and if yes, in what form?

- Equities
- Bonds
- Private loans



- Love money (seed capital for family/friends)
- Real estate
- Retirement funds
- Other:
- I do not currently invest in Africa
- Prefer not to say

What level of investments would you consider making through a Diaspora Direct Investment platform with an approach and objectives for impact in Africa?

- \$100 - \$500
- \$500 - \$1,000
- \$1,000 - \$5000
- \$5,000 - \$25,000
- \$25,000 or more

## 6.2 List of Interview Participants

**Participant 1:** A Senegalese national with 25 years of experience in investment banking focusing on Africa (Director at the largest bank in Europe for 10 years, leading the bank's advisory business in Africa) and having founded his own financial advisory firm 20 years ago.

**Participant 2:** A Rwandan national with over 20 years of experience in management, having founded his own consulting company 15 years ago and having founded a global African diaspora network initiative which identifies development opportunities for the African continent and mobilises the diaspora to invest in high-potential, innovative and sustainable projects

**Participant 3:** A Rwandan national with 30 years of experience in the beverage industry, having been Managing Director of several African branches of one of the largest brewing companies in the world, including in Rwanda and Ethiopia, as well as overseeing the company's business in SSA more broadly.

**Participant 4:** A Moroccan national with over 15 years of experience working in major global investment banking firms and private banks, including in Geneva, having founded his own asset management firm.

**Participant 5:** A Cameroonian national now based in Geneva and Zurich who worked on the import of commodities in central Africa before embarking on a nearly 25-year career at one of the largest global inspection, testing and certification companies.

**Participant 6:** An American national of Malawian origin, based in Geneva, a feminist scholar, professional coach and active member of African diaspora-focused groups aimed at mobilising resources to help local non-profit community projects in Africa.

**Participant 7:** A Senegalese national working at an international organisation in Geneva. He has been living abroad for the last 8 years (6 years in the USA) with strong connections to the

African Diaspora. He also headed the African Association at the Graduate Institute Geneva during his Master's studies.

**Participant 8:** A female Ghanaian national pursuing a PhD in Geneva, with good experience of engaging with the African diaspora through church-related activities.

**Participant 9:** A Ghanaian national currently studying at Master level and living in Geneva, along with their partner who works at a private firm based in Switzerland and has a good experience with sending remittances and investing in their COO.

### 6.3 Interview Questions

How does your organisation approach the diaspora?

If you engage with the diaspora, what strategies do you use to mobilise them?

What are the challenges you found in mobilising the diaspora?

How would you suggest overcoming them?

What patterns do you see in the investment habits of the African diaspora?

Which people among the diaspora would be the best target audience for this investment platform?

Do you invest in your country of origin?

What are the most promising sectors you found?

What motivates your investment? Is it innovation, sustainability, your own personal values?

How would you advise start-ups developing a diaspora direct investment platform to approach the different types of potential users (1st gen. vs. 2nd gen., low vs. high income, etc.) ?

What would your message be for those audiences?

### 6.4 Informed Consent

#### **About the Project**

We would like to introduce you to an African Diaspora-focused fintech project, by a start-up based in Switzerland, which aims to create an innovative online platform that provides investment opportunities in a diverse range of businesses (Diaspora Direct Investment).

The start-up is developing an app that will offer an investment portfolio consisting of

carefully selected businesses that have undergone a thorough screening process and comply with local regulations and ESG targets. Additionally, the platform will offer a convenient money transfer service with competitive commission rates, surpassing traditional transfer services like Western Union and MoneyGram. Users will have the freedom to select which businesses they want to invest in, making it akin to a crowdfunded, asset-backed fund.

The start-up will establish partnerships with promising businesses across various regions in Africa, potentially including countries such as Nigeria, Rwanda and Cameroon. The focus sectors for investments will encompass agriculture, healthcare, affordable housing, manufacturing and infrastructure. However, the platform's long-term vision extends beyond these sectors and aims to cater to diasporas from different continents as well.

To ensure thorough research, the start-up has partnered with the Graduate Institute Geneva, engaging in market research to understand the investment interests of various diaspora communities in African markets. As a member of the research team, we value your input and would greatly appreciate your participation in a brief survey, which will take approximately 10 to 15 minutes of your time. Rest assured, we will handle your responses with the utmost care, storing them securely and preserving your anonymity.

### **Disclaimer**

The following disclaimer applies to the survey you are about to participate in:

- The purpose of this survey is to collect information for research or analytical purposes only.
- Your participation in this survey is voluntary. You have the right to refuse to answer any question and to withdraw from the survey at any time.
- Your responses to this survey will be kept confidential and anonymous, and your personal identifying information will not be disclosed to any third party without your express consent.
- The information collected in this survey will be used solely for the purposes of research or analysis and will not be used for any commercial or marketing purposes.
- The survey results will be reported in aggregate and will not identify any individual participant or their responses.
- The survey questions may ask about sensitive or personal topics, and we ask that you respond truthfully and to the best of your knowledge.
- By participating in this survey, you agree to the terms and conditions of this disclaimer.

If you have any questions or concerns about this survey or its disclaimer, please contact the surveyor/survey administrator before proceeding. Thank you for your participation.

## 7. Appendix II

### Country Analysis

#### A. Nigeria



Source: <https://www.nationsonline.org/oneworld/nigeria.htm>

Located in West Africa, Nigeria is the most populous country on the African continent with diverse cultures, languages, and ethnic groups. It has an estimated population of over 222.3 million as of June 2023<sup>50</sup>. Nigeria has a number of key natural resources, including natural gas, petroleum, tin, limestone, iron ore, coal, niobium, lead, and zinc. Its GDP is around \$441 billion<sup>51</sup>. Though Oil sector's growth rate has been falling over the years, it still contributes the highest in their GDP<sup>52</sup>.

The Central Bank of Nigeria, responsible for the regulation and supervision of banks and finance institutions, controls a relatively developed banking sector<sup>53</sup>. The country has both locals and foreign banks operating along with a main stock (Nigerian Stock Exchange NUNSE) market in, which contributes to capital formation and investment. Major economic sectors of the country include banking, agriculture, telecommunication, manufacturing, consumer goods, real estate and oil and gas, contributing significantly to the GDP and offering employment opportunities<sup>54</sup>.

In recent years, Nigerians have been very active in looking for various investment avenues. With real estate being traditionally popular, the investors have been investing in sectors like agriculture, telecommunication, manufacturing and SMEs. There's been a boom of technology and start-up interest over the last few years. A thriving tech ecosystem has emerged in Nigeria,

<sup>50</sup> Worldometer (2023) 'Nigeria Population,' <https://www.worldometers.info/world-population/nigeria-population/>

<sup>51</sup> World Bank (2022) 'Nigeria GDP - Open Data,' <https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?locations=NG>

<sup>52</sup> Lina Ibrahim and Muhammad Aamir (2022) 'Cameroon is a promising country with great potential for investment in prospective sectors: Thani Al Zeyoudi,' *Wam - The Emirates News Agency*, <https://wam.ae/en/details/1395303107226>

<sup>53</sup> Central Bank of Nigeria (n.d.). *Central Bank of Nigeria:: The Core Mandate of the bank.* <https://www.cbn.gov.ng/aboutcbn/Coremandate.asp>

<sup>54</sup> NBS (2020) 'The Nigerian Economy,' National Bureau of Statistics (NBS), <https://www.nigerianstat.gov.ng/pdfuploads/NIGERIAN%20ECONOMY.pdf>

thanks to several start-ups that have attracted investments. Initiatives such as tax incentives and funding schemes are being promoted by the government for the technology sector<sup>55</sup>.

Compliance with the ESG (Environmental, Social, and Governance), including in Nigeria, has become a global issue. The level of compliance with ESG standards differs between Nigerian companies, given that there are regulatory frameworks and standards in place to deal with corporate governance and the environment with some companies recognising the importance of incorporating environmental factors into their operations. However, there is still a need to move forward in terms of wider adoption and uniform compliance throughout the sectors.

There is a substantial Nigerian diaspora in many European countries, such as the United Kingdom, Germany, Italy, France and the Netherlands, with an estimate of about 15-17 million worldwide<sup>56</sup>. These work in a variety of professions, including academia, business, health care and technology and bring in huge remittances into the country. Nigeria is one of the world's biggest recipients of remittances, which was around \$21 billion in 2022 according to the World Bank<sup>57</sup>. Remittances play an important role in the domestic economy, contributing to foreign exchange reserves, reducing levels of poverty and increasing household consumption. In the context of cross-border investment, diaspora networks have a substantive and statistically significant impact<sup>58</sup>. It appears that members of the Nigerian diaspora are not investing in their homeland just for financial gain, but also for the perceived emotional returns, and this is positively moderated by the degree of their social embeddedness in their country of origin. They're also investing in what they perceive to be social benefits<sup>59</sup>. If channelled in an efficient and effective manner, these investments can provide a great boost to the current developing economy of the country<sup>60</sup>, especially the companies and start-ups working in the ESG sector. In 2017, the Nigerians in Diaspora Commission (NiDCOM) was established to ensure that its mandate to 'provide for the engagement of Nigerians in Diaspora in the policies, projects and participation in the development of Nigeria and to utilise the human capital and material resources of Nigerians in Diaspora towards the overall socio-economic, cultural and political development of Nigeria and for related matters' is achieved and has also developed a National Diaspora Policy<sup>61</sup>.

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<sup>55</sup> Tony Blair Institute (2022) 'Supercharging Africa's Start-ups: The Continent's Path to Tech Excellence,' Report, The Tony Blair Institute for Global Change, <https://www.institute.global/insights/tech-and-digitalisation/supercharging-africas-start-ups-continent-path-tech-excellence>

<sup>56</sup> Premium Times (2022) 'Taking Nigeria from Third to First World through its diaspora,' *Premium Times*, <https://www.premiumtimesng.com/opinion/557392-taking-nigeria-from-third-to-first-world-through-its-diaspora-2-by-sunday-adelaja.html?tztc=1>

<sup>57</sup> Soukeyna Kane, Dilip Ratha and Michal Rutkowski (2022) 'Remittances to Countries in Fragile and Conflict-Affected Settings Bounce Back in 2022,' Blog Post, The World Bank, <https://blogs.worldbank.org/dev4peace/remittances-countries-fragile-and-conflict-affected-settings-bounce-back-2022>

<sup>58</sup> David Leblang (2010) 'Familiarity Breeds Investment: Diaspora Networks and International Investment,' *The American Political Science Review*, 104:3, 584-600, <http://www.jstor.org/stable/40863770>

<sup>59</sup> Christopher Ayanruoh and Anthony Di Benedetto (2018) 'Why Does the Nigeria Diaspora Invest in Their Country of Origin?' *Social Science Research Network*, <https://doi.org/10.2139/ssrn.3240861>

<sup>60</sup> Ugwuegbe Ugochukwu, Okore Amah and John Onoh (2013) 'The Impact of Foreign Direct Investment on the Nigerian Economy,' *European Journal of Business and Management*, 5 :2, 25–33, <https://www.iiste.org/Journals/index.php/EJBM/article/download/3927/3985>

<sup>61</sup> NiDCOM (2021) 'National Diaspora Policy 2021,' Nigerians in Diaspora Commission (NiDCOM), <https://nidcom.gov.ng/national-policy-on->

## B. Rwanda



Source: <https://www.nationsonline.org/oneworld/rwanda.htm>

With a population of about 13.9 million people, although the Republic of Rwanda is landlocked and one of the smallest countries in Africa, it is one of the most promising developing economies in the continent. It is known for its remarkable progress in economic development and social transformation since the 1994 genocide and now ranks 38th globally and 2nd in Africa according to the World Bank Doing Business Index.

Rwanda's GDP is about \$11.1 billion with an impressive growth rate of 8.2% in 2022, whereas the OECD countries on average had a growth rate of 2.9%. In addition to exporting gold and diamonds, Rwanda is one of the world's largest producers of tin, tantalum and tungsten 3T. There are a variety of minerals in Rwanda, for instance silica sands, kaolin, vermiculite, diatomite, clays, limestone, talcum powder, and pozzolan<sup>62</sup>. Rwandans' interest in investment opportunities is growing and the government has come up with various investment-friendly policies and programs to attract domestic and foreign investments. Some of the promising sectors include agriculture and agribusiness, manufacturing (including textiles and garments), real estate and construction, tourism and hospitality, information and communications technologies (ICT) and digital innovation, and renewable energy. Investments with a positive social impact such as healthcare, education, and sustainable development are getting popular.

Commercial banks, microfinance institutions, insurance companies and the stock exchange are included in Rwanda's financial sector. The regulation and supervision of the financial system is under the responsibility of the National Bank of Rwanda. Agriculture, manufacturing, services, tourism, (ICT) and renewable energy are some of Rwanda's most important sectors. Rwanda has planned to attain a middle-income country status by 2035 and high-income country status by 2050<sup>63</sup>. The Government is focusing on the development of its economic sectors, with a view to stimulating growth, creation of jobs and reduction in poverty by increasing budget expenditure amounting to about 6 % for the 2023-2024 period relative to the previous financial year as part of an effort to expand macroeconomic growth amidst COVID19 pandemics and

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[diaspora/#:~:text=The%20National%20Diaspora%20Policy%20aims,Diaspora%20contributions%20to%20Nigeria's%20development.](#)

<sup>62</sup> ITA (2022) 'Rwanda - Mining and Minerals,' International Trade Administration (ITA), [https://www.trade.gov/country-commercial-guides/rwanda-mining-and-](https://www.trade.gov/country-commercial-guides/rwanda-mining-and-minerals#:~:text=Rwanda%20is%20one%20of%20the,talcum%2C%20gypsum%2C%20and%20pozzolan.)

[minerals#:~:text=Rwanda%20is%20one%20of%20the,talcum%2C%20gypsum%2C%20and%20pozzolan.](#)

<sup>63</sup> World Bank (2022) 'Rwanda Country Overview,' <https://www.worldbank.org/en/country/rwanda/overview>

uncertainties arising from geopolitical tensions<sup>64</sup>. They have initiated the Rwandan National Investment Strategy (2017) for capacity-building and creating fertile ground to support the emergence of ambitious entrepreneurs. By establishing a favourable environment for doing business, including legal and financial reforms, tax incentives, and private sector-friendly administrative procedures, the strategy also aims to attract foreign investors and the Rwandan diaspora<sup>65</sup>.

According to estimates, around 250,000 to 500,000 (2-5% of the population) Rwandans living abroad contributed an estimated 2% to the GDP in 2016<sup>66</sup>. These transfers are mainly used for Poverty alleviation and Community development. The transfer of funds is a way for families to address their day-to-day livelihood challenges, such as health, education, social security and micro-entrepreneurship. Vulnerable communities in Rwanda are also supported by the Rwandan Diaspora, such as One Dollar Campaign (2008-2010), No Rwandan Left Behind (2016) and the One Cow Per Family (2006-2015) initiative.

See also: Diaspora mapping exercise in UK, Netherlands, Belgium and Germany<sup>67</sup>

### C. Cameroon



Source:<https://www.nationsonline.org/oneworld/cameroon.htm>

Cameroon is a Central African country known for its cultural diversity and natural resources such as oil, gas and minerals ores, high-value timber species, and agricultural products, such as coffee, cotton, and cocoa contributing to the country's economic potential. It has a GDP of about \$45.3 billion according to the World Bank. Apart from agriculture, the upcoming investment opportunities also include renewable energy like solar and hydro; and infrastructure including roads, bridges, logistics and telecommunication.

Commercial banks, microfinance institutions, insurance companies and the stock exchange of Cameroon are involved in the country's banking sector. The regulatory and supervision of the

<sup>64</sup> Reuters (2023) 'Rwanda to increase spending by 5.6% in 2023/2024 budget,' *Reuters*, <https://www.reuters.com/article/rwanda-budget-idINL4N3873G6>

<sup>65</sup> IOM (2018) 'IOM Rwanda: Migration Management Diaspora Mapping, International Organisation for Migration (IOM),' [https://www.iom.int/sites/g/files/tmzbd1486/files/country/EEA/info\\_sheet\\_diaspora.pdf](https://www.iom.int/sites/g/files/tmzbd1486/files/country/EEA/info_sheet_diaspora.pdf)

<sup>66</sup> Giorgia Dona (2019) 'Mapping And Mobilising The Rwandan Diaspora In Europe For Development In Rwanda,' Comparative Report, International Organisation for Migration (IOM), <https://publications.iom.int/system/files/pdf/mapping-and-mobilizing-the-rwandan-diaspora-in-europe-comparative-report.pdf>

<sup>67</sup> IOM (2018) 'IOM Rwanda: Migration Management Diaspora Mapping'.

financial system is carried out by the Bank of Central African States (BEAC). The Douala Stock Exchange is the central agency to facilitate stock exchange transactions and functions in Cameroon, however it is often criticised for not yet being able to reach near its full potential and needs development to attract investors and help companies to increase their capital easily<sup>68</sup>.

It has a total population of around 28.6 million people with about 4 million Cameroonians living abroad and engaged in diverse fields, including education, healthcare, business, science and technology<sup>69</sup>. It has received around \$430 million (2021) as remittances (around 1% of the GDP), with France contributing around \$94 million. DDI can focus on Cameroon's agriculture sector development as it employs around 70% of the workforce and contributes around 80% to the primary sector's GDP. Moreover, agriculture generates one-third of foreign exchange earnings and accounts for around 15% of the country's GDP. Despite its huge potential, agriculture in Cameroon faces various obstacles, which restricts it to meet the country's growing food demands<sup>70</sup>.

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<sup>68</sup>Alain Ndedi, Denis Kuete, Kingsley Mua and Jules Banaken (2015) 'The Douala Stock Exchange (DSX) in Cameroon and Its Discontents,' *Social Science Research Network*, <https://doi.org/10.2139/ssrn.2678897>

<sup>69</sup> IOM (2023) 'How the Diaspora Contributes to Development in Cameroon,' Blog Post, International Organization for Migration (IOM), <https://weblog.iom.int/how-diaspora-contributes-development-cameroon#:~:text=According%20to%20national%20estimates%2C%20Cameroonian,Canada%20and%20the%20United%20States>

<sup>70</sup> WWF Cameroon (n.d.) 'WWF Cameroon Strategic Vision on Food and Agriculture,' [https://cameroon.panda.org/our\\_work/food\\_and\\_agriculture/](https://cameroon.panda.org/our_work/food_and_agriculture/)