

High-level Policy Dialogue: Leveraging Diaspora Resources for Growth and Structural Transformation of the Ethiopian Economy

Addis Ababa, Ethiopia
(23-24 December 2015)

The need for well-managed diaspora engagement in home country development covering a broad range of areas - poverty reduction, economic growth, investment and trade - is gaining heightened importance in national, regional and global discourse on socio-economic development.

Indeed, evidence from both developing and emerging economies show that remittances and direct investments by the diaspora in the country of origin play a prominent role in poverty alleviation, economic growth and overall development. But the contributions of the diaspora is not confined to financial flows only, but also to knowledge transfer, entrepreneurship and serving as important agents of trade between the country of origin and country of destination.

As such, today, governments and international organizations are seeking ways and means to enhance the participation of diaspora in socio-economic advancement of home countries, especially developing countries.

This calls for consistent efforts not only for mobilization of and collaboration with diaspora communities, so as to maximize their potential impact, but also the need to perfect pro-diaspora policies and to create institutional and legal frameworks that will facilitate the contributions of the diaspora in their home countries.

Such efforts function better when policies towards diaspora are accompanied by conducive and enabling environments and the incentives and policy directions are clearly defined and aim at building productive capacities and promoting structural economic transformation.

UNCTAD has consistently argued that the pathway to accelerated and sustained growth and development is through productive capacity building and movement up the value, technology and productivity ladder through structural transformation.

The Diaspora can play a critical role in all these areas through remittances and knowledge transfer through Diaspora knowledge-network.

In the past decade, Ethiopia has made substantial progress in mobilizing its Diaspora and creating an environment conducive to engagement of the Diaspora in Ethiopia's development.

Most notably, it has set up the Diaspora Engagement Affairs Directorate General in the Ministry of Foreign Affairs in 2002 and has issued the Ethiopian Diaspora Policy in 2013. Substantively, the policy document includes both norm-setting policies and policies related to an enabling environment.

Notwithstanding these efforts, important challenges and limitations persist, undermining the full mobilization and engagement of the Ethiopian Diaspora in the country's socio-economic transformation, including in the context of its Second Growth and Transformation Plan (GTP II). Therefore, there is considerable scope to further improve the diaspora policy and strategy as well as the overall enabling environment.

With this understanding in mind and at the request of the Government of Ethiopia, UNCTAD carried out a comprehensive study on how to enhance the role of the Ethiopian Diaspora in the socio-economic transformation of the country.

The preliminary findings and conclusions of the study were presented at the first Conference on the Ethiopian Diaspora which was held in Addis Ababa in August 2015.

The full study will be presented at a High-Level Policy Dialogue to be organized jointly by the Ministry of Foreign Affairs of the Federal Democratic Republic of Ethiopia and UNCTAD on 23-24 December 2015.

The participants to the High-Level meeting will include high-level Government officials, representatives of the diaspora community in Ethiopia, officials responsible for Diaspora affairs in regional governments, representatives of international organizations and other stakeholders.

The two-days meeting will cover substantive policy and technical (operational) issues, building on the findings and conclusions of the UNCTAD study and drawing on experiences and best practices from successful developing countries.

The first day of the policy dialogue will focus on:

- The role of the diaspora in promoting trade and development as well as fostering productive capacities and structural economic transformation (**Theme I**)
- The challenges, opportunities and prospects for harnessing the potential of the Ethiopian diaspora for socio-economic development of the country (**Theme II**)

The findings and policy conclusions of UNCTAD's studies (on the Ethiopian diaspora and remittances) will also be presented during this session.

The second day will be devoted to exploring and critically examining the experiences of other developing countries (**Theme III**).

The final session of the second day of the dialogue will explore in-depth the way forward with a focus on identification of concrete policy measures and priority actions for the successful implementation of the Ethiopian diaspora policy (**Theme IV**).