

Compendium on Best Practices in DIASPORA ENGAGEMENT in the Western Balkans



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Title: Compendium on Best Practices in Diaspora Engagement in the Western Balkans

Publisher: Regional Cooperation Council

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2022

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* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence





List of Abbreviations and Acronyms

ADA	Austrian Development Agency
ADC	Austrian Development Cooperation
B2B	Business to Business
BAM	Bosnia and Herzegovina Convertible Mark
BMZ	German Federal Ministry for Economic Cooperation and Development
CA	Connect Albania
CFD	Computational fluid dynamics
DAC	Development Assistance Committee
DACH	Germany (D), Austria (A) and Switzerland (CH)
DCA	Development Credit Authority
D4D	Diaspora for Development
ERP	Economic reform programme
EU	European Union
FB	Facebook
FDI	Foreign Direct Investment
GDP	Gross domestic product
GCM	Global Compact for Safe, Orderly and Regular Migration
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
HERIC	Higher Education and Research for Innovation and Competitiveness project
HR	Human resources
INSTAT	Statistical Agency of Albania
IOM	International Organisation of Migration
ILO	International Labour Organisation
IPA	Instrument for Pre-Accession Assistance
LSG	Local Self Government
IT	Information technology
M&D	Migration and Development
M&E	Monitoring and Evaluation
MLEVSA	Ministry of Labour, Employment, Veteran and Social Policy
MHRR	Ministry of Human Rights and Refugees of Bosnia and Herzegovina
OMSA	Organisation of Montenegrin Students Abroad
PMD	Global Programme Migration & Diaspora
R&D	Research and Development
RDA	Regional Development Agency
SDC	Swiss Development Cooperation
SDG	Sustainable Development Goal
MSMEs	Micro, Small and Medium Sized Enterprises
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
WB	Western Balkans




Introduction

Diaspora groups are potentially powerful actors in international affairs, foreign assistance and foreign policies of their homelands. Diasporas contribute significantly to the development of both destination (host) and origin (home) communities, providing varied social, economic and cultural impact. Diaspora members send funds home to help finance basic goods and services for friends and family members. Diasporas help mitigate shocks and support recovery from crises. They invest capital in their home communities to improve lives and to generate financial returns. They transfer the knowledge and skills honed through years or decades spent abroad back to their communities of origin. Diasporas are the ambassadors of their homelands and the embodiment of their homeland's image abroad, often instrumental in forging ties between destination and origin communities. In the context of the Western Balkans, a region with less than 18 million residents and more than 10 million diaspora members residing abroad, the engagement of its diaspora with all its potential development contributions is a clear imperative.

Over the past several decades, the citizens of Western Balkan economies have largely followed similar emigration trends and patterns. While emigration from the region was evident even in the early decades of the last century, a more pronounced trend was observed during the second half of the 20th century when many, mostly low-skilled workers from the region sought better opportunities overseas (in the US, Australia and Canada) or in Europe, either through their initiative or through structured, government-sponsored guest worker programmes. This early emigration was followed by another, larger wave of emigrants escaping the wars and political

strife in the region during the 1990s, again mostly to EU Member States and then onwards to more distant overseas destinations. While this emigration trend was reversed in the late 1990s and early 2000s, this did not last; emigration again picked up speed and continued accelerating, with a pronounced spike over the past decade. With the acceleration of emigration from the region, another important development occurred – the emigrants became younger and more educated than ever before, threatening to further deplete the demographic, economic and social potential of the region. Overall, and viewed through relevant international standards, the region has produced an uncommonly large diaspora with an exceptionally large share of the population living abroad: the figures range from 42% and 46% for Albania and Bosnia and Herzegovina, to 14% for Serbia. In 2020, the stock of migrants from the region exceeded 4.6 million - a level similar to that of Poland's which has a population double that of the entire WB.¹

The EU ranks high among the preferred destinations for Western Balkans emigrants. The geographical proximity of the EU, its higher wages, high-quality educational and health systems and better living standards, along with a more stable political environment have been some of the key pull factors for outward migration from the Western Balkans. On the other hand, lacklustre growth within the region following the 2007 global financial crisis, combined with fragile institutions at home and high levels of perceived corruption, have all combined to form strong push factors for this outward migration. These factors were further reinforced by the recent backslide in the rule of law, democracy and freedoms in the region which have increasingly become a key consideration in de-

 ¹ European Training Foundation (2022), 'Use it or lose it!': How do migration, human capital and the labour market interact in the Western Balkans? <https://www.etf.europa.eu/en/publications-and-resources/publications/use-it-or-lose-it-how-do-migration-human-capital-and-labour>



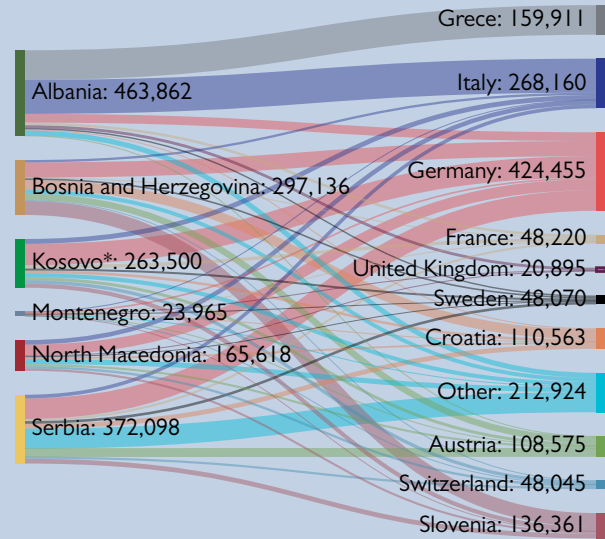
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cluding to emigrate, particularly for young people², as have environmental issues and pollution³.

However, the level of emigration seen over the past decade would hardly be possible if it were not for a fairly liberal attitude of the EU when it comes to Western Balkans labour migration. Germany in particular welcomes extraordinarily high numbers of migrants from the region. In fact, of the 1.6 million first permits issued to Western Balkans citizens by EU member states over the past decade (2011-2020), more than 424 thousand or 27 per cent were issued by Germany (Figure 1)⁴. Germany is also by far the biggest destination economy for emigrants from all Western Balkan economies, except for Albania, with emigration to Germany ranging from 27.7 per cent of all emigrants in Bosnia and Herzegovina to 43.8 per cent in Kosovo*. As favoured destination economies, Germany is followed by Italy and Greece (both predominantly chosen by Albanian emigrants), Slovenia, Croatia, Austria and others. While these numbers reflect only the emigration trends relating to the EU and omit data from other, overseas, destination economies, they are still indicative of the overall emigration trends. Finally, some of the citizens receiving permits to reside, study and work in the EU have since returned to their economies, but many have stayed. According to the World Bank, the overall population of the six Western Balkan economies have shrunk by almost 1 million during the last decade - from 18.4 million in 2011 to 17.5 million in 2020. Between 2001 and 2019, the working-age population of the region declined by 784,700, or almost 7%. Bosnia and Herzegovina in particular experienced a shocking drop in its working age population of almost 20%, followed by Serbia with -8.5%⁵. While some of this negative population growth can be attributed to natural demographic decline of low birth and fertility rates, emigration still remains the single

Figure 1: Top ten destinations for WB emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)



Source: World Bank, World Development Indicators, 2021 and authors' calculations

largest contributor to this trend, especially as nearly half of all 2020 migrants from the region belong to the 20-44 age group, i. e. the prime age cohort⁶. The repercussions of migration and brain drain are especially relevant in the long run as they significantly and negatively affect the structure of the population in terms of age, gender and level of education. This in turn affects the composition of the workforce, and therefore productivity growth as well as innovation and attractiveness to foreign investors. Decelerating emigration, countering its negative effects, and seizing diaspora's potential is a long and complex process. It requires both origin and destination economies to acknowledge their roles in existing migration

2 The Crisis of Democracy in the Western Balkans. An Anatomy of Stabilitocracy and the Limits of EU Democracy Promotion, BIEPAG, March 2017, <https://biepag.eu/wp-content/uploads/2021/07/TheCrisisofdemocracy.pdf>

3 One Way Ticket No More: Seven Ideas For A Prosperous Western Balkans, Background Paper, October 2020, <https://www.rycowb.org/wp-content/uploads/2020/10/One-Way-Ticket-Not-More-Seven-Ideas-for-a-Prosperous-Western-Balkans.pdf>

4 Eurostat, First permits by reason, length of validity and citizenship, 2021

5 ETF unpublished script, forthcoming

6 ETF unpublished script, forthcoming



patterns and it demands coordination of their efforts in designing and implementing targeted and effective policies to address the challenge. Three key areas for action should be carried out:

- First, governments and societies at large in the societies of origin need to approach those who leave – or those who do not want to return but are still engaged – as future investors, sources of knowledge transfer, or bridge-builders to share their networks with people in their societies of origin;
- Second, the governments of societies of origin need to improve domestic political, economic, and natural environments to encourage those who would like to stay as well as those who would like to return to see a future in their home economies; and
- Third, governments of destination economies need to put in place credible instruments for coordination and cooperation on migration, and embed demographic considerations across their policy to help reduce, rather than increase, the disparities between the societies of origin and the destination economies.

The purpose of this Compendium is to focus on this first area of action by collecting and systemising information on diaspora engagement practices in the Western Balkans in recent years. This purpose will be achieved by sharing innovative policies, programmes, projects, and business models which have been implemented in the Western Balkans region. It directly responds to the desire outlined by the participants of the Regional Cooperation Council's Working Group on Diaspora to gain a better knowledge of their diasporas, and to strengthen their economic and social development contributions.

This Compendium outlines the state of play in each of the WB economies in terms of institutional and regulatory environment for cooperation with, and engagement of diaspora. While the region's twin post-conflict and post-socialist transitions have heavily influenced individual WB governments' interactions with their diasporas, all the region's political leaders

share a clearly articulated commitment towards a more dynamic relationship with their communities abroad. The region has accordingly witnessed a proliferation of policies and institutions designed to extract maximum value from its diaspora, while simultaneously attempting to curb unrestrained outward migration that may bring about a situation where the value of growing remittances is offset by the uncontrolled and permanent stripping of the economies' human capital.

The Compendium will also showcase new and innovative approaches, providing guidance on the extent to which some of the initiatives illustrated can be replicated by other economies in the region. The publication is divided into economy-level sections and mainly focuses on initiatives fostering economic and social development contributions of diasporas. Each of the economy sections provides a summary overview of each economy's diaspora and its regulatory and institutional setup, followed by factsheets on new and innovative initiatives that have been recently implemented to help engage diasporas in economic and social development.

This Compendium intends to go beyond traditional mappings of diaspora engagement practices. It has consolidated existing literature and mapping exercises, and consulted key stakeholders and thematic experts, with the objective of highlighting new innovative policies, programmes and projects. In particular, it focuses on initiatives adopted in the Western Balkans that participating economies can learn from. Since the emphasis of the Compendium is on promoting mutual learning between partners and peers, the initiative factsheets assess "replicability" and "scalability" of each presented initiative. This indicative assessment gives an idea of how easy (or difficult) it is for other economies to adopt the initiative in question based on its cost, complexity and other aspects.

The Compendium was prepared by the Regional Cooperation Council Secretariat with external technical assistance and support. The development process involved an extensive review of recent dias-



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pora engagement literature and a wide-ranging consultation of diaspora engagement policymakers and practitioners from the Western Balkans partner governments, international organisations, civil society and private sector operators. As with all documents that record and chronicle significant societal change, especially against the dramatic backdrop of current global and regional affairs, the Compendium should be viewed as merely a starting point in the process of continuously growing and updating the body of knowledge on diaspora engagement in the Western Balkans.



Diaspora Engagement Practices in the Western Balkans

Albania

Overview

Due to its communist past and the subsequent advent of the multi-party system of governance in the early 1990s, Albania's diaspora is also categorised according to those two time periods. According to the Institute of Statistics of Albania (INSTAT), the "old diaspora" refers to those Albanian citizens who left the economy between 1940s and 1990, or even earlier in some instances. The so-called "new diaspora" coincides with the migration wave commencing after 1990 and the fall of communism.⁷ The information outlined below, as well as any reference to the Albanian diaspora in the text, refers to this "new" wave that started in the early 1990s and onwards.

According to 2020 estimates from INSTAT, around 1.68 million Albanian citizens live abroad, which represents around 37% of its total population.⁸ Another estimate, taken from the draft National Strategy on Diaspora and Action Plan 2021-2025, places the number of Albanian citizens living abroad at around 1.44 million.⁹

The largest percentage of the Albanian migrants live in Greece and Italy (around 75%), while the rest are dispersed in countries such as the United Kingdom, Germany, France, Sweden, Belgium, Croatia, Austria, Malta, and other countries.

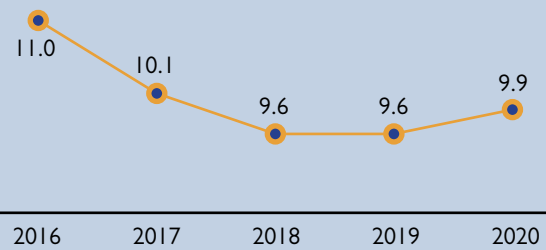
⁷ Diaspora e Shqipërisë në shifra, INSTAT, 2020, <http://www.instat.gov.al/media/7848/diaspora-ne-shifra-2020.pdf>

⁸ Diaspora e Shqipërisë në shifra, INSTAT, 2020, <http://www.instat.gov.al/media/7848/diaspora-ne-shifra-2020.pdf>

⁹ Projekt Strategjia Kombëtare për Diasporën dhe Plani i Veprimit, 2021-2025, p. 7. [https://konsultimipublik.gov.al/documents/REN-JK_224_Projekt-Strategjia-Kombetare-e-Diaspores-2021-2025%20\(1\).pdf](https://konsultimipublik.gov.al/documents/REN-JK_224_Projekt-Strategjia-Kombetare-e-Diaspores-2021-2025%20(1).pdf)

Figure 2: Key diaspora statistics in Albania

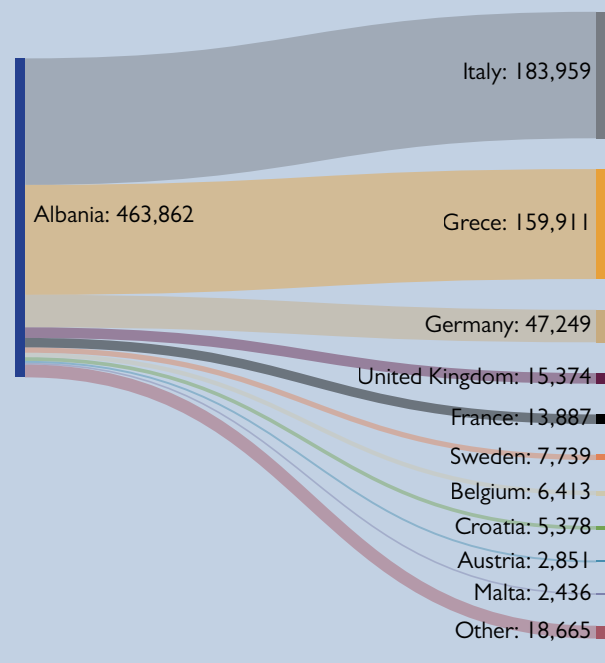
Population: 2.8 million (World Bank, 2020)
Diaspora size: 1.44 million (Instat estimate)
Remittances as % of GDP:



Source: World Bank, World Development Indicators, 2021

Top ten destination economies for Albanian emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)





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ed States, Germany, the United Kingdom, Canada, Belgium, etc. Almost 90% of emigrants indicate economic reasons as dominant in their decision to emigrate. The rest leave the economy for reasons of uniting with family members, education, etc.¹⁰ Official data from the censuses of 2001 and 2011 show that between 1990 and 2001 more than 600,000 Albanian citizens emigrated, while in the decade commencing in 2001 some 481,000 citizens left the economy.¹¹

The above data indicates that since the early 1990s, Albania has witnessed one of the largest migration processes, both in terms of “the relative scale (in proportion to the economy’s population) and intensity of international migration”¹². Furthermore, all indications continue to show that Albania is still locked in a pattern of emigration, and as such is yet to reach a point of balance between emigration and return/immigration.

In addition to the legal framework, which will be elaborated further below, a few years ago the government embarked on a drive to accelerate cooperation with the diaspora community and bring them closer by way of brain gain and economic investment to the society of origin. With that in mind, between 18 and 20 November 2016 the government hosted the First Summit of Diaspora in Tirana under the slogan *Undivided for Albania*, with around 1,000 participants coming from 40 economies. In its joint statement the Summit organisers underscored the need to intensify “cooperation, communication and interaction” between the diaspora and the homeland. In this regard, the representatives of the Summit agreed to:

1. *Increase efforts towards institutional development*, which highlights the importance of providing an

opening space for the diaspora to invest in Albania. With that in mind, the Summit organisers committed to establishing a Council of the Albanian Diaspora, whose role would be to lead the cooperation with the diaspora.

2. *Undertake the registration of Albanian citizens in the diaspora*, which should lead to the creation of an Atlas of the Albanian Diaspora in the world. Such a registration process would, first and foremost, provide the government with data on the actual numbers of its diaspora population scattered around the world, but secondly it would enable them to utilise the exchange of professional and academic expertise located within the diaspora.
3. *Support for economic development*, which entails providing easy access for diaspora members into the Albanian market, for them to invest or embark on other economic exchange.
4. *Support for the diaspora*, which means paying closer attention to the needs to the diaspora communities in so far as the learning of the Albanian language and the culture in general is concerned. Embassies and consulates are to be given extra emphasis on supporting initiatives that are aimed at facilitating, for instance, language courses for children in the diaspora.¹³

On 1 and 2 March 2019 the Albanian government organised the second Summit of the Diaspora. However, the momentum gained during the first summit had waned somewhat, with complaints of the politicisation of the process and disgruntled voices of those who had not been invited to join the event.¹⁴ Nevertheless, the second summit built on some of the initiatives spearheaded during the first summit, which resulted in the establishment of agencies and institutions such as the National Agency on Dias-

10 Diaspora e Shqipërisë në shifra, INSTAT, 2020, <http://www.instat.gov.al/media/7848/diaspora-ne-shifra-2020.pdf>

11 Research Study into Brain Gain: Reversing Brain Drain with the Albanian Scientific Diaspora, p. 10, https://www.undp.org/content/dam/albania/docs/Brain_Gain%20web.pdf

12 New trends in potential migration from Albania: the migration transition postponed?, p. 147. https://www.researchgate.net/publication/331571437_New_Trends_in_Potential_Migration_from_Albania

13 Samiti i Parë i Diasporës Shqiptare, <http://www.ambasadat.gov.al/united-nations/sites/default/files/Deklarata-e-Samitit-te-Pare-te-Diaspores-revised.pdf>

14 Samiti i Dytë i Diasporës – Përpjekje serioze apo fasadë në retorikën e radhës - <https://www.dw.com/sq/samiti-i-dyt%C3%AB-i-diaspor%C3%ABs-p%C3%ABr-pjekje-serioze-apo-fasad%C3%AB-n%C3%AB-retorik%C3%ABn-e-radh%C3%ABs/a-47734003>



pora¹⁵, the Publication Centre for Albanians of the Diaspora¹⁶, or the Development Fund of Diaspora.¹⁷

Until a few years ago, the government's public policies vis-à-vis the Albanian diaspora were generally under the sporadic influence of donors and civil society. In 2004, the government adopted its first National Strategy on Migration 2005-2010, which was put together with the financial help of the European Union (EU) and the International Organisation for Migration (IOM). This was the first document that aimed to establish organised and institutional connections between the society of origin and its diaspora.

The legal framework underpinning the government's efforts to increase cooperation with the diaspora is built upon the Law 16/2018 on the Diaspora.¹⁸ The Law envisages the creation of National Agency on Diaspora¹⁹ as the key governmental body responsible for relations with the diaspora. While the Agency is supposed to complete the functions of a "technical secretariat", the Law envisages the creation of a Coordinating Council on Diaspora whose role it is to act as an oversight body. This Council is comprised of fifteen members from the diaspora, whilst participants in its proceedings come from the office of the Prime Minister, responsible Ministries, National Chamber of Trade and Industry, etc.

Moreover, the Law also envisions the creation of Cultural Centres on Diaspora whose tasks, among others, are to "preserve and cultivate the national, linguistic, cultural and educational identity of the diaspora". Moreover, such Centres are meant to "stim-

ulate scientific, technical, technological, economic cooperation as well as that in sports"²⁰. The Law also underlines the importance of teaching and learning in Albanian language abroad, placing the government and the responsible ministry in charge of ensuring support with school curricula and other documents. Lastly, the Law foresees a National Fund for Development of Diaspora, whose mission it is to secure and distribute finances that will help the diaspora to engage in investments and philanthropic endeavours in the society of origin.²¹

In view of its drive of the last few years to build more bridges with the diaspora, in 2018 the Albanian government passed the National Strategy on Diaspora 2018-2024 and the Action Plan.²² The Strategy laid out the strategic objectives which relate to completing the policy-making infrastructure on the diaspora, and preparing the public administration for a "new level of state relations with the diaspora".²³ It is this Strategy that ushered the way for the creation or consolidation of a gamut of institutions and agencies whose overall aim is to bring the diaspora closer to the society of origin. Such is the case, for instance, with the establishment of the National Agency on Diaspora, the Albanian Fund for Development of Diaspora, the Publication Centre for Albanians of Diaspora, the Coordinating Council on Diaspora, etc.²⁴

Since then, under the leadership of the Minister of Diaspora and based on the recommendations of the second Summit of the Diaspora (1 and 2 March 2019), on 22 July 2020 the government adopted a new National Strategy of the Alba-

15 <http://akd.gov.al/>

16 <http://qbd.gov.al/>

17 <https://www.adfd.al/>

18 <https://diaspora.gov.al/wp-content/uploads/2018/12/LIGJI-Nr.16-P%C3%8BR-DIASPOR%C3%8BN-dat%C3%AB-5.4.2018.pdf>

19 <http://akd.gov.al/>

20 <https://diaspora.gov.al/wp-content/uploads/2018/12/LIGJI-Nr.16-P%C3%8BR-DIASPOR%C3%8BN-dat%C3%AB-5.4.2018.pdf>

21 <https://diaspora.gov.al/wp-content/uploads/2018/12/LIGJI-Nr.16-P%C3%8BR-DIASPOR%C3%8BN-dat%C3%AB-5.4.2018.pdf>

22 <https://diaspora.gov.al/wp-content/uploads/2018/05/STRATEGJIA-KOMBETARE-E-DIASPORES-2018-2024-DHE-PLANI-I-VEPRIMIT.pdf>

23 <https://diaspora.gov.al/wp-content/uploads/2018/05/STRATEGJIA-KOMBETARE-E-DIASPORES-2018-2024-DHE-PLANI-I-VEPRIMIT.pdf>

24 <https://diaspora.gov.al/wp-content/uploads/2018/05/STRATEGJIA-KOMBETARE-E-DIASPORES-2018-2024-DHE-PLANI-I-VEPRIMIT.pdf>



nian Diaspora 2021-2025, which reviews and updates the previously adopted Strategy 2018-2024.²⁵

The mission of the latest National Strategy is to empower the role of diaspora in development of the society of origin through their knowledge, expertise and experience. Moreover, the document expresses a hope that it will help create a feeling of trust between the diaspora and the public institutions of Albania. The Strategy is led by the following “strategic objectives”:

- Creating networks of diaspora (such as business networks, information and media networks, women networks, etc.)
- Creating a Trade and Business Chamber for Diaspora which would focus on the economic development of the economy.
- Developing a professional network of the diaspora, in coordination with Kosovo*.
- Albania will utilise the practice of “open invitations” for projects coming from the diaspora, which involve professionals who are interested to either come back or invest in one way or another back in the economy. This is part of the government’s efforts to expedite brain gain.
- Preservation of Albanian identity and the role of public institutions in this regard.
- Preservation of written and spoken language, and songs. In collaboration with Kosovo* authorities, Albanian government is committed to developing curricula and texts for the diaspora.
- Organising Albanian communities abroad.
- Creating a database of diaspora organisations.²⁶

Factsheet: Engaging the Albanian Diaspora

Description

To create an environment that supports diaspora’s engagement, the IOM has implemented the programme Engaging the Albanian Diaspora to the Social and Economic Development of Albania. The programme was implemented from October 2017 to December 2021.

The programme was funded by Italian Cooperation, with the political commitment of the Italian Ministry of Foreign Affairs and International Cooperation (MAECI) and the operational involvement of the Italian Agency for Development Cooperation (AICS). It was implemented by IOM alongside the Ministry for Diaspora, the Ministry for Europe and Foreign Affairs and the Ministry of Finances and Economy.

The three-year programme has supported the Government of Albania in implementing a comprehensive approach towards diaspora engagement. The main focus was on the 500,000-people strong Albanian diaspora in Italy.

The programme was implemented through three components:

- The first component focused on supporting the Government of Albania’s approach towards diaspora engagement in line with the overall policy framework. Various activities included capacity building and physical infrastructure support to institutions created by Minister for Diaspora, as well as equipment and technical assistance to partner institutions; study visits; trainings; and the engagement of international and local experts on diaspora policy.
- Facilitating diaspora know-how and skills transfer was the focus of the second component. The

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²⁵ <https://diaspora.gov.al/wp-content/uploads/2020/07/STRATEGJIA-KOMBETARE-E-DIASPORES-2021-2025-5.pdf>

²⁶ <https://diaspora.gov.al/wp-content/uploads/2020/07/STRATEGJIA-KOMBETARE-E-DIASPORES-2021-2025-5.pdf>



programme conducted mapping and profiling of Albanian diaspora in 5 Italian regions, and a snapshot of diaspora in France and Belgium as a means to focus policy development and implementation as well as to contribute to the creation of a repository of Albanian diaspora skills and knowledge. Fellowship opportunities in Albanian Government institutions for diaspora members (including Arberësh) in Italy, France and Belgium were provided.

- The third component concentrated on diaspora investment facilitation. This was achieved through Connect Albania, an innovative mechanism and online platform to incentivise investment. Connect Albania facilitates the engagement of the Italy-based Albanian diaspora on attracting and boosting the potential investment among Albanian and Italian community through this mechanism. A Connect Albania Unit is established under the Albanian Diaspora Business Chamber (ADBC) to support the mechanism and the “Development Agents”, and through them, the investors.

Objectives

The key objective of the programme was to support structured engagement of Albanian diaspora with the homeland through diaspora policy support, transfer of diaspora knowledge to institutions back home, and increase of foreign investment with diaspora facilitation.

Results and Lessons Learned

The programme attained some important outcomes from its various activities. Under the policy support, technical assistance provided to the Government contributed to the development of the National Diaspora Strategy and Action Plan (2021–2025)²⁷, Diaspora Communications Strategy and Action Plan (2021–2025) and the implementation of outreach activities in Italy and Albania for the 2nd Diaspora Summit.

Better understanding of the socio-economic profile and knowledge base of the Albanian diaspora was achieved through the Mapping and Profiling the Albanian Diaspora research conducted in five Italian regions and an overview of Albanian diaspora for France and Belgium.

Capacity building was conducted for various ministries and institutions, including diplomatic offices abroad. 17 public officials engaged with the diaspora were certified on Fundraising and Project Cycle Management, including training of trainers (ToT), in collaboration with the Albanian School of Public Administration (ASPA).

In terms of the fellowship programme, diaspora members supported 7 local experts engaged in the implementation of the National Strategy of Diaspora and Action Plan (2021–2025). Eight Albanian diaspora organisations and Italian associations/NGOs worked on the local, tourism and agricultural development of Albania through exchange of experiences between Albania Diaspora Associations in Italy and Local Associations in Albania. Six diaspora researchers supported the territorial development and tourism through the Five Albanian Villages study (Përmet: Leusë, Bënjë and Kosinë, Vloa: Zvërnec, Shkodra: Razëm) and related Guidelines for cultural monuments. 18 diaspora experts were seconded to Albanian institutions at home and in Italy (Albanian Embassy and Consulates) and contributed to developing strategic documents. Finally, under the EU Fellowship scheme, IOM supported the Government of Albania in mobilising highly skilled diaspora professionals in the process of EU approximation. A total of 38 Diaspora members/fellows (as of March 2021), mainly residents of Italy, Germany, Belgium and Switzerland have been engaged to contribute to three different categories of EU accession work: liaison, research and benchmarking.

As for investment support, the programme assisted in establishing the Connect Albania²⁸ platform during December 2000. Connect Albania (CA) is an

²⁷ <https://diaspora.gov.al/wp-content/uploads/2020/12/STRATEGJIA-KOMBETARE-E-DIASPORES-2021-2025-ENG.pdf>

²⁸ <https://www.adbc.al/en/iom-albania-diaspora-programme/>



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investment support and facilitation mechanism that assists and provides financial incentives to diaspora members in attracting FDI into Albania. Styled after the Connect Ireland mechanism, CA certifies diaspora Development Agents - FDI intermediaries – and provides them with financial incentives for FDI leads that create new jobs in Albania. Over 20 diaspora Development Agents have been certified so far and six legal and financial experts were hired to support the Connect Albania mechanism. In terms of the outreach, the programme supported organisation of three economy presentations and more than 10 outreach events in Italy, along with the preparation of 25 standardised documents on investments. Media campaign reaching over 500,000 Diaspora members has been developed.

Constraints and challenges

While the programme did not outline specific implementation-related constraints and challenges, it did however discuss the challenges relating to the general environment that is often not conducive to diaspora engagement and investment. This is also explicitly stated in the National Diaspora Strategy as well, which notes that “weak institutions and difficulties in law enforcement also affect the efforts and prospects of immigrants to return and settle in the homeland especially when they encounter difficulties in establishing private companies, or in relations with the public administration.” This further illustrates the fact that engagement practices alone, without addressing deeper underlying issues in the Western Balkan economies, will not yield optimal results.

Replicability and scalability

Given the modular nature of the programme, the replication of various components of the programme in other economies of the region should/would not be a complex endeavour. In fact, many of the programme’s components and activities are already encountered in other initiatives throughout the region, including the technical assistance to support the policy work, facilitating diaspora investment and

the knowledge transfer. Out of the three components, the investment work would require the most resources if the investment incentive programme is to be replicated, as government involvement in this area should be imperative for several reasons. First, it would be necessary to establish sectoral and technology priorities for investment incentives, in line with the government’s own strategic framework; second, the programme should be aligned with existing competition and state-aid rules; and finally, adequate resources should be planned in the budgets to support the initiative over the long term.

In terms of regional scalability, the diaspora knowledge transfer component would probably work best in the regional setting as it would enable more comprehensive cooperation between the governments, various diaspora communities, and research and education institutions in the region. Clear eligibility criteria and economy-level thresholds could be established to avoid any perception of unfair competition between the economies. However, the key prerequisite for any successful regional knowledge transfer/brain circulation programme is an in-depth mapping and knowledge of diaspora capacities and potentials.



Bosnia and Herzegovina

Overview

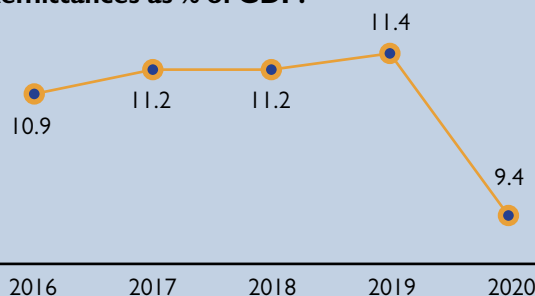
According to the estimates published by the Ministry of Human Rights and Refugees of Bosnia and Herzegovina (MHRR), the people of Bosnian and Herzegovinian descent settled abroad (in 51 host societies) numbers approximately 2 million or 60% compared to Bosnia and Herzegovina resident population of 3.3 million estimated in 2020 by the World Bank. This relative size of Bosnia and Herzegovina diaspora is the largest among the economies in the Western Balkans region and is amongst the highest in Europe.

Most data about Bosnia and Herzegovina migration indicate that the Bosnia and Herzegovina diaspora is more educated than the population of Bosnia and Herzegovina - one third of Bosnia and Herzegovina emigrants have finished higher education²⁹. This suggests that the diaspora may be an important source of human capital and a potential conduit for knowledge transfers. However, the educational profile of Bosnia and Herzegovina emigrants varies between receiving economies. Around 55% of emigrants from Bosnia and Herzegovina in Australia have tertiary education, as do around 40% of emigrants in SAD and around 30% in Sweden³⁰. The percentage of Bosnia and Herzegovina emigrants with tertiary education is the lowest in Slovenia, Germany, Austria and Switzerland. In contrast to the high unemployment levels in Bosnia and Herzegovina, the majority of Bosnia and Herzegovina emigrants are economically active and employed, and on average, the employment rate of Bosnia and Herzegovina diaspora labour force is around 80%³¹.

It is estimated that the primary sectors of employment of Bosnia and Herzegovina migrants are construction, service/tourism and manufacturing sectors³², although this might be different in different host economies. There are also large numbers of

Figure 3: Key diaspora statistics in Bosnia and Herzegovina

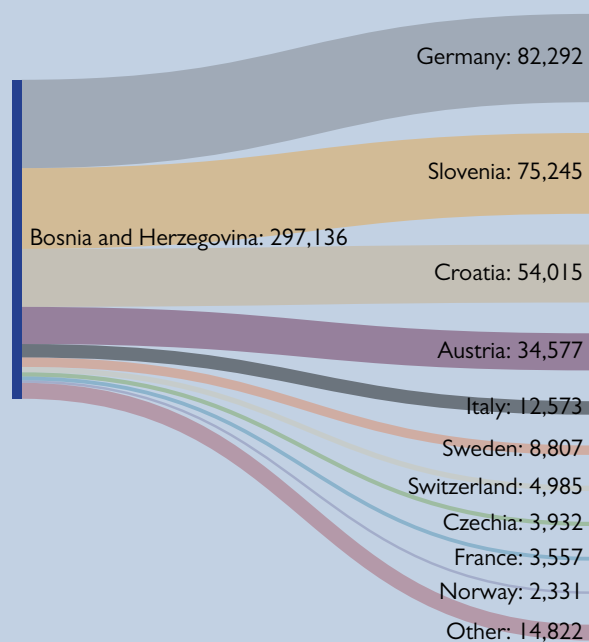
Population: 3.3 million (World Bank, 2020)
Diaspora size: 2 million (IOM estimate)
Remittances as % of GDP:



Source: World Bank, World Development Indicators, 2021

Top ten destination economies for Bosnia and Herzegovina emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)



migrants from South East Europe employed in these sectors, although compared to other SEE economies, there is a significant number of Bosnia and Herzegovina migrants in management positions. Considering

29 IOM, 2007

30 Overview of Bosnia and Herzegovina Diaspora, MHRR, 2014

31 Overview of Bosnia and Herzegovina Diaspora, MHRR, 2014

32 IASCI/IOM, 2010



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education and employment level, existing data suggests that Bosnia and Herzegovina migrants are not underemployed.

Ethnicity remains an important consideration in the organisation of the Bosnia and Herzegovina diaspora with affiliation often influenced by membership in a particular ethnic group. Class differences, as well as the rural vs. urban divide, also play a role in further fragmenting diaspora identification and organisation. In general, it is important to acknowledge that existing studies on the Bosnia and Herzegovina diaspora indicate the high heterogeneity and diversity of the Bosnia and Herzegovina diaspora³³. A key aspect of this heterogeneity relates to the period and circumstances under which Bosnia and Herzegovina citizens migrated. The Bosnia and Herzegovina diaspora should be defined through three periods: pre-war, war and post-war emigration period.

The pre-war period refers to the emigration before the 1990s, when the migrants from Bosnia and Herzegovina – as members of the former Yugoslavia – emigrated mainly for economic reasons. The main destinations for migrants were the former Yugoslav republics, as well as numerous Western European countries such as Germany, where thousands migrated under the guest workers schemes. Other destinations included the USA, Canada and Australia.

The war period refers to the period between 1991 and 1995. This period witnessed the largest outflow of refugees – between 1992 and 1995 more than 1.2 million Bosnia and Herzegovina citizens left the economy and settled abroad, while there was around 1 million of internally displaced persons. In other words, every second person in Bosnia and Herzegovina was forced to leave their home. During the conflict, the main emigrant receiving economies were Croatia (262,620), Germany (240,000), Austria (133,585), Serbia (131,108), USA (120,655), Slovenia (97,142), Switzerland (59,222) and Sweden (56,290). For most of the receiving economies the number of Bosnia and Herzegovina refugees was stable during the war period

1992-1995, but later, in some economies such as Croatia, Serbia, Montenegro, Slovenia, Austria, Italy, Hungary, Netherlands, North Macedonia, Germany, Switzerland and Turkey, this number considerably declined over time. These fluctuations were caused by return migration, but also by the migration to third countries. People started to return to Bosnia and Herzegovina immediately after the General Framework Agreement for Peace in Bosnia and Herzegovina (GFAP) was signed in 1995. Since the permanent settlement status was not granted in some economies and refugees from Bosnia and Herzegovina did not want to return, they were forced to move to third countries.

The post-war period refers to the period from 1995 onwards. This emigration wave is likely to involve (young) people who are leaving Bosnia and Herzegovina due to its high unemployment rate, institutional inefficiencies, political situation and some other individual reasons. According to EUROSTAT, a total of 297,136 Bosnia and Herzegovina citizens have received a first residency permit in the EU over the previous decade (2011-2020).

Over 95% of emigrants from Bosnia and Herzegovina have acquired citizenship or residence permits in their host economies. At least 400,000 persons have acquired the host's citizenship, whilst 61,752 persons renounced Bosnia and Herzegovina citizenship to acquire a new citizenship (mostly in Austria and Germany) between 1998 and 2012. The number of Bosnia and Herzegovina citizens who obtained the citizenship of host economies is an important indicator of integration. Around 15% of total migrant households are in the former Yugoslav economies, and 85% are in Europe, USA, Canada and Australia. Additionally, a high degree of naturalisation of Bosnia and Herzegovina citizens might be an indication that emigration from Bosnia and Herzegovina is a long-run phenomenon. That however does not diminish their interest and engagement with Bosnia and Herzegovina as migration is not always intended to be permanent: in fact, most of the recent migration has been estimated to be temporary.

33 Valenta and Remet, 2011



The above-mentioned characteristics of Bosnia and Herzegovina emigrants influence engagement with the homeland. The level of integration – defined through residential, employment, and educational status, amongst other factors – strongly influences the nature of migrant engagement with the homeland. Despite theoretical claims that weaker destination-economy integration results in stronger links to the homeland, this does not appear to be the case in Bosnia and Herzegovina. According to Povrzanovic-Frykman (2011), for example, the more economic integration into the host economy, the stronger the link with Bosnia and Herzegovina. Bosnia and Herzegovina emigrants in better economic positions send more remittances, visit the economy more frequently, and are more involved in investment initiatives. For example, in a study about maximising the development potential of Bosnia and Herzegovina emigrants, among 1,216 emigrants interviewed, 32% have or intend to invest in their society of origin and, on average, they send 2,189 Euros in remittances per year to Bosnia and Herzegovina households (IASCI/IOM, 2010).

In terms of the regulatory and institutional infrastructure for cooperation with the diaspora, Bosnia and Herzegovina engages with its diaspora at all levels of government, including the central, entity, cantonal (in Federation of Bosnia and Herzegovina) and even municipal level. Nonetheless, the economy lacks umbrella legislation that would define cooperation with the diaspora at the level of Bosnia and Herzegovina, an oft-cited point of contention when considering that some 2.2 million Bosnians and Herzegovinians reside outside of the economy. In the place of a law, the Council of Ministers has adopted a Policy on cooperation with the diaspora in 2017, with the document putting forth three strategic goals: develop the legal system and institutional capacities; provide support to the diaspora and improve cooperation; learn to create conditions for a gradual contribution of Bosnia and Herzegovina diaspora.

At the central level, the MHRR has an exclusive jurisdiction over the creation of policies towards Bosnia and Herzegovina diaspora, with the Ministry of Se-

curity dealing with migration policy and the Ministry of Foreign Affairs with implementation of Bosnia and Herzegovina foreign policy. MHRR has produced a draft Strategy for cooperation with the diaspora at central level, but the Council Ministers of Bosnia and Herzegovina has not yet adopted such a document. MHRR also operates a web portal (<https://dijaspora.mhrr.gov.ba/>) to facilitate information exchange and cooperation, as well as to host regular meetings with diaspora organisations. Meanwhile, entity-level strategies on cooperation with diaspora have been adopted by the Federation of Bosnia and Herzegovina Government (2019) and the Government of Republika Srpska (2020), as well as the Brcko District (2019). The Government of Republika Srpska adopted the Strategic Plan for Cooperation with Diaspora (2020) which defines five priority areas of cooperation with diaspora, while the accompanying Action Plan was adopted in 2021. Also, it passed the Regulation on Establishing the Registry of Diaspora, which contains relevant information about individuals and organisations of diaspora. Applicants who join the Registry on a voluntary basis are encouraged to contribute to activities of relevant institutions, in line with their preferences. In addition, the Government of Republika Srpska established a web portal (<https://dijasporars.com/>) for diaspora engagement that exclusively caters to organisations and individuals affiliated with that entity. The Ministry for European Integrations and International Cooperation is responsible for cooperation with diaspora and coordinates the work of other institutions in this area.

Factsheet: Diaspora Invest Project

Description

To help catalyse the economic contribution of Bosnia and Herzegovina diaspora to the economy's socio-economic development, USAID/Bosnia and Herzegovina has designed the Diaspora Invest programme, a five-year, \$6.6 million intervention to engage Bosnia and Herzegovina diaspora members



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in a structured manner and provide incentives and support for diaspora investment. The project, implemented by FMI Inc. since April 2017, has been achieving this purpose through three key objectives/intervention areas:

- A. Leveraging diaspora input into the development of an institutional policy framework for diaspora investment by supporting diaspora investors and entrepreneurs in formulating reform recommendations to promote an enabling environment for diaspora investment, and providing assistance to relevant institutions in Bosnia and Herzegovina in developing a Diaspora Investment Strategy;
- B. Expanding diaspora direct investment by providing technical assistance and grants to eligible early-stage SMEs and start-ups through (i) implementation of a Bosnian Diaspora Marketplace (BDM) and business plan competition to source innovative and high-growth oriented business ideas, linked to (ii) business advisory services and technical assistance provision, and (iii) grant funds. Successful investors and startups have also been eligible for the Development Credit Authority (DCA)-backed loans provided through a complementary programme outside of the scope of this project; and
- C. Developing a sustainable local platform to provide business services and facilitation to potential diaspora investors through the establishment of (i) a One-Stop-Shop for diaspora investors, (ii) creation of an online diaspora business network, and (iii) outreach activities, including diaspora investment conferences and B2B events.

Objectives

The development hypothesis for Diaspora Invest project is that if linkages are created between domestic investment opportunities and diaspora capital/knowledge, if business enabling environment obstacles are reduced, and if diaspora has access to finance, technical assistance, and grants to start and expand enterprises, then diaspora investment in Bosnia and Herzegovina will increase contribution to

job creation. The three sub-activities each contribute to this job creating investment and engagement in different ways. Objective 1 improves the environment to promote and facilitate diaspora investment. Objective 2 incentivises and facilitates diaspora investment through business support, technical assistance and matching grants. And Objective 3 strengthens locally driven platforms for business service provision and matchmaking supporting diaspora investment in the long-term. Collectively, these sub-activities will engage diaspora and increase investment, which will in turn yield sustainable jobs.

Results and Lessons Learned

In terms of the key results, deliverables and outputs, the project has met with success in all of the three key areas and engagement:

Objective 1: Leveraging diaspora inputs into the policy-making process

- Strategies for Cooperation with Diaspora have been adopted by the Federation of Bosnia and Herzegovina and the Brcko District Governments during the third year of the project, marking a major milestone in Diaspora Invest policy work. The strategies' adoption followed the endorsement of the Diaspora Investment Sections of the Strategies (Pillar 3: Enhancing diaspora contribution to economic development), completed during the third year of activities together with the Bosnia and Herzegovina, Federation of Bosnia and Herzegovina and Brcko District Working Groups.

Objective 2: Establishment of a Bosnia and Herzegovina Diaspora Marketplace

- Eight requests for applications have been published under the programme, attracting 306 applications from prospective diaspora investors with 78 grant agreements and technical assistance agreements signed. The total investment generated by the grantee companies is approxi-



mately \$15.3 million³⁴, with 479 new jobs created through assistance implementation, far exceeding the life-of-activity targets of \$7 million and 250 new jobs, respectively.

Objective 3: Development of a sustainable local platform

- Diasporainvest.ba Diaspora Business Network Platform (BNP), a web portal launched early on in the project, has since established itself as leading source of information for diaspora investors. The statistics show that 74,206 unique website users recorded 115,488 sessions with the total number of pageviews reaching 305,214. A total of 511 news articles were posted on the site, 24 video stories were produced and published, and 52 newsletters were developed and distributed to close to 2,000 subscribers. The number of registered platform users with established B2B connections has grown steadily over the period, reaching 1,326 registered users at the end of October 2021. Diaspora Invest has also registered 102 diaspora organisations on the site, meeting the contractual target.
- The Diaspora Business Centre (DBC) has provided 110 potential diaspora investors with information and investment facilitation support since its establishment in late 2017. Standalone technical assistance (TA) was provided through DBC to 86 diaspora firms encompassing a wide range of services, such as business set up support, introduction of technical standards and regulations, supply chain management, operational efficiency, branding, sales and marketing interventions, and others. The standalone TA interventions have yielded \$6.9 million in new diaspora fixed asset investment by the end of 2020. Furthermore, the DBC has expanded its outreach and developed a network of local partner institutions, including 16 local authorities that have signed Memoranda on Cooperation (MoC) with the DBC to jointly work on attracting and

facilitating diaspora investments into these communities. Furthermore, the DBC has implemented a series of DiaWorks physical workshops and DBC Online webinars with experts positioning DBC as a platform for knowledge exchange. So far, DiaWorks workshops and DBC Online webinars have brought together more than 160 participants, demonstrating the demand for diaspora knowledge transfer and sharing of good practices.

Communications and outreach effort to raise awareness on diaspora investment opportunities among the diaspora business community, the local private sector, and the general public was conducted systematically throughout the programme. This has been particularly important as the project targeted potential beneficiaries residing outside of the economy, unlike most development assistance programmes that deal solely with economy's residents. To reach this audience, the project engaged closely with local media which proved to be receptive to the type of content produced by the project. Overall, at least 2,000 media articles dealing with Diaspora Invest activities were published during the implementation, engaging with an audience of hundreds of thousands of citizens residing both in the economy and abroad. To complement the media work, the project has set up its own social media presence growing organically its base of followers on Facebook (7,568), LinkedIn (1,670), Twitter (1,098), Instagram (670 followers) and YouTube (30,919 views). Finally, a total of 94 business-to-business (B2B) events, workshops, knowledge-sharing and information sessions were organised throughout the implementation period with more than 5,000 participants taking part.

Constraints and challenges

The process of developing and adopting the Strategies for cooperation with diaspora has been plagued by a lack of political will and dithering commitment. The general political climate during the implementation has not been conducive to quick and decisive

34 The figure includes fixed asset investment estimates for 2020, as the official data has not yet been made available at the time this document was prepared.



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action on diaspora strategy development and the shifting political priorities have further deterred the strategy development effort. An efficient mechanism to ensure adequate coordination between centre, entities and lower levels of government on diaspora matters has not materialised, and this has presented a continued risk for the implementation of those strategies that were adopted (Federation of Bosnia and Herzegovina, Republika Srpska and Brcko District).

Replicability and scalability

Financial and technical assistance has proven to be a valuable tool for supporting diaspora direct investment and the diaspora facilitated FDI. The total investment ratio achieved under the programme has been 11:1, with private diaspora investors putting up \$11 in fixed asset investment for each USG dollar invested. This is made even more remarkable by the fact that the grant and technical assistance support was extended to startup firms and early-stage companies. The median age of all 164 companies supported was 12.6 months at the date of signing the technical assistance and/or grant agreement with Diaspora Invest. Furthermore, these companies have had no other outside financial assistance, unlike 'legacy grantees' and 'repeat grantees' that are fairly common in donor-funded interventions. Also, the mid-term Performance Evaluation of Diaspora Invest found that 77% of investors supported through the grant programme would not have invested, would have invested less or would have considered investing only at a later date without Diaspora Invest financial and technical support. Thus, grant financing and technical assistance support, including investment facilitation, should continue to form the backbone of any intervention aimed at mobilising new diaspora direct investment (Change agents), and diaspora facilitated FDI (Tipping agents).

Replicating actions should attempt to further integrate all four models of diaspora engagement in effecting change. Practically, this would mean that in addition to existing grant and TA instruments, new mechanisms could be put in place to engage with Trade agents and Knowledge agents. This can take the form of (i) ac-

tively identifying and engaging with Trade agents, (ii) developing sectoral databases for the Trade agents to tap into when selecting possible local suppliers, (iii) technical workshops to better prepare local SMEs to fulfil requirements of diaspora-identified buyers, and (iv) mentorship programmes and workshops to provide a platform for Knowledge agents to engage with local SMEs.

One of the most distinguishing features of diaspora firms has been their strong focus on export markets. The vast majority of Diaspora Invest beneficiaries were established with an intent to address demand in export markets, usually the market of diaspora member's host society. Out of the 164 companies supported by the Project by October 2021, 116 firms (71%) are exporting their goods and services. Close to BAM 89 million worth of goods and services were exported by these companies in 2020, making up approximately 71% of the entire sales (BAM 125 million) of all beneficiaries for the year.

Any follow-up actions to replicate this project should take into consideration the diaspora's impact on exports. Interventions could be geared towards (i) providing larger incentives to export-oriented diaspora investment linked to export performance, (ii) stimulating integration of local SMEs into diaspora companies' value chains as a steppingstone to prepare the firms for the competitive pressures of the export markets, and (iii) structured efforts to link local SMEs with diaspora Trade agents as described above.

Initial project expectations for diaspora investment to agglomerate along the main urban and industrial centres in Bosnia and Herzegovina have not materialised. Rather, investment supported by the project has been extremely widely distributed, with 164 supported companies locating in 64 different municipalities across the economy - almost half of all the municipalities in Bosnia and Herzegovina. This distribution results from a strong bias by diaspora members in selecting their hometowns to locate their investment. This has had a large impact on local development, particularly in smaller municipalities that were otherwise struggling to attract investment, both foreign and local.



Designing a more structured approach by local authorities in engaging with diaspora members hailing from their local communities will inadvertently lead to better investment and employment results and improved outcomes. Possible follow-up on this could include: (i) diaspora mapping at a local level to identify the possible Change agents and Tipping agents from their communities abroad, (ii) systemising local government incentives and investment opportunities, as well as compiling databases on local suppliers of goods and services for diaspora sourcing initiatives, (iii) developing and deploying toolkits for local communities to systemise best practices on diaspora engagement, (iv) co-organising local diaspora-targeted B2B events, and (v) networking local authorities to exchange information and best practices and build capacity on diaspora engagement.

Factsheet: Diaspora for Development

Description

Diaspora for Development (D4D) project aims to increase socio-economic opportunities and perspectives for people in Bosnia and Herzegovina, and to improve their livelihoods through increased diaspora engagement. This will be attained through implementation of three specific outcomes:

1. MHRR and Ministry of Foreign Affairs, in cooperation with government institutions at different levels, use and further develop their instruments to actively connect, exchange, and engage with diaspora members and organisations.
2. Local governments align their development strategies to the diaspora policy framework at higher government levels, provide more and better services to diaspora members, and encourage community initiatives to attract diaspora know-how and investment.
3. Diaspora partners transfer know-how and skills and make joint investments with private sector actors in Bosnia and Herzegovina, contributing positively to key economic indicators.

The Project contributes towards mobilising and harvesting diaspora's support toward Bosnia and Herzegovina socio-economic development, including linking diaspora with Bosnia and Herzegovina public, non-government, and private economic sectors. The total budget of the project was \$5.69 million, contributed by the Government of Switzerland (\$5.05 million), UNDP (\$0.46 million) and IOM (\$0.18 million).

After the initial consent, the Government of Republika Srpska passed the decision to withdraw from the project in March 2018, arguing that the potential adoption of laws would lead to transferring the competencies from the entities to the Bosnia and Herzegovina institutions.

Objectives

Diaspora for Development Project partners work to achieve the following objectives:

- Diaspora Engagement Strategy, Action Plan and M&E framework elaborated and under implementation through a whole-of-government approach;
- 35 institutions led by the Bosnia and Herzegovina MHRR engaged in a cross-governmental coordination mechanism, contributing to the Diaspora Engagement Strategy implementation and systematic collection and use of emigration data;
- Carried out diaspora mapping in 10 selected destination economies;
- Diaspora is organised in representation bodies in up to two pilot-economies, interacting with Bosnia and Herzegovina diplomatic representations and authorities in host economies;
- At least 1,000 diaspora members contribute to government–diaspora dialogue and identification of development solutions;
- At least 50 diaspora members engaged in professional know-how transfer to Bosnia and Herzegovina institutions, contributing also to the implementation of the Diaspora Engagement Strategy;



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- Improved administrative and information services targeting diaspora and at least 15 local initiatives implemented, by connecting diaspora to their home communities and improving quality of life for more than 300 households;
- Over 400 jobs created in Bosnia and Herzegovina through diaspora engagement;
- At least 30 Bosnia and Herzegovina companies benefit from knowledge and skills transfer which translates into productive business connections with diaspora, introduction of new technologies, markets and jobs.

Results and Lessons Learned

The D4D Project is in the final year of its implementation. During the past four years, project focused its interventions on high unemployment and development of structured mechanisms for fostering diaspora engagement within sustainable development, including diaspora-engaged investments, various industry mentoring programmes, diaspora-involved start-up programmes, knowledge and skills transfer within the public sector, as well as creation of knowledge and industry-based networks to foster productive diaspora engagement. As a direct result from project interventions, 2,379 men and women benefitted from employment and livelihood opportunities, and total investment volume through diaspora-involved investments surpassed six million BAM. In addition, 257 public institutions benefitted from transfer of knowledge through engagement of 46 diaspora experts, while 2,235 diaspora members contributed to policy recommendations. Finally, 80+ companies benefitted from diaspora-engaged knowledge and skills transfer, improving their competitiveness within the global value chain.

During the year of 2020, active diaspora engagement in the socio-economic development of Bosnia and Herzegovina was impacted by COVID-19 pandemic since it used to rely on physical visits and connections often engaged through local cultural/business events. General inability to travel and financial insecurity around the world impacted planned diaspora investments.

Diaspora Community Programme – A Localised Approach to Diaspora Investment in Bosnia and Herzegovina

Mozaik Foundation is a social entrepreneurship foundation based in Bosnia and Herzegovina that has recently started with the implementation of the Diaspora Community Programme. This programme, funded by the Government of Switzerland, aims to connect the diaspora with the start-up ecosystem in the economy. The programme operates a KM 1.2 million (EUR 613 thousands) grant fund that is implemented with local partners in 18 municipalities across the economy. Grant funds are available to support diaspora investments or co-investments in these localities with co-financing provided by the municipal administrations. Diaspora entrepreneurs will also be able to benefit from the mentorship network *lonac.ba* operated by the Mozaik Foundation. The programme is a continuation of diaspora investment-supporting activities implemented through the Diaspora for Development (D4D) project.

The most significant systemic impacts can be seen across the participating local governments (LGs), where perceptions and approaches towards outmigration and diaspora have drastically changed over the last years. Most LGs realise now that there is mutual benefit to be produced for the local government and the diaspora and their developmental approaches need to centre on that. As such, local government initiatives are starting to become more ambitious, more centred on socio-economic development rather than on charitable work, and on sharper/well planned projects. This has equally been observed in Republika Srpska municipalities as in Federation of Bosnia and Herzegovina municipalities, indicating that the withdrawal of Republika Srpska from the strategy process did not alter significantly the systemic



impacts of the project and Republika Srpska municipalities – which had however participated during the pilot phase – continued to grow in parallel with their Federation of Bosnia and Herzegovina counterparts. This does not hold true for the development impacts in Republika Srpska and is attributable to the limited uptake of the financial instruments in Republika Srpska.

Some systemic impacts have been materialised at central and entity/BD level – as demonstrated by the completed strategy development process - but they remain lower and more limited in breadth as compared to the impacts on local governments. Of course, this may be attributable to the much shorter (in terms of time) involvement of these institutions in diaspora planning processes and the relative lack of involvement in the implementation of diaspora interventions (with the exception of some stakeholders such as certain Ministries at entity level, etc.).

Most impacts observed on the enabling environment again come from the local government level (business-friendly policies, one-stop-shops, business facilitation services, B2Bs, etc.). At central and entity level no systemic impacts on the enabling environment have been observed so far such as, for example, overcoming the main obstacles to diaspora investment (mainly lack of trust in the institutions and fear of political instability and corruption). However, some of the D4D instruments could help central and entity levels improve their enabling environment in the future, namely:

- the investment scheme could be implemented by entities in order to make their diaspora grants more effective in producing development results; and
- the transfer of knowledge to public institutions can help assist the central, entity and other administrations (e.g. cantonal) solve enabling environment issues, such as, for example, the skills mismatch issue, thereby increasing employability in the economy.

Other impacts documented include:

- a substantial leveraging effect: the co-financing rate for the investment scheme came up to an excellent 3 to 1 rate and the local government initiatives to a satisfactory 1.5 to 1 rate;
- increased production capacity, and improved accuracy and precision (thanks to high performance equipment and training of employees) in transfer of knowledge and investment recipient companies; increased competitiveness in terms of quality and quantity of production;
- increased capacity for exports and access to foreign markets (mainly thanks to market research and diaspora contacts) in the private sector;
- better adaptation capacity to foreign market requirements, which may lead to new contracts (thanks to ICT and robotics know-how, agile transformation and innovation); and
- better marketing and communication strategies (thanks to transfer of knowledge) or recipient companies.

Replicability and scalability

Replicability of the D4D interventions would depend largely on the availability of financial resources (financial sustainability) and the existence of adequate institutional capacity (institutional sustainability). Financial sustainability of the designed/adopted diaspora strategies could not be confirmed by the impact assessment³⁵ as budgets have not been secured yet; however, it is more than likely that Bosnia and Herzegovina entities can secure the necessary financial resources in order to fund at least the most relevant actions such as investment-type schemes. At the central level, it appears that MHRR slowly succeeds in securing funds (albeit very low for 2020) and with time these allocations may be increased (for example, it appears that sufficient funds will be secured for the operation of the web-portal, the annual conferences and the transfer of knowledge to public institutions), but it seems highly unlikely that they will be able to secure 2.3 million BAM – which

35 External Review of “Mainstreaming the Concept of Migration and Development into Strategies, Policies and Actions in Bosnia and Herzegovina: Diaspora for Development (D4D) Phase 2” <https://erc.undp.org/evaluation/evaluations/detail/12324>



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is the MHRR budget indicated in the strategy for the period 2020-2024.

Finally, with respect to the required funds from other parts of the central administration (e.g. Ministry of Civil Affairs will need to secure 5.76 million BAM, Ministry of Foreign Affairs will need 100 thousand BAM, the State Employment Agency 216 thousand BAM, etc.), it could not be confirmed whether these funds will be secured.

At the local government level, it seems that most cities/municipalities do have funds they can allocate even though they may not be able to fund 100% their initiatives. Financing capacity is higher for middle and large local governments, while small local governments (in terms of municipal revenues) will definitely need substantial external financial support even in the future.

In terms of institutional capacity, again sustainability is higher at the local government level than at central and entity levels, and particularly at the middle-size local governments, while it is the lowest at the small-size local governments. In terms of thematic capacity, most local governments have planning and implementation capacity while they largely lack monitoring and evaluation (M&E) capacity.

Strategies at both the central and entity levels will require further development/operationalisation of their measures and both centre and entities lack the necessary skills/experience. Therefore, implementation of the strategies is not sustainable without further external assistance. Since pillars 2 and 3 are the only ones that are expected to have any tangible development results, we recommend any future D4D support to concentrate on the operationalisation of these pillars. Also, in order to facilitate this process, some instruments - which have been tested and proven effective through D4D - can be gradually transferred from UNDP implementation to centre/entity implementation. A good example is the investment scheme which can be easily transferred at the entity level (with Federation of Bosnia and Herzegovina funding; Development Bank implementation). Overall, it seems that Project partners at central/

entity levels cannot maintain the achieved level of performance in the future without significant further support, while local governments can with minimal support.

Last but not least, a wide range of project results are highly sustainable, at least in the near future. They include: the number of new jobs created, the benefits accrued to companies and public institutions receiving transfer of knowledge, the number and degree of engagement of diaspora transfer of knowledge experts and the % of local diaspora using local government services. On the contrary, sustainability is low with respect to centre/entity/BD institutions' ability to comprehensively address diaspora through adequate strategies (as they have attained planning skills/experience but no implementation skills/experience) and we could not document to which extent the skills attained are embedded in the institutional memory (i.e. if the skills will remain in the institution if the trained individual leaves). Finally, sustainability of the global result (persons benefiting by D4D) is mixed: the part derived from agricultural local government initiatives exhibits rather low sustainability, while sustainability is high for the remainder.



Kosovo*

Overview

Unlike the communist Albania which was virtually cordoned off from the world and therefore did not allow emigration, Kosovo*, like the rest of the ex-Yugoslav area, saw a considerable number of migrants leaving for the West to work as economic migrants. This was the first wave of Kosovo's* diaspora, normally consisting of male, working class migrants, who moved to countries such as Germany and Switzerland on a "temporary basis". However, for a lot of them this temporary nature of their stay in the West turned into a permanent abode and, with the deterioration of the political situation in Kosovo*, also meant that their families eventually joined them there, too.

Beginning with the dissolution of Yugoslavia in the early 1990s, there was a new wave of Kosovars leaving for the West. This culminated in 1999 during the Kosovo* war, as a result of which a considerable number of today's diaspora members flew to the West. Finally, the last wave of the diaspora consists of Kosovars who have emigrated in the previous two decades.

While Kosovo* was under the United Nations administration there were no organised, institutional policies on diaspora cooperation and engagement. It was only after 2007 that the government set up an Agency for Diaspora within the Prime Minister's Office. In 2011 that Agency was elevated into a Ministry of Diaspora. Currently, with the organisational restructuring of the government, this Ministry no longer stands on its own but is rather part of the Ministry of Foreign Affairs and Diaspora.³⁶

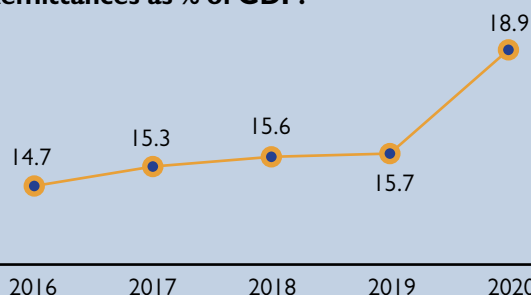
The Law for Diaspora and Migration³⁷, which came into effect in July 2012, stipulates the roles and responsibilities of the Ministry of Diaspora as the key

³⁶ <https://www.mfa-ks.net/>

³⁷ <https://gzk.rks-gov.net/ActDocumentDetail.aspx?ActID=2831>

Figure 4: Key diaspora statistics in Kosovo*

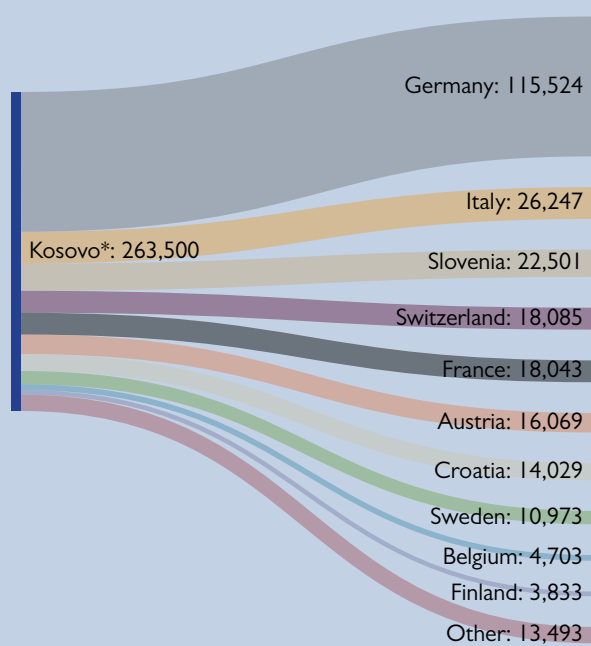
Population: 1.8 million (World Bank, 2020)
Diaspora size: 800,000 (Government of Kosovo*)
Remittances as % of GDP:



Source: World Bank, World Development Indicators, 2021

Top ten destination economies for Kosovo* emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)



Source: Eurostat, 2021

institutional bridge between Kosovo's* institutions and the Kosovars living abroad. One of the earliest aims of the government, as stipulated by this Law, was the establishment of the Cultural Centres for Diaspora. The role of such centres is to increase interaction between Kosovo* and its diaspora, to stimulate capital investments in the home economy,



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or to help in the promotion of Kosovo's* languages, culture, or cultural heritage.

Following the adoption of the Law for Diaspora and Migration in 2012, in July 2013 Kosovo* government adopted its first Strategy for Diaspora 2013-2018.³⁸ The Strategy envisioned the following “general objectives”:

1. *Promotion and advancement of socio-political rights of the diaspora:* The first general objective consists of four sub-objectives, the first one of which calls for the creation of an institutional framework for political representation of the diaspora and their participation in decision-making. The idea behind this objective was to create a certain number of reserved seats for diaspora members at the Kosovo* Assembly. However, this idea has not come to fruition to date. The second sub-objective calls for the creation of a registry of the diaspora, which entails undertaking an unprecedented data collection of all the Kosovar diaspora dispersed around the world. Such an initiative actually came to fruition, when in 2017 the then-Ministry of Diaspora launched the Preliminary Results of the Registry of Diaspora.³⁹ The results give an estimate of around 800.000 Kosovars living in the diaspora, and offer further disaggregated data according to age group, gender, education and professional status, etc. The other two sub-objectives focused on improving services for the diaspora when they visit Kosovo*, and especially for ensuring better services and facilitating a possible return home for pensioners who might want to go back.
2. *Preservation of identity and strengthening of relations with the diaspora:* this second general objective consists of four strategic objectives, whose primary aim is to contribute to the promotion of mother tongues in the diaspora (such as through the distribution of textbooks in schools), and in facilitating possibilities for diaspora youth who might want to come and study back in Kosovo*.

One strategic objective herewith also aims for the promotion of identity through public diplomacy. It was deemed important that Kosovo* should benefit from known figures and celebrities whose origins are from Kosovo*, to speak out and advocate for Kosovo* (e.g. notable advocacy of pop stars Rita Ora and Dua Lipa).

3. *Integration of diaspora members in their host economies:* as the title of this general objective suggests, the idea behind it is to support diaspora communities in a better and more successful integration in their host economies. In this respect, cultural centres of Kosovo*, embassies or consulates can help diaspora members with advice how to approach local authorities, how to learn the language or seek employment.
4. *Inclusion of diaspora in Kosovo's* socio-economic development:* the four strategic objectives under this general objective aim at facilitating an easier and favourable access of diaspora businesses interested to invest in Kosovo*. The objectives talk about creating or facilitating business networks, introducing tax exemptions, or creating a guarantee fund for diaspora investments in Kosovo*. All these ideas are still in an inception stage of development.

Kosovo* has experienced several changes of government in the last few years. Due to these political changes, as well as due to an identified need to recalibrate some of the above objectives, the Ministry of Diaspora and Strategic Investments (as it was called at that point) worked on a new Draft Strategy for Diaspora 2019-2023 and Action Plan 2019-2021.⁴⁰ The Strategy was never approved and so remained in draft form, pending government approval. Nevertheless, the main objectives of the Draft Strategy document have remained largely unchanged throughout multiple iterations, if streamlined and simplified.

Presently, the government is working on a new draft strategy for the diaspora, with the contents yet to be shared with the public. The work is being headed up

³⁸ https://kryeministri.rks-gov.net/wp-content/uploads/docs/Strategjia_per_Diasporen_dhe_plani_i_veprimit_2013-2018.pdf

³⁹ <https://www.koha.net/arberi/23364/med-publikon-rezultatet-preliminare-te-regjistrimit-te-diaspores/>

⁴⁰ https://ambasada-ks.net/at/repository/docs/Projektstrategjia_p%c3%abr_Diaspor%c3%abn_2019-2023_dhe_Plani_i_Veprimit_2019-2021.pdf



by the Ministry of Foreign Affairs and Diaspora, under the coordination of its Deputy Minister in charge of Diaspora.

Factsheet: Diaspora Engagement in Economic Development

Description

Diaspora Engagement for Economic Development (DEED) project was implemented in two phases in Kosovo* by UNDP and IOM. The first phase of the project was implemented between 2011 and 2014, while the second phase was carried out in the period 2014-2017. The key aim of the project was to empower the Kosovo* diaspora to play a greater role as development actors in their communities of origin in order to have a positive impact on their local economy and the livelihood of their residence with special focus on women.

The total budget of the project was \$2.22 million, contributed by the Government of Finland, Government of Kosovo* and UNDP.

Objectives

The project aimed to achieve the following objectives:

- Strengthening capacities of authorities to implement the National Strategy for Diaspora 2013-2018;
- Increasing capacities of relevant stakeholders to facilitate migrants' investments in Kosovo*;
- Strengthening capacities of remittance recipients, diaspora business networks and Kosovar authorities to increase the positive impact of migration on the socio-economic environment of Kosovo*.

Results and Lessons Learned

- The first Kosovo* Strategy on Diaspora and Migration 2013-2018 was developed and finalised with the support of DEED, and adopted by the Government in August 2013;
- Business trainings were organised and five small grant programmes finalised throughout Kosovo* to support entrepreneurship initiatives, especially focusing on women-led remittance-receiving households. This contributed to the employment of at least 85 people through support to 47 private enterprises with matching grants with a diaspora investment of 150,000 Euro;
- An additional feasibility study on potentially applicable financial banking products and services was completed and presented to all relevant financial institutions, public and private, thus triggering cash cover loans offered by local banks, Raiffeisen and Pro-Credit, to remittance receiving, especially by women-led households, based on project recommendations on the basis of the feasibility study;
- Jointly with the Ministry of Diaspora, in cooperation with Ministry of Trade and Industry and the American Chamber of Commerce in Kosovo* (AMCHAM), 25 diaspora business networks were established in Europe, US, Canada, Turkey and Australia. The Global Union of Diaspora Business Networks was established as the umbrella institution;
- DEED and Ministry of Diaspora jointly organised and held several workshops to finalise the plan on Diaspora Registry and subsequently implemented two comprehensive diaspora registration campaigns. The process led to an increase of more than 580% of registered Diaspora members;
- The DEED project contributed to employment of more than 100 job-seekers as a result of the direct investments in business development;
- The project supported implementation of thirteen investment conferences and networking B2B events in Kosovo*, Europe and North America and facilitated various business discussions and agreements;



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- Eight study visits were organised to economic zones and agencies managing and promoting the economic zones in EU and Turkey with relevant Kosovo* institutions;
- In cooperation with MTI/KIESA and USAID Empower Project, the project supported two international trade fairs in Cologne/Germany and Bern/Switzerland promoting domestic products.

The project was seeking strategies to promote the use of formal channels for remittance transfers, and to promote financial literacy in order to educate women and men to better manage their finances and dedicate part of their budget to savings and investments. The project also supported the engagement of the private sector to develop and offer innovative products that would facilitate the transfer of remittances, e.g. by reducing the transfer costs, and supporting the accumulation of savings by remittance-receiving households.

The DEED project furthermore stimulated the private sector in Kosovo* by providing migrants and the diaspora with the most appropriate, viable, and sustainable instruments for utilising their financial and technical assets in job creation. The project worked with stakeholders in both the private and public sector in Kosovo* and abroad to evaluate and test potential models that would ease and incentivise the process of investment.

Finally, the project assisted the government in identifying policies and mechanisms for addressing the needs of migrants and diaspora so that they could have an opportunity to more effectively and efficiently contribute to the economic development of Kosovo*. Through effective policies and active involvement, migration was made into a driving force for creating better conditions in Kosovo* in order to curb further emigration and facilitate a return for Kosovars abroad.

Local Stakeholders Have an Increasingly Central Role in Diaspora Engagement – Germin, Kosovo*

Germin is a Pristina-based non-governmental organisation that uses technology and virtual channels to connect and engage diaspora. The organisation started out in 2011 as an informal group and was formally established in 2014. Germin is run and supported by a group of diaspora professionals coming from various backgrounds with a large network of associates residing in 24 economies, mostly in the Western Europe and North America.

Germin has five main areas of focus: advocacy and diplomacy, diaspora investment, diaspora philanthropy, diaspora professionals, youth, and education. The organisation has created and is managing www.Kosovodiaspora.org portal, a crowdsourcing digital engagement and diplomacy platform that connects Kosovars abroad and leverages their networks and skills to contribute to the home economy. The platform has a global reach in over 186 economies, with over a million website viewers, and around 20,000 social media followers. Germin has also founded a Structured Dialogue for Diaspora Rights (diasporaflet.germin.org/sq/), which aims to advance and promote the political and social rights of diaspora in Kosovo* and increase the influence of diaspora in policy- and decision-making. Finally, Germin is implementing a programme on Engaging Diaspora Professionals (EDP) seeking to bring the Albanian diaspora professionals knowledge and experience from all over the world back to their home. The programme is supported by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).



Replicability and scalability

The ability to replicate DEED interventions was proven through other similar initiatives in the region. The project was implemented as part of a broader UN effort on exploring diaspora's potential for social and economic development. Similarly themed programmes were developed and implemented in Albania by IOM, (Engaging the Albanian Diaspora), Bosnia and Herzegovina by UNDP and IOM (Diaspora for Development – D4D) and Serbia by UNDP and local partners (“Tacka povratka”).

While the aim of many of these initiatives was focused on improving the policy, regulatory and institutional environment for diaspora engagement, the current focus of governments and international actors has evolved towards facilitating concrete engagement initiatives. Given the fact that many of the economies in the region are at a similar level of diaspora engagement and have benefitted from similar interventions over the past decade, it would be possible to scale some of these UN-implemented interventions regionally. In this context, the diaspora scientific cooperation and knowledge transfer initiatives in particular could be a good avenue for regional scaling.



Montenegro

Overview

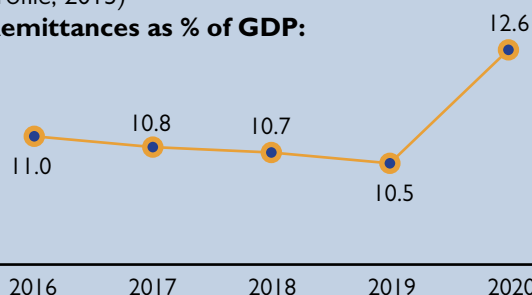
Over the past decade Montenegro has developed a comprehensive normative and institutional set-up for diaspora policy, centred around the Diaspora Administration and operationalised through Action Plans for the implementation of the Strategy for Collaboration with Diaspora. Aware of the enormous intellectual potential of diaspora and its role in contributing to R&D and innovation, authorities have undertaken efforts to engage with scientific diaspora. However, compared to other economies of the region, Montenegro is lagging behind in terms of diaspora investment and transfer of know-how. The most striking observation is that no donor intervention targeted diaspora development potential so far.

Precise data on diaspora are lacking, although the Diaspora Administration is currently working on revising a web application for diaspora registration which was piloted in 2019. According to estimates, the size of diaspora equals the population living in Montenegro (cca 600,000).⁴¹ Main destinations include the economies of the region, Latin America, United States, Turkey, Switzerland, Luxembourg, and Germany. The legislation uses the term diaspora together with the term emigrants (*iseljenici*) and defines them as “Montenegrin citizens and other persons originating from Montenegro, who live abroad and perceive Montenegro as their homeland and inherit it as democratic, independent, sovereign and civic”. Dependence on remittances is highest in the region after Kosovo*, accounting for 12.6 per cent of the GDP in 2020⁴² and they are predominantly spent on consumption.

Tracking of emigration is equally difficult as the Statistical Office publishes reports only on internal mi-

Figure 5: Key diaspora statistics in Montenegro

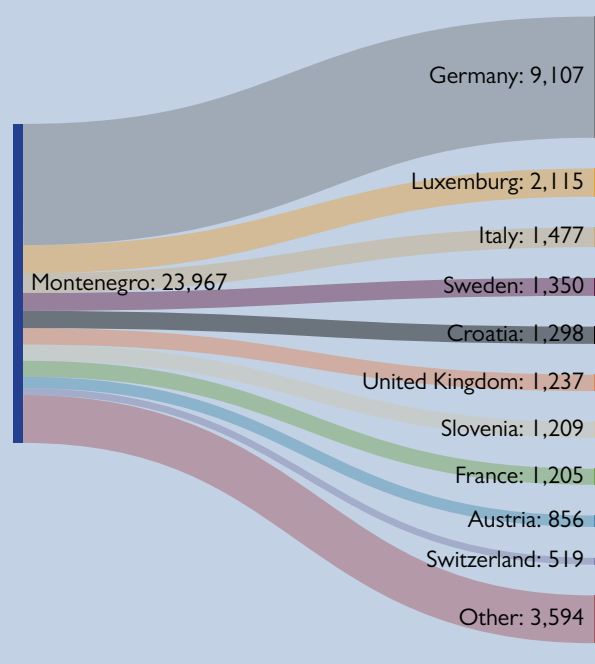
Population: 621,718 (World Bank)
Diaspora size: 600,000 (IOM estimate, Migration Profile, 2013)
Remittances as % of GDP:



Source: World Bank, World Development Indicators, 2021

Top ten destination economies for Montenegrin emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)



gration, but the Eurostat data show that the number of first-time permits issued by the EU Member States has quadrupled during 2010-2019 period. While in 2010, Germany, Italy and Luxembourg were

⁴¹ European Centre for Social Welfare Policy and Research. 2018. EPOW Posting of Workers in Eastern Europe. Country Report for Montenegro <https://www.euro.centre.org/downloads/detail/3411>; Analytical Study of Montenegrin Diaspora, 2014. p.3. https://wbc-rti.info/object/document/14654/attach/Study_of_Montenegrin_Scientific_Diaspora.pdf

⁴² World Bank. 2021. Personal remittances, received (% of GDP). <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=ME>



the most popular destinations, by 2020 in addition to Germany, Croatia and Slovenia issued the largest number of residence permits. Migration to Croatia is of seasonal nature, to Slovenia for education reasons due to low tuition fees, while the main ground for residence in Luxembourg is family reunification. Out of total of 3,882 residence permits issued in 2019, Germany alone issued 2,019 permits. On average, emigrants have medium levels of education, though 7 per cent of licensed doctors have emigrated over the past 5 years⁴³.

Work on diaspora engagement started in 2002 when the Ministry of Foreign Affairs (MFA) set up the Centre for Emigrants tasked to establish international ties with diaspora. As a result of a decade long work of the Centre, the MFA and diplomatic-consular missions, the first Strategy for Collaboration with Diaspora 2011-2014⁴⁴ was adopted, and in 2013 the Centre was transformed into the Diaspora Administration operating within the MFA. In 2015, the Law on Cooperation with Diaspora was adopted, and then revised in 2018 and 2019⁴⁵ to reflect institutional changes, as the Diaspora Administration became a separate administrative body, operating outside of the MFA. The Council for Cooperation with Diaspora acts as an advisory body to the Government and consists of diaspora representatives from each economy where citizens of Montenegro reside, proportional to the percentage of the diaspora in each economy, as well as of representatives of relevant public authorities (Article 15- 19). Other stakeholders in charge for diaspora matters include: the Parliamentary Committee on International Relations and

Emigrants, public authorities responsible for areas in which the diaspora exercise their rights, the Local Self Government (LSG) and national minority councils (Article 5).

Six thematic areas of cooperation with diaspora are defined by the Law: preservation of their identity and affiliation with Montenegro, cultural identity, strengthening of educational, scientific, cultural and sports cooperation, information and networking, protection of emigrants' rights and improvement of economic partnership (Articles 9 to 14). These areas were further regulated in the former and the current Strategy for Collaboration with Diaspora and their accompanying Action Plans⁴⁶. Reporting mechanisms for implementation of Action Plans are in place, showing diligent efforts of authorities – from 2015 to 2018, out of 64 planned activities, 58 were implemented, placing the implementation rate at 90.6%.⁴⁷

Another important stakeholder was the former Ministry of Science (current Ministry of Education, Science, Culture and Sports) which has initiated small-scale programmes for collaboration with scientific diaspora such as Open Science Days festival and the Researchers' Night events where they would gather diaspora scientists. Strategies in area of innovation, scientific research and higher education articulate the value of scientific diaspora in enhancing the science and technology development back home. As a result of work on the *EU accession chapter 26: Culture and education*, the Strategy for Development of Higher Education in Montenegro 2016-2020⁴⁸ envisages engaging scientific diaspora to enable transfer of

43 Golubović, V. 2021. How migration, human capital and the labour market interact in Montenegro. ETF. https://www.etf.europa.eu/sites/default/files/2021-07/migration_montenegro_0.pdf

44 Vlada Crne Gore. Ministarstvo vanjskih poslova.2010. Strategija saradnje sa dijasporom za period 2011-2014. godina. <https://wapi.gov.me/download/bfbdcb29-d5d8-4195-826f-3af3506c6485?version=1.0>

45 Official Gazette of the Republic of Montenegro, no. 44/2018 i 47/2019. <https://www.paragraf.me/propisi-crnegore/zakon-o-saradnji-crne-gore-sa-dijasporom-iseljenicima.html>

46 Vlada Crne Gore. Ministarstvo vanjskih poslova.2015. Strategija saradnje sa iseljenicima za period 2015-2018. godine. <https://www.gov.me/dokumenta/10bb8ae0-74e0-4e49-ba71-59e523e03b84>, Vlada Crne Gore. Uprava za dijasporu.2020. Strategija saradnje sa dijasporom- iseljenicima za period 2021-2023. godine sa Akcionim planom realizacije za period 2020-2021 godine, <https://wapi.gov.me/download/10cd8fe6-cd47-4c22-9047-ef4a04aa419f?version=1.0>

47 Vlada Crne Gore. Uprava za dijasporu.2019. Izvještaj o realizaciji akcionih planova (za 2015. i 2016 - 2018. godinu) za sprovođenje Strategije saradnje sa iseljenicima za period 2015 - 2018. godine.p.3. <https://www.gov.me/dokumenta/6df-clf41-1749-41ce-8cc9-61c7e712d5c3>

48 Vlada Crne Gore. Ministarstvo prosvjete, nauke, kulture i sporta. 2016. Strategija razvoja visokog obrazovanja u Crnoj Gori (2016-2020). <https://www.gov.me/dokumenta/44403458-39bb-4f0a-8a23-d9b14967c3cd>



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knowledge as a measure to achieve *Specific objective 3: Improving scientific research and increasing the level of participation in the EU projects*. The Strategy for Scientific Research Activity of Montenegro 2012-2016⁴⁹ as well as the Strategy of Innovation Activity 2016-2020 underscore the importance of cooperation of scientists and innovators with the diaspora, considering that an indicator of the economy's research capacity is the number of scientists from the diaspora.⁵⁰ Also, the Senate of the University of Montenegro adopted the Rulebook on cooperation with scientific diaspora, defining different modalities of cooperation that can be financed by the University⁵¹.

Unlike engagement of scientific diaspora, diaspora investment programmes are lacking. The Chamber of Economy meets with Montenegrin diaspora, both during the annual Days of Diaspora Emigrants in economy and through visits abroad⁵² and recent attempts of authorities to focus more on business diaspora include the 2021 II Bijelo Polje Business Forum of Diaspora held as part of the Days of Diaspora Emigrants. The forum was led by the Prime Minister and attended by the Government, public institutions and LSG representatives, companies and business diaspora. The Montenegrin Investments Agency presented potential investments projects and the Diaspora administration recently announced creation of the Global diaspora development network. The current Strategy for collaboration with diaspora outlines activities to improve economic partnership with diaspora, including preparing a list of projects for development of LSGs for diaspora investors, promoting development projects for underdeveloped areas in North together with the Ministry of Economic Development, informing diaspora about projects in the area of tourism and sustainable development, presenting integrated tourism offer of Montenegro and

actively involving tourism sector in meetings with diaspora. While regulated on policy level, the actual diaspora investment programmes are lacking and authorities should steer their efforts to this area, particularly for stimulating development of North, a main emigration region. In that sense, the economy would benefit from sharing of best practices of engagement of business diaspora in other economies of the region and replicating some successful models.

Factsheet: OMSA - Organisation of Montenegrins Studying Abroad, 2011-ongoing

Description

OMSA is a global network of Montenegrin students abroad - a population estimated to be around **1,400 students per academic year**, excluding the economies of the region and fellow alumni. It serves as a platform to promote professional, scientific, and other types of cooperation among students abroad, bringing together students attending programmes in over 50 economies. OMSA works to **maintain cooperation with the home economy and its diaspora**. Membership includes students from undergraduate to post-doctoral studies, and those who **work in prestigious companies around the world and in Montenegro**. Funding comes primarily through projects (domestic funds), via the Visin Foundation, and through donations by private companies, and does not exceed 30,000 EUR annually.

OMSA is partnering with public institutions in charge for diaspora matters, including Diaspora Administration, MFA and its diplomatic and

49 Vlada Crne Gore. Ministarstvo prosvjete, nauke, kulture i sporta. 2012. Izmjene strategije naučnoistraživačke djelatnosti Crne Gore (2012-2016). http://www.herdata.org/public/Izmjene_Strategije_NID_2012-2016..pdf

50 Vlada Crne Gore. Ministarstvo prosvjete, nauke, kulture i sporta. 2016. Strategy of Innovation Activity (2016-2020). <https://www.gov.me/dokumenta/1b55173b-5893-4038-b292-dbf4c2924556>

51 Rektorat. Univerzitet Crne Gore. 2016. Pravilnik o saradnji sa naučnom dijasporom. <https://www.ucg.ac.me/objava/blog/6/objava/40937-pravilnik-o-saradnji-sa-naucnom-dijasporom>

52 Chamber of Economy Montenegro. 2015. Visiting Argentina. <https://www.privrednakomora.me/en/medunarodna-saradnja/visiting-argentina>



consular network, Office for European Integration, Ministry of Education, Science, Culture and Sports, Ministry of Health, LSGs (Podgorica, Bar, Herceg Novi), Office for Youth in Podgorica, Sports Federations of Montenegro, Public Enterprise for Coastal Zone Management of Montenegro, and Association of Pedagogues of Montenegro, amongst others.

Objectives

In addition to its main objective of providing a platform for effective cooperation among Montenegrin students abroad, OMSA's Statute includes the following objectives:

- forming and maintaining **communities of Montenegrin students and young professionals abroad.**
- **cooperation with organisations and communities in Montenegrin diaspora.**
- **advocating and formulating policy proposals in the areas relevant for return of highly qualified and brain circulation** - recognition of diplomas, employment of students studying abroad, mapping of young professionals and their expertise.
- using its professional network to support sustainable development of Montenegro, especially development of **science and research engagement of young people in Montenegro.**

Results

Over the past 10 years OMSA has organised series of projects and events, including **over 150 events around the world within the Embassy Open Day** in cooperation with diaspora organisations, MFA, diplomatic and consular missions, and **15 networking events** (Winter and Summer Assembly) where students, representatives of civil, private and public sectors took part. Some of the **highlights that relate to diaspora engagement and circular/return migration** include:

- **Advocating for automatic recognition of foreign diplomas** coming from all higher education institutions which are better ranked than Montenegrin universities, as well as automatic recognition of diplomas from the EU, EEA and OECD member states.
- Partnering with the Ministry of Education, Science, Culture and Sports in organising Open Science Days and including young Montenegrin researchers in the thematic events.
- **Mentoring programme RADAR** launched to connect Montenegrin students abroad who are looking for work with Montenegrin professionals educated abroad, whose work and experience can help students integrate into the labour market. Currently **the 3rd generation of 30 students are receiving individual support from 30 mentors**, including from the OMSA alumni.
- **Web Academy Brain Network** - connecting the most successful students from abroad with high school students from Montenegro. 20 students were mentors to 20 high school mentees, providing them academic and career guidance through workshops.
- **From brain drain to brain circulations – Montenegrin students abroad and young professionals educated abroad** - policy recommendations developed with the Fund for active citizenship, including: **creating a digital platform/database to link returning students with employers; adapting existing grants for self-employment for returning students; advocating for the set-up of the Fund for Scholarships for Students Abroad**, which will include a set of requirements related to return to homeland or contribution to the development of Montenegro.
- **Publication of Montenegrin students studying abroad** – in depth mapping of key trends about Montenegrins studying abroad – segregated according to host economy /University, education profiles. The study includes analysis of factors that are influencing young people to study abroad but **also factors that are conducive to their return.**



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- **Seasonal employment: Porto Montenegro** invited students studying abroad to apply for seasonal work and 10 OMSA students have successfully completed seasonal work programme.
- Cooperation with newspaper Vijesti, launched to recruit students from abroad to write texts on their study abroad experience.
- **ME Forum** – organised in 2014 to bring together Montenegrin students and policymakers to discuss concrete steps to improve the status of young people in Montenegro.
- **COVID-19 Vaccination Brochure** – a major outreach campaign for general population, where a group of **OMSA members studying medical, and biotechnology studies** summarised the most important information on vaccination practices to help Montenegrin citizens make informed decisions on the vaccination. As a follow up, public outreach campaign was designed in collaboration with the Ministry of Health and the Ministry of Interior (Police Directorate).
- Ongoing project: Research and policy paper development on “**Brain drain of Montenegrin young professionals: Causes, solutions and vision for the future**”.

Constraints and challenges

Insufficient commitment from the public authorities to address some of the important issues OMSA is tackling (brain drain, recognition of foreign diplomas, employment, or internship for students from abroad) results in the slow feedback from authorities, which is partially due to the fact that OMSA is perceived as a student organisation. Such issues are usually mitigated through efforts of the organisation, but it is worth emphasising that support of an international organisation/programme would allow for the issues troubling young professionals willing to return to become more visible. Continuous funding is a challenge, though thanks to their wide network of volunteers OMSA can deliver many high-quality activities and achieve great impact with minimal funds, representing a great value for money. The Visin Foundation was formed by the alumni who committed their own funds to provide stipends for students with no means

who want to study abroad, thus boosting the existing OMSA efforts.

Replicability and scalability

OMSA has already established cooperation with the Organisation of Serbian Students Abroad and the Association of Croatian students. In 2021, they signed a Joint Declaration on regional cooperation to promote cooperation in the context of sustainable regional development, advance progress in science, technology, and entrepreneurship, and encourage youth leadership. **The three organisations agreed to implement regional cooperation projects and policies to support formation of analogous organisations in the region and support their inclusion in regional cooperation.** For other WB economies that do not have such organisations (Albania, Bosnia and Herzegovina, Kosovo*, North Macedonia), this initiative is easily replicable as OMSA could assist in setting up their structure. On a wider level, the observed trends show that once abroad, students from the Western Balkans start networking immediately with their peers from the region, so a regional initiative would facilitate meaningful connections among students and young professionals from the Western Balkans, **opening the door for many joint activities, projects and cooperation among current diaspora members originating from the region.**

Factsheet: Cooperation with scientific diaspora carried out within the Higher Education and Research for Innovation and Competitiveness project (HERIC), 2014-2017

Description

The project was financed by a World Bank loan amounting to EUR 12 million and implemented from



2012 to 2019. Its main objective was to strengthen the quality and relevance of higher education and research in Montenegro through reforms and strengthening of the R&D capabilities. At the time, the Ministry of Science and the Ministry of Education were the main agencies implementing the project. The project recognised **importance of cooperation with scientific diaspora for research and innovation** and set of activities were carried out within *Component 2: Human Capital Development through Internationalisation Initiatives* to map and engage with scientific Montenegrin diaspora. Activities related to scientific diaspora amounted to a total of EUR 100,000 and were carried out in period from 2014 to 2017.

Objectives

Component 2: Human Capital Development through Internationalisation Initiatives was designed to maximise absorption of knowledge and technical training provided around the world for students and academic staff through foreign study and research in areas of domestic importance. This included improving the support for student and scholar's mobility, promoting a scholarship programme for Master's, PhD, and postdoctoral studies but also **strengthening the relationship with Montenegrin diaspora to promote international opportunities for scholars and students**. Thus, the main objective of this component was **advancing networking between researchers and business as well as strengthening linkages with the scientific diaspora**.

Results

Contributed towards establishing a systematic cooperation with the Montenegrin scientific diaspora through the following activities:

- Produced [Analytical Study on the Montenegrin Scientific Diaspora](#) to provide the Ministry of Science with preliminary data about scientists abroad which was later integrated in Science Network. The Study also provided guidelines and recommendations for better cooperation with diaspora, including the necessity of embracing brain circulation as an inevitable process of knowledge transfer.
- Assisted in upgrading a scientific diaspora database, as part of the Science Network research information system, <https://naucnamreza.me/> containing profiles of **300 Montenegrin scientists abroad**, out of total of 2,282 scientists. Scientists abroad were sent a questionnaire to gather information on their willingness to cooperate with Montenegro. The database includes contact details of scientists, place of work, society of emigration, area of research, education and list of publications and is being kept up-to-date and actively marketed to attract more scientists residing abroad. Researchers are continuously invited to join and create their profiles.
- Supported the [Regional Montenegro 2017 conference on economy](#), co-organised by the Ministry of Science at the time and the Montenegrin Chamber of Economy. The event brought together over 500 representatives of governments, business community, scientific and professional public from the Western Balkans and 35 members of Montenegrin scientific diaspora to discuss, among other topics, different cooperation modalities between the diaspora and economy's research community. The conference emphasised the link between the economy and science, and the contribution that Montenegrin scientists in diaspora can have in future programmes. Diaspora scientists presented their expertise through panel discussions with renowned local and foreign speakers and expressed their readiness for active participation in policy development and R&D activities in Montenegro.
- Another IPA2016 project Promoting Innovation Culture and Supporting Collaboration between Research, Education and Innovation Actors that aimed to connect the scientific research community and the private sector, has continued working on the <https://naucnamreza.me/> portal, helping researchers to build innovative skills through networking and a designated mentorship programme.



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Project activities have raised awareness of the academic and scientific community in Montenegro of their counterparts abroad for concrete projects and exchanges. The Ministry of Science (the current Ministry of Education, Science, Culture and Sports) continued to encourage diaspora participation in economy's and international R&D projects in order to further strengthen R&D human capital.

As a result of this engagement, in 2019, the **Senate of the University of Montenegro adopted the Rulebook on cooperation with scientific diaspora**, defining different modalities of cooperation to be financed by the University.

Constraints and challenges

The main challenge was data collection process itself, but through the combined efforts of the Ministry of Science, contacts of Diaspora administration and those of the Organisation of Montenegrin Students abroad, as well as personal contacts of the project team, initial mapping of Montenegrin scientists abroad was carried out, and was soon followed by a public call disseminated on social media channels for scientists to register and provide relevant information. What allowed for project activities to be swiftly carried out and ensured commitment of the Ministry representatives was the strategic framework of Montenegro that was targeting scientific research, innovation and higher education which already underscored the role of scientific diaspora in R&D and innovation (Strategy for Scientific Research Activity of Montenegro 2012-2016, Strategy for Development of Higher Education in Montenegro 2016-2020, Strategy of Innovation Activity 2016-2020).

Replicability and scalability

The prerequisite for brain circulation and using diaspora potential for R&D and innovation is an in-depth mapping of scientific diaspora. **Through a small amount of funds offered through the HER-IC project, scientific diaspora of Montene-**

gro was quickly mapped and systematised in a form of digital platform that remains the ownership of the current Ministry of Education, Science, Culture and Sports. Although Montenegro, along with North Macedonia, has a smallest diaspora population, this solution can be easily replicated in any Western Balkan economy. In the digital age of insta-tools and social media, it is not difficult to track emigrated scientists who are continuing their career in scientific institutions around the world. As for scalability, in a region **suffering from daily emigration of highly educated human resources, mapping of scientific workforce abroad would be instrumental for creating a joint pool of expertise.** This pool of scientists and researchers could take part in the ongoing development and technical assistance projects in relevant subject areas. In a way it would be a first step for regional joint projects, such as the one currently implemented in Serbia, [Serbian Science and Diaspora Collaboration Programme: Knowledge Exchange Vouchers](#) where 92 scientific research organisations are benefiting from knowledge exchange with their diaspora counterparts across 22 economies in areas such as natural science, technology, engineering, and medicine.



North Macedonia

Overview

Estimates based on census data from destination economies suggest that more than 500,000 people from North Macedonia (or about a quarter of the estimated current domestic population), resides abroad, one of the largest diasporas in the world in relative terms.⁵³ Including the second and third-generation emigrants into this figure would make Macedonian diaspora considerably larger.

The EU remains a key destination for Macedonian emigrants, in addition to more remote overseas destinations, such as the US, Canada and Australia. More than one third of all Macedonians emigrating to the EU select Germany as their destination, a trend comparable to most other Western Balkan economies.

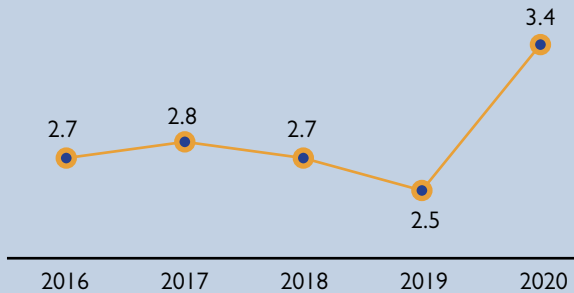
In terms of Macedonian diaspora profiles, two distinct emigration profiles are discernible – the “old” emigration waves driven mostly by economic migration of lower skilled labour towards developed economies, and the “new” emigration of frequently higher skilled labour that threatens to deplete the labour force and accelerate the negative effects of brain drain.

Similar to other Western Balkan economies, North Macedonia has also struggled to establish well-structured mechanisms to engage its diaspora in cultural, economic and social development. This has been somewhat addressed in the period between 2017 and 2021 when the Government took several steps to strengthen relations between the diaspora and the homeland.

In 2017, the Government appointed a minister without portfolio responsible for the diaspora to com-

Figure 6: Key diaspora statistics in North Macedonia

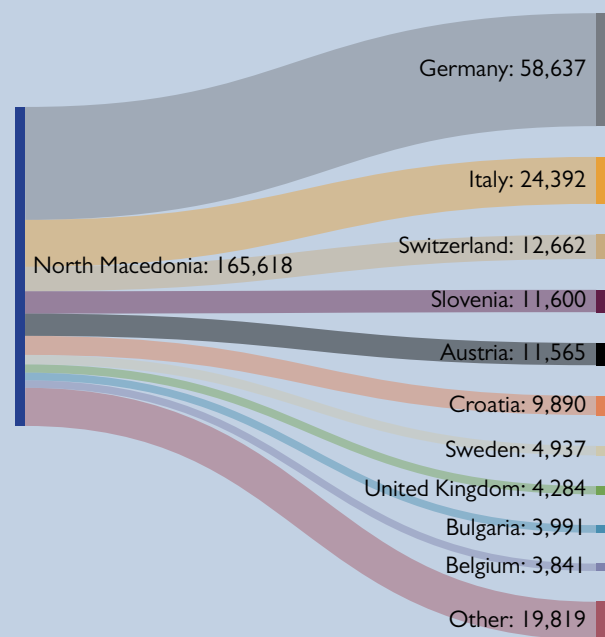
Population: 2 million (World Bank)
Diaspora size (estimate): 500,000 (World Bank)
Remittances as % of GDP:



Source: World Bank, World Development Indicators, 2021

Top ten destination economies for Macedonian emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)



Source: Eurostat, 2021

plement the efforts already being undertaken by the Agency for Migration and the Ministry of Foreign Affairs and its diplomatic and consular missions. The Government’s programme also explicitly noted the intention to “improve ties with our diaspora”⁵⁴.

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53 Seizing a Brighter Future for All, Systematic Country Diagnostic, World Bank, November 2018 <https://thedocs.worldbank.org/en/doc/606381543434479145-0080022018/original/MKDSCD2018ENGWeb.pdf>

54 Programme of Government 2017-2020 <https://vlada.mk/node/14647?ln=en-gb>



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Furthermore, contacts with US- and EU-based diaspora groups and organisations were intensified, and the Government launched the process of developing the first-ever strategy for cooperation with the diaspora in 2017⁵⁵. The strategy development process was not without problems as many diaspora groups and organisations voiced concerns in terms of responsiveness to their inputs and needs. The National Strategy for Cooperation with Diaspora⁵⁶ was adopted in March 2019.

The Strategy is founded on four pillars/strategic goals:

- **Political, legal and consular issues** - Improving the regulatory framework and institutional capacities with the purpose of achieving higher political inclusion and exercising the civil and social rights of the diaspora, in the function of building trust and establishing effective cooperation of the diaspora with the government.
- **Diaspora and economic development** - Establishing economic cooperation between the economy and the diaspora in different areas, based on partnership, equal opportunities and mutual benefit. The Strategy puts particular focus on: fast, safe and cheaper transfer of foreign-currency payments; cooperation on diaspora know-how and technology transfer; diaspora-facilitated exports of products; diaspora tourism; and philanthropic contributions from the diaspora.
- **Education, science and the youth** focuses on language learning by children from the diaspora; inclusion of diaspora children and youth into primary, secondary and higher education in North Macedonia; higher mobility of pupils and students; establishing scientific cooperation and networking with the diaspora; improved communication and cooperation between diaspora young people and their peers at home.
- **Cultural ties, cultural identity and cultural heritage** - establishing and expanding the cul-

tural ties with the diaspora in different areas for preservation of the cultural identity and cultural heritage. This includes new forms of cooperation between the entities from the field of culture in the economy and representatives/ organisations from the diaspora, higher number of cultural events and their promotion in the media, as well as networking and partnership for implementation and support of joint cultural activities.

One of the key prerequisites for the success of the Strategy and other diaspora initiatives is building trust of the diaspora communities. In three of the four pillars, the majority of identified challenges and courses of action refer to developing trust with the diaspora. Some of the trust-building actions foreseen by the document include: voting by the diaspora and its greater political inclusion; greater consultation and feedback on diaspora policies; civil and social rights – services to the diaspora; creating more active consular networks; cultural events and language promotion, with focus on learning the native language; etc. Furthermore, one should take into consideration the efforts of the diaspora organisations that have been founded by migrants and that work to deepen the cooperation between the diaspora and their homeland.

Finally, the Government of North Macedonia has also introduced tangible measures to incentivise and stimulate diaspora investment. One such measure is the eligibility of the citizens of North Macedonia with permanent and temporary residence outside the economy to receive reimbursement for justified investment-related costs. Recent amendments to the Law on Financial Support to Investments have increased this financial assistance from 10% to 15% of eligible investment cost, not exceeding 1,000,000 euros.

55 <https://vlada.mk/node/13502>

56 National Strategy of the Republic of North Macedonia for cooperation with the diaspora 2019-2023_0.pdf (iom.int) https://north-macedonia.iom.int/sites/g/files/tmzbdl316/files/documents/National Strategy of the Republic of North Macedonia for cooperation with the diaspora 2019-2023_0.pdf



Factsheet: Macedonia2025

Description

Macedonia2025 is one of the oldest organic, diaspora-established organisations in the Western Balkans region. Macedonia2025 is an international, independent, non-partisan think tank set up in 2007 by Macedonian expatriates who wanted to contribute to the economic and social development of North Macedonia.

The organisation, set up by mostly US- and Canada-based expatriates, along with others, is dedicated to helping create a prosperous economic climate in North Macedonia that will create opportunities and foster innovation to aid its citizens and investors. The organisation's mission is to assist in positioning North Macedonia as a preferred destination for foreign direct investment (FDI), promote transparency within government and private sector, and inspire future business leaders in North Macedonia.

Objectives

The organisation has put forward four key objectives that it aims to achieve through a number of programmes it implements in the economy and abroad:

- Accelerating the growth and competitiveness of Macedonian businesses through support extended to Macedonian companies, attracting foreign investment and stimulating export development. Macedonia2025 works on supporting the steady development of entrepreneurs, start-up companies and growth in foreign markets.
- Accelerating leadership development and supporting young talents through developing the leadership, managerial and entrepreneurial capacities of Macedonian future leaders, supporting promising young talents to reach their full potential and become successful professionals.
- Building strong partnerships and linkages worldwide by working together towards building a

stronger society and networking leaders and professionals at home and in diaspora.

- Advocating for improvement of Macedonian business environment through expert guidance and research on key economic challenges, with a particular focus on building a transparent and corruption-free society.

Results

Macedonia2025 has achieved a number of notable results in the implementation of its activities, including:

- Successful execution of **leadership development programmes**, such as Zafirovski Executive Development Programme which provides scholarships to Macedonian business leaders in partnership with the Kellogg School of Management (KSM), a globally renowned business school.
- Implementation of **executive/leadership development courses** in partnership with the Schulich Business School, part of the York University in Toronto, Canada with job shadowing at a renowned company.
- Operation of the annual **Leader Project**, implemented in cooperation with the renowned Ivey School of Business in London, Ontario, Canada. The Leader Project is a ten-day free-of-charge MBA-style programme that aims to enable high-potential individuals to develop local business solutions and educate Macedonian young entrepreneurs and aspiring entrepreneurs on the fundamentals of doing business.
- Setting up of a **Support Fund for Talented Students** - Talents Today – Leaders Tomorrow that provides scholarships to talented youth. The programme provides the selected ten students the opportunity for continuous talent and skills development through mentoring, participation in international competitions, trainings, and internships in prominent companies.
- Organisation of the annual **Macedonia2025 Summits** as premier regional gatherings that



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serve as a platform for sharing knowledge, connecting organisations, and inspiring change in South East Europe.

- Implementation of the **Bitove Family Entrepreneurship Programme** in cooperation with the Canadian Executive Service Organisation (CESO SACO). The programme provides advice by seasoned volunteers from diverse industries and sectors to assist small entrepreneurs/MSMEs in improving their business operations in North Macedonia. Assistance focuses on skills development, training, coaching, mentoring and related best practices, business tools, processes and systems.
- Implementation of online workshops/training sessions titled **MK2025 Growth Series: Utilising Diaspora's Know-How for Support of Domestic Business** with the aim of transferring knowledge from renowned diaspora members to domestic businesses and/or employees.
- Establishment of the **Connect2MK platform** to connect Macedonian businesses with professional expatriates from around the world, therefore helping them grow and prosper in an international environment, through mentoring programmes, partnership opportunities and/or investments.
- Organisation of **Business Forums and Business-to-Business conferences** aimed at promoting North Macedonia as a cost-competitive foreign investment location and a hub for business in Europe, North Africa and the Middle East.
- Conducting analysis and research to support advocacy efforts and improvements of the business environment.
- Operation of The Ambassadors Club as the organisation's representation facility in all societies where there is a diaspora presence. The club consists of successful professionals of North Macedonian descent and/or origin that support the implementation of Macedonia2025's agenda, improving networking and supporting investment opportunities.

Macedonia2025 currently has 70 active diaspora members from 20 different economies, with more than 4,350 participants at its events and more than 300 educational programme alumni.

Constraints and challenges

As a non-profit, voluntary organisation established by diaspora members, Macedonia2025 faces some challenges typical for these kinds of endeavours. Maintaining sustained and committed engagement of diaspora members is crucial as they volunteer their time and effort, often without any direct financial interest. Sustainability of the organisation's actions over the long term and its further development depends on effective fundraising efforts, both from members and corporate and other partners. Finally, balancing the interests of its members, partners in the private and public sector, and other stakeholders can be difficult and burdensome for the organisation that is often deeply involved in the policy process in the economy. However, Macedonia2025 has successfully managed to mitigate many of these challenges and constraints so far. It remains to be seen how the organisation and its programmes respond to the changing landscape of diaspora engagement, where the government and other actors are working on better structured and, eventually, better funded cooperation efforts.

Replicability and scalability

While Macedonia2025 was initiated, set up and operated throughout its existence mostly through private diaspora initiative, there is still room to consider avenues for replication in other economies in the region. The initiative has proven its usefulness in the context of Macedonian business environment and a similar organisation would not be out of place in any of the Western Balkan economies. The involvement of high-level diaspora businesspeople and professionals provides a strong voice for reform advocacy in the local business environment, lends support to internationalisation of local businesses and consolidates considerable knowledge and know-how that can be transferred into the local business commu-



nity. Similar diaspora business advisory bodies have arisen already or are emerging in many of the other economies and the governments would be well advised to provide support to these efforts. In the early stages, probably the best type of support would be to ensure that these initiatives and their members have a seat at the table when discussing important policies, such as those relating to trade, investment and industrial policy. Building on these initial contacts and relationships, and depending on the capacity and ambition of these initiatives, some organisational support would probably be welcome.

In terms of scalability, there is ample potential to network these diaspora advisory bodies regionally, as it would provide an opportunity for successful peers to exchange experiences and establish business contacts. However, it will be necessary to mitigate any negative perceptions that might arise in some parts of the diasporas or at home regarding this regional networking. Furthermore, tangible results will need to be generated in the near term so as to secure longer term commitment.



Serbia

Overview

Diaspora engagement policy in Serbia is marked by two distinctive periods over the past fifteen years: (i) from 2006 to 2012 when a designated institutional actor - the Ministry of Diaspora was tasked to act as a counterpart to diaspora voices and needs, and (ii) a current decentralised approach where different public authorities are responsible for ensuring that diaspora potential is used for development.

A broad legislative definition of diaspora that includes citizenship-based criteria as well as ancestry and belonging is important for understanding fragmented nature of diaspora.

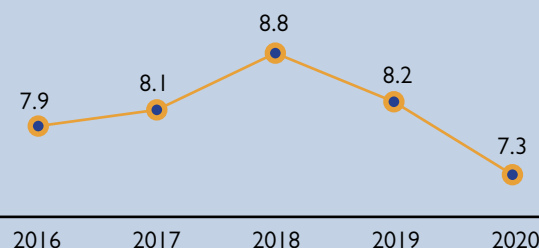
The 2009 Law on Diaspora and Serbs in the Region (hereinafter Law on Diaspora)⁵⁷ made a distinction between “diaspora” and “Serbs in the region”, defining diaspora as Serbian citizens living abroad (outside of the region) as well as members of the Serbian people – emigrants from the territory of Serbia, from the region and their descendants (Article 2). Though no comprehensive mapping was done, estimates of diaspora go up to 5 million people. Although this figure is frequently cited, it cannot be verified as it includes members of second and third generation, many of whom have citizenship of host economies. Heterogeneous diaspora includes scientific diaspora, investors, transnational entrepreneurs⁵⁸, numerous diaspora organisations which sometimes operate in silos, but also pensioners who consider returning to retire.

While recent evidence of net immigration and brain gain is encouraging, tracking of emigration remains a problem, with several studies showing different volumes of emigration, and the

Figure 7: Key diaspora statistics in Serbia

Population: 6.9 million (World Bank)
Diaspora size (estimate): 5 million (Government of Serbia)

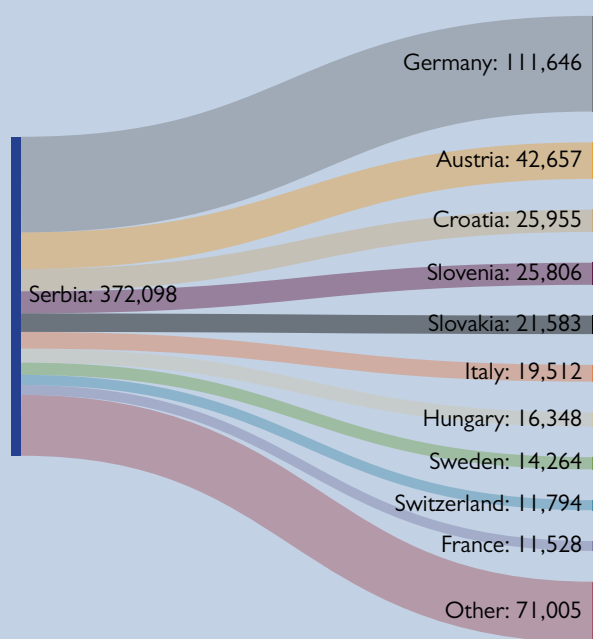
Remittances as % of GDP:



Source: World Bank, World Development Indicators, 2021

Top ten destination economies for Serbian emigrants in Europe

(First permit issued by EU/EFTA member, aggregate 10-year data for 2011-2020)



Source: Eurostat, 2021

57 Official Gazette of the Republic of Serbia, No. 88/2009. <http://www.dijaspora.gov.rs/wp-content/uploads/2014/04/LAW-on-diaspora-and-Serbs-in-the-Region.pdf>

58 The UNDP's study describes in depth different types of investors: Pavlovic, M. 2017. Assessment of the National Investment Framework for Diasporas in the Republic of Serbia. https://www.rs.undp.org/content/serbia/en/home/library/crisis_prevention_and_recovery/assessment-of-the-national-investment-framework-for-diasporas-in.html, pp.33-36, while the IOM's handbook enlists some transnational business organisations: Mitrovic, O. 2017. Handbook on Migration and Local Development. p.88. https://serbia.iom.int/sites/serbia/files/publications/documents/Handbook_on_Migration_and_Local_Development.pdf



only reliable data being the Eurostat statistics⁵⁹. Germany, Austria, and Switzerland are the main destination economies, while three large emigration zones include Eastern Serbia, Southwest and Southern Serbia. The largest remittance corridors are with Germany, Switzerland, and Austria and over the past five years remittances varied from 8.7 to 7.3 per cent of GDP⁶⁰. They are mainly transferred through informal channels and predominantly used for consumption, while only 2.9 per cent are used for investment⁶¹.

Commitment towards diaspora, initiated with the set-up of the Ministry of Diaspora in 2006, was reaffirmed in the 2009 Law on Diaspora which established the Assembly of Diaspora and Serbs in the Region as the highest representative body tasked to provide input for the Diaspora Strategy (Article 15). When the 2011 Strategy for Sustaining and Strengthening Relations between the Home Country, Diaspora, and Serbs in the Region⁶² was adopted, following a wide consultative process with over 100 diaspora organisations, it was considered as a key strategic document for diaspora engagement.

This ambitious framework, recognised by some authors as a best practice of diaspora policy⁶³, ultimately did not materialise: the Action Plan on implementation of the Diaspora Strategy was never adopted, mandate of the Assembly of Diaspora and Serbs in the Region expired in 2014 and the Ministry of Dias-

pora ceased to exist after the 2012 elections. In 2014, the new Law on Ministries⁶⁴ set up the Office for Cooperation with Diaspora and Serbs in the Region as an administrative body within the MFA.

The Office for Cooperation with Diaspora and Serbs in the Region implements projects and public calls for diaspora organisations and is very active in areas of preservation of identity, organising cultural exchange programmes with diaspora, Serbian language and history courses and Days of Diaspora. However, from 2013 onwards, despite international donor projects, diaspora development potential – investment, transfer of know-how and brain circulation have remained largely untapped.

The **shift of focus towards harnessing diaspora potential by providing diaspora with concrete incentives** occurred in 2018 when the Office of the Prime Minister organised the first Talent Meetup, gathering highly skilled diaspora organisations to jointly discuss how to facilitate their repatriation⁶⁵. As the first obstacle was slow recognition of foreign diplomas, the adoption of the Law on the National Qualifications Framework⁶⁶ simplified and digitalised the procedure, shortening it to 8 days for universities from the so-called Shanghai List. Next, in 2019 the new Directive on Customs Benefits⁶⁷ allowed customs free import of personal property and household items for returnees who lived over ten

59 Vlada Republike Srbije.2020.Migracioni profil Republike Srbije. [https://kirs.gov.rs/media/uploads/Migracioni profil Republike Srbije 2020 FINAL \(1\).pdf](https://kirs.gov.rs/media/uploads/Migracioni%20profil%20Republike%20Srbije%20FINAL%20(1).pdf)

60 World Bank.2021. Personal remittances received (% of GDP). <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS?locations=RS>

61 Krasteva, A. et al.2018. Maximising the development impact of labour migration in the Western Balkans. Final Report. EU's IPA programme for the Balkan Region. http://wb-mignet.org/wp-content/uploads/2019/10/Final-report_Maximising-development-impact-of-labour-migration-in-WB_0412018-1.pdf

62 Official Gazette of the Republic of Serbia, Nos. 4/11 and 14/11. http://dijaspora.gov.rs/wp-content/uploads/2012/12/strategija_mv2011.pdf

63 Vezzoli, S. and Lacroix T. 2010. Building Bonds for Migration and Development. Diaspora Engagement Policies of Ghana, India and Serbia. GIZ GmbH Migration and Development Sector Project. <https://www.migrationinstitute.org/publications/building-bonds>

64 Official Gazette of the Republic of Serbia, No. 44/2014. [https://projuris.org/Zakoni Republike Srbije/Zakon_o_ministarstvu_ma_2014_.pdf](https://projuris.org/Zakoni%20Republike%20Srbije/Zakon_o_ministarstvu_ma_2014_.pdf)

65 Serbia Creates – Talents.2.0. 2019. Talents at the gathering 2.0: incentives for the return of our talent to Serbia. <https://supremefactory.net/ecosystem/serbia-creates-talent-2-0/>

66 Official Gazette of the Republic of Serbia 27/18 and 6/20. <https://www.paragraf.rs/propisi/zakon-o-nacionalnom-okviru-kvalifikacija-republike-srbije.html>

67 Official Gazette of the Republic of Serbia 38/2019 i 86/2019. <https://www.paragraf.rs/propisi/uredba-o-carinskim-povlasticama.html>



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years abroad. Amendments to the Law on Personal Income Tax⁶⁸ and the Law on Contributions for Compulsory Social Insurance introduced a tax break for highly skilled repatriates.

Besides these tangible legal/policy changes, the recent **Economic Migration Strategy 2021-2027** (hereinafter: Strategy)⁶⁹ recognised the necessity of: mitigating the effects of emigration and brain drain, supporting circular and return migration, improving cooperation with diaspora and stimulating transnational entrepreneurship. Though the Strategy is much broader in scope, as it includes internal migration and foreigners, diaspora and returnees are recognised as two key target groups. Coordinated by the Ministry of Labour, Employment, Veteran and Social Policy (MLEVSA), the Action Plan on Implementation of the Economic Migration Strategy 2021-2023⁷⁰ identifies the following institutions as responsible for implementation of *specific objectives dealing with diaspora and circular migration*: the Office of the Prime Minister, MFA, MLEVSA, Ministry of Economy, Ministry of Education, Science and Technological Development, Chamber of Commerce, Development Agency, Commissariat for Refugees and Migration, and LSGs. As shown in factsheets, some of these institutions are already implementing the ongoing diaspora projects.

Scientific diaspora was recently recognised as an agent of development thanks to the project led by the Serbian Science Fund⁷¹. Funded with EUR 800,000 budget funds, the project enables implementation of 92 joint scientific projects between higher education institutions from Serbia and their

diaspora counterparts in 22 economies in areas of science, technology, engineering, and medicine.

Finally, it should be stressed that since 2011, the IOM and UNDP have implemented 3 phases of the SDC-funded Global Joint Programme on Mainstreaming Migration into National Development Strategies to support migration and development projects in Serbia, including development potential of diaspora.

Factsheet: Returning Point (Tačka povratka), 2019 - ongoing

Description

Aware that despite existing initiatives in Serbia diaspora largely remains an untapped potential, Serbian entrepreneurs from the United States, Serbian City Club from London and Science and Technology Park Belgrade proposed an idea to the Prime Minister to set up a programme that would approach diaspora in a modern way, using a growing reliance on technology. Supported by the UNDP and the Office of the Prime Minister, the programme is funded through a mix of government, local, and international funds in value of approx. EUR 0.5 million. It provides a comprehensive portfolio of support to diaspora - from working on policy changes, communicating with diaspora on their practical concerns, to “hand-holding” of highly skilled returnees in repatriation process and job matchmaking, allowing for a returnee to fully rely on *Tačka povratka*. As put by the Forbes magazine, the programme **acts as a concierge service**

68 This allowed for 70% tax deduction for employment of young returnees who are offered three times the average salary in Serbia. Official Gazette of the Republic of Serbia 44/21 <https://www.purs.gov.rs/pravna-lica/pregled-propisa/zakoni/172/zakon-o-porezu-na-dodak-gradjana.html>

69 Official Gazette of the Republic of Serbia 21/20. <https://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/vlada/strategija/2020/21/1/reg>

70 Vlada Republike Srbije. 2021. Akcioni plan za period 2021–2023. godine za sprovođenje Strategije o ekonomskim migracijama Republike Srbije za period 2021–2027. godine. <https://www.minrzs.gov.rs/sr/dokumenti/ostalo/sektor-za-rad-i-zaposljavanje/akcioni-plan-za-period-2021-2023-godine-za-sprovođenje-strategije-o-ekonomskim-migracijama-republike-srbije-za-period-2021-2027-godine>

71 Savet za saradnju nauke i privrede. 2020. Programme of cooperation of Serbian science with the diaspora - the final list of projects approved for funding. <https://nip.rs/en/news/120-program-of-cooperation-of-serbian-science-with-the-diaspora-the-final-list-of-projects-approved-for-funding>



for Serbians interested in returning⁷². Acting as a primary contact point for potential returnees, through direct contact the programme team provides answers on matters such as: how to get a residence permit, register a car, find a flat, enrol children in kindergarten/school, where to invest, how to get a health insurance, etc.

Objectives

Provide support for repatriation of highly skilled, promote circular migration, provide direct assistance to diaspora, and propose public policy measures to facilitate both reintegration of highly skilled and strengthen cooperation with diaspora. This is achieved through following strands:

Mapping and information sharing - Identifying highly skilled returnees and diaspora organisations and improving two-way communication between public and private sector in Serbia and returnees.

Networking - Connecting public and private sector with diaspora initiatives while gathering returnees, expats and local talents into a community that is driving the Serbian society forward.

Regulations and incentives - Identifying obstacles to return and cooperation to introduce policies that respond to needs of diaspora. Supporting public and private sector to provide incentives to repats.

Investments - Supporting the efforts to promote Serbia as a viable destination for diaspora investments by providing information on opportunities and interested parties.

Promotion – a designated [podcast/you tube channel](#) (total of 36 episodes and 70,000 views) shares success stories of returnees/diaspora organisations who contributed to development of Serbia.

Results

- Coordinated repatriation flights to Serbia during the state of emergency introduced after the COVID-19 outbreak which returned almost **12,000 people** (March-April 2020).
- **Directly assisted 7,000 potential returnees** on a series of questions about various business, administrative, and social aspects of life in Serbia. **Set up a Viber group for over 6,300 diaspora members** where they are provided with all diaspora-related relevant information and events. The number is expected to grow after the upcoming outreach campaign.
- Work on bylaws to enable implementation of the amended [Law on Personal Income Tax and the Law on Contributions for Compulsory Social Insurance](#), allowing for 70% tax deduction for employment of returnees who are offered three times the average salary in Serbia.
- Informing the returnees about the [Directive on Customs Benefits](#) which allows customs free import of personal property and household items for returnees who lived 10 years abroad.
- **Promoting success stories of returnees assisted through the programme and how they contributed to the development of Serbia** (for example Miroslav Kočić, a returnee from Pittsburgh, became an [Executive Director of Vinča project](#), and succeeded in securing funds for 7,500-year-old Neolithic Settlement which will be presented at the Expo 2020).
- Cooperation with the [Infostud](#), the most visited employment portal in Serbia, to have vacancies in Serbia for candidates from diaspora and returnees with international experience.
- Developed digital [Personal Guide for Repatriates](#). Based on inquiries that the team had with 7,000 potential returnees interactive guide was developed, covering all practical aspects of living and working in Serbia and has been seen by **20,000 people**.

72 Wolcott, R. 2021. National Digital Transformation: A Conversation with Serbia's Prime Minister Ana Brnabic, Forbes Magazine. <https://www.forbes.com/sites/robertwolcott/2021/06/15/national-digital-transformation-a-conversation-with-serbias-prime-minister-ana-brnabic/?sh=7dd4e4b93889> Overview of work of Returning Point can be found in Jakovljevic, A. 2021. Effects of Public Policy Measures on Combating Depopulation Challenges in Serbia. International Politics, Vol. 72, No. 3.



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- Awareness raising: the term circular migration has entered the public discourse, as it has been used by media, the Prime Minister, and at high visibility events.
- Assisted in launching a campaign [BelgradeGets.digital](#) to attract digital nomads to work remotely in Serbia with the offering of a free COVID-19 vaccine. [Led a diaspora vaccination campaign](#): 550 diaspora members came from abroad and were vaccinated in Serbia.
- Launching an open call for medical workers living abroad who are currently not engaged to temporarily return to Serbia and assist in dealing with the COVID-19. Over 300 have applied to return or assist and 24 had returned from Germany.

Constraints and challenges

The programme immediately attracted a lot of interest among highly skilled as the pandemic was a push factor for many people to return, due to possibility of remote work. At the same time, the COVID-19 prevented activities important for awareness raising (visits to Serbian diaspora to establish face-to-face contacts and promote the programme). This was successfully mitigated by online events and strong social media presence. The main challenge appeared in relations with diaspora organisations. Due to fragmented nature of diaspora, diaspora organisations themselves are sometimes not connected so the programme was either met with distrust by some of them (as it was perceived either as the interface of the Government, or of the international community), or with caution of others, due to its innovative nature. Thanks to numerous personal contacts that the team had with diaspora, initial barriers were successfully overcome, and programme activities were promoted by diaspora organisations. As for other stakeholders, private sector and local companies working in areas of science, R&D, art, and IT immediately recognised benefits of connecting with diaspora and hiring of highly skilled returnees. Finally, due to its hybrid nature (being supported both by the

UNDP and the Government), the programme had a strong buy-in among public authorities and international partners.

Replicability and scalability

Considering the recent evidence of brain gain in three economies of the region - Montenegro, North Macedonia, and Serbia⁷³, the programme could have a high success rate if replicated. Main prerequisites are: 1) **knowledgeable team of returnees leading the process as this is what gave credibility to Tačka Povratka** – being highly skilled returnees themselves, they faced the same problems that future returnees might have and knew how to respond; 2) **securing a buy-in with the Government** that would vouch for success when pushing for efficient policy changes and later promoting those policies; and 3) **maintaining a flexible structure to allow an agile and multidisciplinary response for diaspora needs** – since it varied from policy changes and communication, to direct assistance in finding a job. There is a potential for scalability but pending careful assessment how such regional structure would look like. While there is a high interest for this kind of approach, as it focuses on tangible benefits - removal of obstacles to return or doing business, all of which facilitate regional cooperation, such regional structure might be rejected by some parts of diaspora.

Factsheet: Link Up! Serbia II, 2019 - 2022

Description

Funded by the Austrian Development Agency (ADA) with the funds of the Austrian Development Cooperation (ADC) in the amount of 1,699 million EUR, and implemented by the ICMPD, the project was developed based on 1) research and cooperation with

73 Leitner, S. 2021. Net Migration and its Skill Composition in the Western Balkan Countries between 2010 and 2019: Results from a Cohort Approach. WIIW, Vienna. <https://wiiw.ac.at/net-migration-and-its-skill-composition-in-the-western-balkan-countries-between-2010-and-2019-results-from-a-cohort-approach-p-5682.html>



the Serbian diaspora in Austria and 2) inputs from the regional development agencies (RDAs) in Serbia during the project's Phase I (Link up! Serbia I, 2016 – 2017). The research showed a growing interest of diaspora to invest in Serbia and support SMEs in internationalisation of their businesses, particularly in emigrating regions.

- **Domestic project partner:** Ministry of European Integration
- **Implementing partners:** Development Agency of Serbia (RAS), Chamber of Commerce and Industry of Serbia (CCIS), 6 regional development agencies (RDAs): RAREI (Belgrade), RDA - BP (Požarevac), Centre for Development of Jablanica and Pčinja Districts (Leskovac), RDA South (Niš), REDASP (Kragujevac) and RARIS (Zaječar)
- **Geographical focus in Serbia:** Belgrade, Eastern, Southeastern and parts of Central Serbia (3 emigration intensive regions—Zaječar and Bor districts, Braničevo and Podunavlje, Šumadija and Pomoravlje districts (10 cities and municipalities) and three economically fast-growing regions – Belgrade, Nišava and Jablanica and Pčinja districts (Leskovac))
- **Geographical focus in diaspora:** first and second-generation diaspora in DACH region⁷⁴

Objectives

Fostering transnational entrepreneurial activities with and through the Serbian diaspora in DACH countries by facilitating access to knowledge, business networks and financing. The project emphasises special activities with the **vulnerable groups in Serbia** (women, Vlach and Bulgarian minorities, Roma minority, elderly and youth farmers, and persons with disabilities) to support those who need it most in the labour market. All outputs will be transferred to institutions in Serbia and business diaspora for sustainability.

Results

- As part of the grants scheme, 6 RDAs implemented **Technical Assistance package (TA)** in 10 LSGs to support them in business diaspora engagement. This included: developing **Guide for Establishing Institutional Mechanisms for Cooperation of LSGs with the Diaspora**, developing **10 Guides for Investors** for municipalities: Žagubica, Požarevac, Kladovo, Negotin, Zaječar, Paraćin, Despotovac, Petrovac na Mlavi and Knjaževac and mapping of existing diaspora investments to create **Pioneer Roadmap – database of diaspora direct investments**.
- **80 investment opportunities developed with RDAs and LSGs** (including ones targeting vulnerable group members in diaspora), mostly in tourism (21), agriculture (7), industry - both brownfield and greenfield (38), hospitality (11), environmental protection (2), and culture (1). Out of 80 investment opportunities 4 were regional and 76 were developed for and with LSGs.
- **Strategic and Methodological Framework** developed to assess local potentials for fostering diaspora engagement by LSGs. 5 measures adopted to improve diaspora-related environment.
- **35 diaspora mentors** selected in DACH region, **interviews with successful diaspora members – diaspora overachievers** organised, including Chief Financial Officer at Strabag, Senior Vice President at Deutsche Telekom, COO and CFO of company DrainBot; **20 diaspora brokers** identified, over **40 diaspora investors** mapped; **20 early-stage entrepreneurs** receiving mentorship support for starting a business in Serbia identified. All of these categories include vulnerable group members.
- **Diaspora Business Hub** was created in 2020 as a unit in both Belgrade and Vienna and transferred to CCIS for sustainability to help Serbian MSMEs and LSGs find diaspora partners and investors, as well as to help diaspora find adequate partners and LSG support.

74 The DACH region in Europe comprises Austria, Germany, and Switzerland.



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- Online platform [Business Atlas of Serbia and Diaspora](#) set up to connect diaspora investors with entrepreneurs and LSGs from Serbia as well as to provide diaspora with quick and transparent access to investment opportunities, business partners, all the while offering entrepreneurs access to a new market. The platform has separate sections for vulnerable groups.
- **Business Diaspora Summit in Switzerland** was organised and gathered representatives of institutions in Serbia and diaspora investors, mentors and brokers in Switzerland.

Constraints and challenges

The [Feasibility study facilitating diaspora investments](#), carried out in Phase I, identified diaspora's lack of trust in institutions, concerns over the lack of rule of law on local level and lack of knowledge on local business conditions. To mitigate this, the online platform that offers direct and transparent access to investment opportunities in Serbia is seen as a strong trust-building and networking mechanism. Also, business diaspora events were served to increase trust. Second challenge were insufficient capacities of Serbian institutions and LSGs as in general they lack adequate skills to engage with business diaspora and develop investment opportunities. Therefore, the project offered **extensive technical assistance/capacity building package for local/regional stakeholders**. The COVID-19 was a multifaceted challenge, due to travel restrictions that limited networking events, but also due to pandemic's acute economic impact among SMEs, so there were difficulties to find suitable beneficiaries. On the other hand, the pandemic incentivised some SMEs to actively seek new business partners for export opportunities and to enrol for online mentoring/brokering. Finally, challenge that is anticipated in future will be the adequate matching of SMEs from Serbia and entrepreneurs from diaspora. This means that **extensive connections with diaspora, strong outreach efforts and offering incentives to diaspora to participate in the project are warranted**.

Replicability and scalability

Activities such as brokering and mentoring can be successfully replicated if there is a prior in-depth knowledge of entrepreneurial/business diaspora (or if mapping is envisaged as Phase I of the project). Knowing which diaspora to involve is a prerequisite for setting realistic targets. In this case, the DACH countries were chosen because they host successful and numerous Serbian business diaspora and transnational entrepreneurs. Online business/investment platforms solve the chronic issue of mistrust and if replicated, they should be hosted by domestic business support institutions – potentially Chambers of Commerce - to ensure sustainability. Diaspora Business Hub can also be replicated where a similar unit does not exist already.

There is a **strong rationale for scaling up this project for wider economic, political, and practical reasons**. At the time the project was developed, the 2018 EC Progress Report assessed Serbia as moderately prepared in developing a functioning market economy, enlisting challenges such as unpredictable business environment, MSMEs difficult and costly access to finance and the need for internationalisation of companies. All Western Balkan economies share these challenges and have as their stated goals increasing investments and private sector growth. Diaspora is in a unique position to be a successful market leader due to their knowledge of language, access to information, market intelligence and experience throughout the EU and the region. Thus, **diaspora can serve as a bridge between the local SMEs and the EU markets and can foster economic development of the region**. In practical terms, having a regional initiative would mean wider pool of experts with adequate skills (mentors and brokers), and more opportunities for investment. Proper design of such an initiative would require previous assessment to determine whether all six economies have adequate level of knowledge of their business diaspora as well as readiness and capacities of institutions for diaspora engagement (chambers of commerce and other competent authorities).



Factsheet: Global Programme Migration & Diaspora (PMD) in Serbia, 2019/2022

Description

Funded by the German Federal Ministry for Economic Cooperation and Development (BMZ) and implemented by GIZ, in partnership with the MLEVSA and National Employment Service (NES), the Global Programme Migration for Development (PME) started in 2016 in Serbia, and in 2019 it evolved into the [Global Programme Migration & Diaspora \(PMD\)](#). The programme is implemented in **22 partner** economies which are **considered as relevant for development-oriented return, diaspora cooperation and migration policy**. Total funding on a global level is EUR 69 million.

Objectives

To strengthen key actors in selected partner economies to increasingly use **the positive effects that regular migration and diaspora engagement can have on local social and economic development**. To achieve this, PMD works across three components and five priority areas:

Component 1: Regular labour migration and mobility

- **Development-oriented return – Returning experts** - local employers can leverage experience of qualified returning experts who lived and worked in Germany for their own development.
- Counselling through the German Information Centre on Migration, Training and Employment (DIMAK) to provide information on safe and regular migration pathways to potential emigrants.

Component 2: Cooperation with diaspora

- Social engagement by the diaspora – enabling short-term expert assignments from German di-

aspora community and supporting **implementation of projects that allow diaspora to contribute to the development in Serbia**.

- Financial and economic contribution of the diaspora – **available assistance to diaspora members in Germany wishing to set up a business back home in Serbia**.

Component 3: Migration governance (initiated since 2019)

- Strengthening of institutional capacities for **policy making and implementation on migration and development** within the framework of the Global Compact on Safe, Orderly and Regular Migration.

All activities take place in accordance with the Global Compact for Safe, Orderly and Regular Migration (GCM) and the 2030 Agenda for Sustainable Development.

Results

- Since 2019, 16 qualified returning experts were supported with career guidance, job match-making, salary top up, means for equipping their workplace and further education
- Some experiences of returning experts include: [Molecular biologist launching a biotech startup](#) to produce ventilator component to respond to the COVID-19 crisis, a [culturologist working on setting up the Centre for Digital Art History](#) at the Faculty of Philosophy, [a sociologists working in the Centre for social work, carrying out a project on improving regional social policies](#)
- **1,820** clients used DIMAK advisory services on regular migration - individual consultations, informative and online events. DIMAK operates in Serbia since 2016 and has been assisting the NES in counselling emigrants on various options for regular migration.
- **Diaspora experts:** 11 short-term assignments in Serbia took place, including support to health sector, expertise provided to the Institute of Chemistry, Technology and Metallurgy, etc.



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- 3 Serbian diaspora organisations implemented projects with local partners. Funding is provided for up to EUR **40,000**. Central Council of Serbs in Germany worked with the Youth Council in Serbia on [transfer of knowledge of diaspora in the area of IT and food industry](#); Roma Centre Germany and Roma World Production Serbia worked together on [antidiscrimination network](#).
- **10 business ideas** developed to set up businesses in Serbia. Candidates are assisted with development of a business plan, networking with potential business partners/ incubators and offered **financing up to EUR 7,000**. One such idea was the set-up of a [counselling centre for breastfeeding, and family development](#).
- A [price comparison portal](#) developed, offering a swiftly accessible overview of various money transfer fees providers charge.

In the domain of migration governance, the following results are achieved:

- Contributed to regulating the economic migration in Serbia for the first time by providing support to adoption of the [Economic Migration Strategy \(2021-2027\)](#) and its [Action Plan](#).
- **100 stakeholders** attended trainings on economic migration and diaspora development.
- [Peer-to-peer exchanges on best practices](#) organised with other partner economies and multistakeholder dialogues have gathered 126 participants, while the upcoming activities are expected to target more local level stakeholders.

The programme actively works on promoting economic migration and diaspora development among wider public, as seen in videos developed in cooperation with partnering institutions, diaspora and returning experts, local partners and all relevant stakeholders in Serbia: [Why are the Economic Migration Strategy and Action Plan important?](#), [Can the diaspora generate development of Serbia?](#) and [How important is the relationship between the diaspora and local communities in Serbia?](#)

Constraints and challenges

The COVID-19 posed a challenge for outreach efforts in Germany which served to identify potential highly qualified returnees or diaspora experts. As these activities were moved online, they required more support of diaspora organisations in Germany in dissemination. While the project succeeded in implementing activities online, general sentiment remains that networking and outreach produce better atmosphere among diaspora members and potential returnees when done face-to-face. Some segments have benefited from online work. Being a global programme, the PMD already planned some events online, so it was not as affected by the pandemic as projects that are entirely planned face-to-face. Peer-to-peer events done online or in hybrid format were in itself an important innovative practice for the public administration in Serbia. The migration governance component required great deal of effort and preparation in coordinating all relevant institutions in the process of adoption of the Economic Migration Strategy and its Action Plan due to the number of institutions involved in this multisectoral process and the fact that migration policy require cooperation on horizontal as well as on vertical level. As the programme is also working with civil society and academia, a lot of time was spent on gathering all relevant stakeholders on board.

Replicability and scalability

The PMD is already implemented in three economies of the region – Albania, Kosovo* and Serbia and in additional 19 economies globally, covering different migration and policy contexts in Cameroon, Colombia, Ecuador, Ethiopia, Georgia, Ghana, India, Indonesia, Jordan, Kenya, Morocco, Nepal, Nigeria, Palestinian territories, Peru, Senegal, Tunisia, Ukraine, and Vietnam. Thus, the **PMD incorporates a high degree of flexibility, allowing for concrete outputs to be tailored to each economy context**. This means that not all three components - regular labour migration and mobility, diaspora cooperation and migration governance



were implemented in every economy. In case of Serbia the previous analysis has shown that the economy has sufficient capacity to implement all components and related instruments. Considering the overview of political and institutional set-up of six economies provided in this Compendium, the estimate of researchers is that all related activities could be replicated in Bosnia and Herzegovina, Montenegro or North Macedonia. Similarly, they could be delivered on a regional scale, though following adjustments to domestic context and needs, particularly in the area of migration governance.



Recommendations

While the Western Balkans region has long been without a clear strategy, instruments or, in many cases, even articulated interest for closer engagement of its diasporas, the situation is rapidly changing. As indicated in the economy overviews, over the previous several years almost all of the Western Balkan economies have put forward strategies and/or plans for more structured engagement with the diaspora. While many problems still exist, particularly in terms of credibility and trust, the steps that are being made are clearly moving the region in the right direction.

At the same time, and in parallel to these efforts, a number of diverse initiatives, projects and programmes have emerged with the aim of engaging with diaspora in a more structured and meaningful way. Although in some cases it is evident that lessons learned from older initiatives are not being transposed to new ones (or that one size truly does not fit all diasporas), the sheer volume and breadth of initiatives is encouraging. While there is always a threat that a poorly designed or implemented programme might shatter already fragile links with the diasporas burdened with suspicion, weariness and distrust, actions in this areas are still acutely needed.

Looking at this rapidly changing situation, and having in mind the current migration trends in the Western Balkans, the following actions are likely to produce best results in the medium term:

- At a general level, the **region needs to improve its knowledge about emigration**. Data and information on emigration is needed in order to create effective policies. Thus, the governments should create incentives for citizens to officially notify authorities when moving abroad and collect better data of those leaving and returning including their skills and educational levels as a basis for sound policy-making;
- **A better understanding is needed in terms of the rationale for emigration**. Thus, regular surveys should be conducted of people who have left the region to inquire on their reasons for leaving, comprehend their experiences of living and working abroad, and understand the (pre)conditions for their possible return to their homelands;
- Stimulate citizens that are in formal education and studies abroad to consider returning upon their graduation and **joining the labour market back home** through tailored internship programmes and potential job offers;
- **Create policies and incentives to foster direct diaspora investment back home** through grants, credit lines targeting diaspora entrepreneurs, tax incentives, and/or other instruments that can lead to more productive use of diaspora money beyond real estate investment and consumption. While diasporas might number in millions, those diaspora members that can mobilise sizeable investment and generate employment at home are few and far between, so clear targeting using online resources will be necessary;
- Diaspora members can take the roles of other economic agents, beyond direct investors. They can facilitate inbound FDI by influencing investment decisions of companies they work in; they can help source goods and services from their societies of origin, particularly if they are in the position to influence procurement decisions; they can provide useful guidance and advice on accessing international markets to companies back home; they can provide mentoring to fledgling SMEs at home in a number of areas that are



close to their professional experience. **Each of these roles requires a specific set of tools and instruments to first identify, and then successfully engage with these diaspora members**, facilitating execution of these various roles.

- As proven by many experiences in the region, diaspora is local. This is particularly the case with diaspora's economic and/or charitable engagement. Thus, working with local communities, towns and municipalities is going to be crucial for the success of diaspora engagement. **Developing capacity and allocating adequate resources at the local level to support diaspora engagement is crucial.**
- Diplomatic and consular representation abroad is often overlooked in developing and implementing diaspora outreach and engagement programmes. To build credibility and trust with the diaspora communities, **consulates and embassies need to develop and provide better services for the diaspora** and use them as contact points to inform those who have left about opportunities to engage or invest in their society of origin.
- The economies need to make return easier by creating offers and incentives for re-integration as some people might return only after a longer period and promote best-practice examples of successful returnees.
- **Existing narratives on emigration should be countered** and a more realistic picture of life abroad should emerge in the public discourse, balancing advantages and disadvantages. This could be done through media campaigns, distribution of information at educational institutions while reducing stereotypes between emigrants and locals.

There is a strong rationale for scaling up many of the initiatives and actions described above. However, the two areas where scalability is probably easiest to demonstrate are the diaspora knowledge transfer, mentorship and sourcing initiatives. In all of these cases, the rationale for a regional approach is clear

from an economic, political, and practical standpoint. All of the economies in the region are either poorly or only moderately prepared in developing functioning market economies, as assessed by the European Commission. Diaspora is uniquely positioned to be a successful market leader due to their knowledge of language, access to information, market intelligence and experience throughout the EU and the region. Thus, diaspora can serve as a bridge between the local SMEs and the EU markets and can foster economic development of the region. In practical terms, having a regional initiative would mean a wider pool of sourcing agents, experts and mentors with adequate skills and more opportunities for investment. Proper design of such an initiative would require previous assessment to determine whether all six economies have adequate level of knowledge of their business diaspora as well as readiness and capacities of institutions for diaspora engagement (chambers of commerce and other competent authorities).



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