Learning by doing



series drawing on research and capacity development actions

DIASPORA ENGAGEMENT AND ECONOMIC GROWTH

Commercial intelligence and business opportunities





Table of contents

- 03 | Context
- | Key challenges & diaspora roles in export
- | Export in action: Armenia
- **Export in action: Lebanon**
- What comes next?
- | Diaspora as brokers
- | Diaspora as promoters
- | Diaspora as mentors
- 11 Learn more

Context

International trade and exports are drivers for national economic growth and expansion of domestic companies. When coupled with appropriate supporting policies, they accelerate progress in achieving the SDGs. Specifically, export is a significant source of income for public and private sectors. It improves productivity, promotes specialisation and generates employment and decent work, particularly for women, who are more likely to have stable wages when a country engages in liberal exportation and international trade. It has the potential to expand women's role in the economy, decrease inequality, and expand women's access to skills and education.



SMEs traditionally rely on national institutions or private organisations to facilitate exports, including trade representatives, trade promotion agencies, chambers of commerce and business associations. Although the diaspora is not a traditional partner, it can provide this support and address challenges to export, thanks to insider advantages in languages, affinities and information.

Through EUDiF's research, dialogue and capacity development activities, we have built theoretical and practical knowledge on the different ways diaspora boost export. In this dossier, we bring theory and practice together, sharing what we have learnt through two of our actions about diaspora roles in catalysing export in Armenia and Lebanon. It is an opportunity to reflect on what we have learned from the different action contexts, processes and results to inform and inspire future policymaking and interventions.

Key challenges & diaspora roles in export

Export can be a complex endeavour, with a variety of challenges. Diaspora can perform many roles to over come such challenges and assist businesses in their country of heritage. In particular, supporting small and medium enterprises (SMEs) exporting to international markets. There are seven roles diaspora are regularly seen to play in supporting export, although more may exist:

MENTORS - BROKERS - PROMOTERS - INVESTORS - TRADERS - CONSUMERS - LOBBYISTS

When performing each - or a combination - of these roles, diaspora can support SMEs to counter the following recurring challenges...

CHALLENGES MENTORS INVESTORS Domestic market challenges The diaspora's international mind-Due to their affinity and knowledge The domestic market may not encourage private sector development (due to set and intercultural skills position of the local context, diaspora may unstable local currency, lack of export financing, barriers to e-commerce, brain them as strategic mentors, role be more likely to invest in local and drain, etc). SMEs require reliable business conditions to grow and to compete on models and inspirational leaders the global market. grassroots businesses compared to for entrepreneurs back home. international investors. Access to information SMEs, especially those newly exporting, usually have limited information about TRADERS the destination market (regulatory framework, range of entry points, distribution They have an advantage in channels, financing options, etc.) understanding demand and trade channels in both countries, and can BROKERS Consumer understanding Insider advantage in multiple trade factors of production and end An exporting company needs to be aware of sectoral consumer demand. It may products in both directions. markets makes it easier for not know if its product will be competitive in the destination market. diaspora to design and transfer **CONSUMERS** knowledge to entrepreneurs Diaspora identities influence their Access to networks back home. They often feel a Companies exporting to new markets often lack connections and leverage. consumption. They create a demand responsibility to contribute to for products made in their heritage social and economic growth in country due to their taste and Newcomer image the country of heritage. New products and services often have lower credibility in foreign markets special characteristics. due to a lack of track record. They need support to leverage the positives and LOBBYISTS counterbalance the drawbacks of the newcomer's image to appeal to new The strong links and common consumers. objectives between diaspora members result in the formation of **Destination market distortions** Diaspora can act as ambassadors organised groups that can advocate Tariff and non-tariff regulatory frameworks in the country of destination, as well as of domestic brands and and lobby for policies that support preferential domestic or international treatment, hinder the ability to compete on contributors to economic SMEs to export to international the global market. diplomacy and national identity.

In EUDIF's actions in Armenia and Lebanon, diaspora acted as mentors, brokers and promoters. - We explore these cases in the next few pages.

Challenge type



markets.

Export in action:

Supporting women entrepreneurs in Armenia through diaspora mentoring



AGBU In partnership with AGBU Europe & AGBU Center in Armenia

Summary of the action

EUDiF equipped the Armenian General Benevolent Union Europe with (AGBU) (1) thematic training tools on EU market access to spur the potential of women to trade in international markets (2) diaspora mentoring support to expand the Women Entrepreneurs Program and (3) enhanced skills on mentorship and coaching in business development.

Strands of work:

Read more...

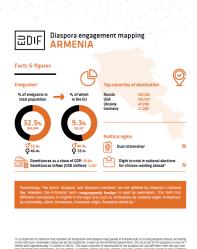
Through the support of an extended network of diaspora business mentors (20+) in Europe, EUDiF collaborated with AGBU Europe and AGBU Centre in Armenia to:

- Develop a Guidebook on EU-Armenia trading regulatory and legal framework based on an assessment of local needs. AGBU staff also benefited from a workshop on the guide's further usage.
- 2. Strengthen the organisational capacities of AGBU to run diaspora mentorship programmes targeting women entrepreneurs¹.
- Increase knowledge of AGBU on coaching and mentorship tools through trainings of trainers and peer exchanges. 3.

...about the action



...about Armenia



What's the score?

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. . .

Women-led businesses represent only 20% of active enterprises in Armenia. There is a need program as an impactful tool to lead women the AGBU Women Entrepreneurs Programme through EUDiF support has engaged diaspora

knowledge, and lack of professional networks

^{1*} 60% of the women came from Yerevan and 40% from rural areas.

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Export in action:

Developing Lebanon's tech sector through the Lebanese diaspora



In partnership with **AFPI & <u>Berytech</u>**

Summary of the action

Read more...

EUDiF empowered a Lebanese association of tech professionals in France (AFPI) with (1) a market entry training programme, and (2) guidelines for a quality label, <u>Cedars Tech</u>, to help Lebanese tech companies export services to France.

Strands of work:

Through the support of six diaspora professionals and two international experts, AFPI, Berytech² and EUDiF worked together to:

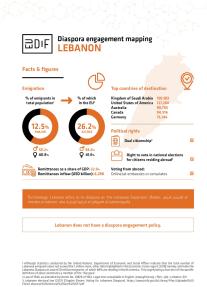
- 1. Assess learning needs of Lebanese companies to enter the French market, and design and test a tailored training programme: the "French Market Acceleration Programme" (FMAP). Members of AFPI received a training of trainers on e-training facilitation.
- 2. Develop capacities of AFPI to promote their work and services through a **communication strategy.**
- 3. Create Cedars Tech label guidelines based on research and peer learning sessions.



...about the action



<u>...about Lebanon</u>



What comes next?

The two actions have potential for replication on different levels:

- Geographic: There is opportunity for AFPI to expand into other markets in Europe, and outside Europe for AGBU, once the pilot activities reach maturity.
- Range of services: Both beneficiaries may develop new services such as mentoring for AFPI, and coaching for AGBU.
- Range of beneficiaries: The partners could turn their focus on different categories of entrepreneurs and other sectors.

Working on these two actions with the diaspora was mutually beneficial for the beneficiary organisations and for SMEs involved.

AGBU and AFPI developed their capacities in areas such as mentoring, training and communication. They expanded their networks in the country of origin by interacting with local partners and SMEs, and in the country of destination by engaging with peers. Simultaneously, they supported the development of local businesses by pilot testing trainings and opening new networks for them.

Diaspora as brokers

Exporting guides and training (AGBU & AFPI)

The AGBU Guidebook and FMAP, both drafted by diaspora professionals, addressed the challenges of **access to information, consumer understanding and destination market distortions**. Each tool details procedures, steps and tips to export to the European market, goods and tech services for AGBU and AFPI respectively. The tools included information on legal and regulatory frameworks, export financing, product viability, doing business across cultures and e-commerce.

For AGBU, the guidebook serves as a standard training tool which has also been incorporated in the <u>Armenian virtual college</u> platform as resource material for business courses.

As for AFPI, the diaspora organisation now has a training programme that it can use to train SMEs.

This guidebook breaks down the basics an entrepreneur needs to know before entering the EU market. With the significant increase in women-owned businesses, it was an achievement for me to be able to share my knowledge and contribute as much as possible to these female entrepreneurs in Armenia.

Tania Eojourian, diaspora business mentor, Guidebook's author

It was an amazing journey with EUDiF, the training sessions helped to develop a better and deeper understanding of the French market, opened new opportunities and doors and introduced us to a great team of diaspora coaches and beneficial connections with other business owners

Samer Semaan, participant





Diaspora as promoters

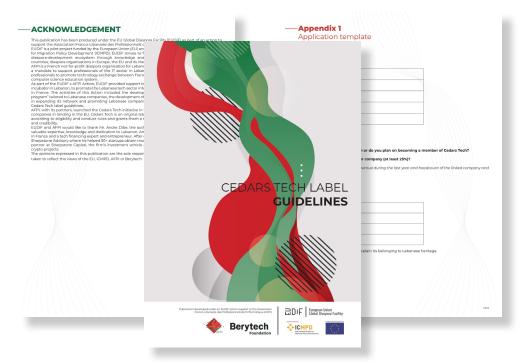
Quality label (AFPI)

The Cedars Tech quality label is an innovative solution to address **the newcomer image, access to networks and some domestic market challenges**³. Cedars Tech is the first diaspora-led tech quality label EUDiF has identified and the first of its kind for the Lebanese tech sector, a priority sector for the country. It aims to increase a product's appeal in a new market. Newcomers exporting under the Cedars Tech label have a seal of approval from a renowned group of tech professionals in the French tech scene.

AFPI and Berytech now have the guidelines for the Cedars Tech label that SMEs can follow in order to apply for the quality label. Once approved, participating SMEs can access services, such as the FMAP and access to AFPI's tech networks in France.

The collaboration with EUDiF was really strategic for us to bootstrap Cedars Tech on a solid foundation based on trust, quality and excellence with the Lebanese diaspora and the Lebanese tech ecosystem. Besides bringing capacity building resources by recruiting the best experts in the Lebanese diaspora in Europe, the advantage of working with EUDiF lies in urging us to always focus on the long term sustainability plan instead of a short term project-based focus.

Charly Bechara, former General Secretary, AFPI



Diaspora as mentors

Structured diaspora business mentorship (AGBU)

The AGBU Programme for <u>Women Entrepreneurs</u> started in 2017 and, as of 2021, piloted the mobilisation of diaspora sectoral expertise as a novel practice with the EUDIF action. Through mentoring workshops, diaspora mentors addressed challenges of **access to information, consumer understanding and distortions in the destination and domestic markets**. They also addressed the increased connectivity and e-commerce trends of the post-pandemic era. The obstacles faced by Armenian women entrepreneurs have worsened due to the combined impact of pandemic and conflict, both of which have disproportionately affected women across the country. In response, with support from EUDiF, AGBU has leveraged its network of diaspora business mentors to upskill 200+ women entrepreneurs through a mentoring programme, helping them to develop new skills and expand their networks in order to develop resilient businesses.

To sustain the inclusion of diaspora in the mentorship programme, AGBU received knowledge resources and practical trainings on how to make mentorship schemes more transparent, measurable and accountable.



I would like to extend our sincere gratitude to EUDiF for all the support, flexibility and knowledge transfer provided throughout the implementation of this action. We have numerous examples of the positive impact of diaspora mentorship sessions. Bringing innovative ideas, different perspectives and an "out of the box" thinking mindset, diaspora mentors contributed to the improvement of Women Entrepreneurs' businesses.

Maria Simonyan, Project Manager, AGBU Europe



Learn more













Future forum human capital conference report (2022)

The 2022 EUDiF's Future Forum focused on human capital. The session "Diaspora as brokers: business intelligence for domestic SMEs" hosted diaspora organisations, research institutions and business support organisations who shared their experience in the field. Read more on pages 17 and 18 of the report.

Collection: Mentoring initiatives (2021)

Discover 15 Africa-focused mentoring initiatives gathered by EUDiF, ranging from youth mentoring to mentoring diaspora leaders.

Trade & SDGs

Trading into sustainable development: trade, market access, and sustainable development goals (2016)

Learn more from the United Nations Conference on Trade and Development (UNCTAD) about how trade policy, exports and market access conditions can be linked to sustainable development goals.

Aid for trade global review (2022)

This review by the World Trade Organisation highlights future trade priorities, the link between environment, trade and sustainable development, as well as the links between trade and the digital economy and trade and gender.

Challenges in trade

Current trade challenges and opportunities

On this webpage, the Organisation for Economic Cooperation and Development (OECD) details challenges and opportunities in trade and shares tools to reach objectives in trade policy.

Women and Trade: the role of trade in promoting Women's Equality (2020)

This report of the World Bank sheds light on the impact of trade on women as workers, consumers and family members. It identifies opportunities through which women can gain from trade.

Women entrepreneurship study in Armenia (2021)

This report by the International Finance Cooperation (IFC) reveals patterns, perceptions, opportunities and challenges facing women entrepreneurs in Armenia, including those due to COVID-19.







Diaspora & trade

Engaging with diaspora for trade (2022)

The International Trade Centre (ITC) introduced a course on diaspora for trade. Composed of three lectures, it defines how diaspora can be leveraged for trade.

Collection of Diaspora Engagement Practices (2020)

Diaspora and trading relationships are showcased in this collection of diaspora engagement practices published by ICMPD under the Rabat Process.

Creating value through migration (2013)

The Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) sets out guidelines to analyse diasporarelated potential in value chains.

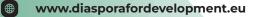
BDIF European Union Global Diaspora Facility

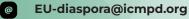
The European Union Global Diaspora Facility is the first project funded by the European Union's Directorate-General for International Partnerships (DG INTPA) to take a global approach to diaspora engagement for development.

It operates around four strands of work: Knowledge & research; capacity development; dialogue; and promoting diaspora expertise.

EUDiF is implemented by the International Centre for Migration Policy Development; its first phase runs from June 2019 - December 2023.

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9