Connecting to Diaspora Communities Through Web Portals: Opportunities and Limitations
Diaspora Engagement Seminar

October 23, 2012

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Homestrings

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VEGA Alliance

The views expressed in this presentation do not necessarily reflect the views of the U.S. Agency for International Development or the U.S. Government.
Connecting Diaspora Communities via Web-based Platforms

Opportunities and Limitations

October 23rd 2012
USAID – Microlinks Seminar
QED – Washington, DC
What are the facts?

• What we know about Diaspora capital flows:
  – US$450B in remittance flows from West to Emerging Markets (10%-15% per year) - WB
  – US$40B in flows into Africa alone (P2P)
  – Up to 25% seeking investment opportunities
    – That’s $10 billion per annum for Africa from Diaspora
      – World Bank portfolio: $10 billion
      – China investments in 2011: $9 billion.
GWU-WU Findings (1)

- Investment Interest (%)

Real Estate - personal
Real Estate - rent/resale
Dom Manuf
Exp Manuf
Service
Lending-Mkt
Lending-BeMkt
Lending-NoInt
Equity
Bond
Mutual

55.9
66.1
65.7
72.4
70.4
34.3
36.9
30.2
48.3
22.4
33.9
GWU-WU Findings (2)

- Investment Activities (%)

- Real Estate - personal: 41.8%
- Real Estate - rent/resale: 27.8%
- Dom Manuf: 17.7%
- Exp Manuf: 12.7%
- Service: 35.4%
- Lending - Mkt: 13.9%
- Lending - BelMkt: 7.6%
- Lending - Nolnt: 10.1%
- Equity: 17.7%
- Bond: 3.8%
- Mutual: 34.2%
GWU-WU Findings (3)

- Diaspora investment motivation summarized:
  - Financial
  - Emotional
  - Social-status
  - Political
GWU-WU Findings (4)

- Contact with “Back Home”

% Responding “Frequently”

- Visit: 29%
- Contact Friends: 66%
- Contact Relatives: 70%
- News/Mags: 40%
- Web Sites: 75%
Implications?

• Members of the Diaspora are predisposed to being financially organized online so long as the proposition is:
  • Credible
  • Transparent
  • Professional
  • Customer oriented
• But, there are challenges...
Credibility…

- Regulatory requirements
- Professional staffing
- Track record
- Deal structure and product offerings
- Peer review
Transparent...

- Self-due diligence tools
- Recourse (Regulators/Legal)
- Education facilities
- Infrastructure partners
Professional

- Institutional level service
- Responsive
- Accreditations
- Structurally sound
- Institutional support
Customer Oriented

- Catering to private banking needs
- Providing risk mitigation advice/tools
- Creating new tailored products
- Tailored marketing.
Homestrings Update

• Closing in on $25 million invested via Homestrings.com since 2/2012
• Institutional vs. Individual
• Infrastructure bonds - key drivers
  – Kenya, Nigeria, Ghana, Mozambique...
• Public financing debt:
  – Cote d’Ivoire, Congo, Uganda, Nigeria...
• **Private deal pipeline**: Healthcare, Housing, Agribusiness and Mining...
Next Steps?

• Diaspora and Other interested Investors
  • Registering at the average rate of 100 a month

• Growing book of Opportunities
  • Private Equity Funds (for non-US)
  • Diaspora Bonds (gvt, corporations, n/profits)
  • Housing (investment, lending, buying)
  • Deals (co-investment and stand-alone)
Conclusion

- Significant opportunity to cater to Diaspora via web-based platforms, but challenges abound:
  - Regulations
  - Infrastructure tools and costs
  - Education tools
  - Credible deal pipeline

- Homestings has achieved many and is building on successes and learning from failures
Contacts

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  eric@homestrings.com

• Desmond Brunton – Senior Advisor/Member of Advisory Board
  dbrunton@homestrings.com

• Address: www.homestrings.com
Find answers to Africa’s rural agricultural challenges...
...by listening to African farmers and those who are closest to them.
• Leading nonprofit promoting Peace Corps values at home and abroad

• 7,000 current members

• 120,000 in our network

• 146 member group network and affiliates

• Provide mentoring, advocacy, service opportunities, events, project funding, news and information, and connections for the Peace Corps community.
Facts: What we know

• We are falling short of the Millennium Development Goals (MDGs)

• With more than 2 billion people living on $2 or less a day, we can’t reach MDG #1 – eliminate extreme poverty & hunger

• Despite best intentions, billions annually, most development efforts simply do not make lasting improvements in the lives of the poor
Beyond the 50th Anniversary of the Peace Corps

The National Peace Corps Association will continue providing ways for Peace Corps Volunteers to use their skills and knowledge to create a different world.

Africa Rural Connect is an integral program to advance the contributions of grassroots efforts and the Peace Corps Community.
What can the National Peace Corps Association do?
Our Approach

- African Farmers
- African Diaspora
- Entrepreneurs
- Returned / Peace Corps Volunteers
- Development workers
- Academics

Bottom Up Approach:
Engage those who know what farmers need
• Encourage collaboration, idea & resource sharing among those who live in or have lived in Africa

• Focus on smallholder farmers, especially women farmers

• Connect smallholder farmers + Diaspora + Peace Corps volunteers + NGO’s + other partner organizations

• Support creative solutions for reducing post-harvest losses, water shortages, communications challenges and growing agribusiness
Crowdsourcing
CrowdSURFing

Farmers
Academics
Peace Corps
Diaspora
Agribusiness
Development
Entrepreneurs
HOW'S IT WORK?

IMPROVE THE LIVES OF FARMERS IN SUB-SAHARAN AFRICA
Browse Ideas
Support Ideas
New Greenhouse Technology for Africa

Submitted March 4, 2010
By heatherZelenksy731

SUMMARY
Green houses enable farmers to be in control of their crop seasons and productivity. They no longer have to rely on rain fed agriculture which is erratic with the changing trends in climate.

ESTIMATED COST: $1,500
LOCATION(S): Kenya, Uganda, Somalia

In order to improve how we carry out agriculture in Sub-Saharan Africa there is no better way than to first analyze the challenges that farmers face. The challenges include:

- Lack of affordable Finance and capital accessibility.
- Lack of access to markets.
- Dependence on rain fed agriculture (leading to drought).
- Lack of government incentives including extension services.
- Post harvest losses.
- Poor communication and inaccessibility of modern technology
- Lack of access to technical know-how and extension services.
- Disease infestation and mono-cropping.
- Poor general infrastructure especially in rural areas.
Improve an Idea by Remixing It
Remix This Idea

Add a title for your idea here

SUMMARY *

Describe your amazing idea in a way that people wouldn’t want to skip over it! This short summary will be displayed everywhere your idea is listed.

Add a brief summary for your idea

Want to use a previous summary? 200 characters remaining

WYSIWYG EDITOR *

Needs Assessment:

Required Resources:

NEED HELP WITH YOUR PLAN?

Take a look at the contest selection criteria for tips on crafting a good action plan for your idea. When starting out, no idea is too large or too small. Post your idea and see what happens!

CATEGORIES *

Select lorem ipsum dolor set amet.

- Agribusiness
- Communication
- Post-Harvest Losses
- Water Resources

LOCATION *

What countries would this idea apply to?

ADD
Measure Progress
New Greenhouse Technology for Africa

Submitted March 4, 2010
Created by heatherZelensky731

SUMMARY
Green houses enable farmers to be in control of their crop seasons and productivity. They no longer have to rely on rain fed agriculture which is erratic with the changing trends in climate.

March 2, 2010
New greenhouse Technology for Africa
By trustvianney

Velit aptent rusticus augue et abdo vel consequat secundum. Reprob letalis nullus ad delenit validus, fatua exputo elit, modo enim vel.
Measure Impact
People from 140 countries around the world.

Over 20,000 profiles.

33 African Nations represented.

Top 5 African Nations:

Cameroon
Ethiopia
Ghana
Kenya
Uganda
Winning has completely transformed my organization from a hither-to little and unknown Nanyuki-based charitable organization to a now recognizable name in Africa, America and Europe, *simply because of sharing my idea on Africa Rural Connect.*
How can public, private & civil society institutions utilize social networking tools with connected communities to impact development goals?

Find ways to implement the ideas coming directly from the farmers by connecting them with donors.

Forge connections with donors and implementers, both at headquarters and in the field.

Scale the best ideas and replicate them.

E-Agriculture Project - Kenya
(Gakawa Secondary School)
Young Farmers Club

COLLABORATORS
1. One Dollar For Life (USA) www.odfl.org
2. Seanet International (Kenya)
3. Irura Women Group (Kenya)
4. Harambee ONG (Italy) www.harambee.org
5. Matanya’s Hope (USA & Kenya) www.matanya.org
6. Tigithi CBO
7. Warem Dream Drip Consultants
How can we share documents and plans with other NGO’s around the world?

How do we connect with the African Diaspora and rural farmers?

How do we find ideas and implement them on the ground?
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How do we connect with the African Diaspora and rural farmers?

How do we find ideas and implement them on the ground?

One platform to collaborate
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Before ARC

How can we share documents and plans with other NGO’s around the world?

How do we connect with the African Diaspora and rural farmers?

How do we find ideas and implement them on the ground?

After ARC

One platform to collaborate

One platform to connect

One platform to create
Molly Mattessich
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www.AfricaRuralConnect.org
@IdeasForAfrica
Thank you for joining us!

Share Feedback
Please take our 3 minute survey located on your seat!

Stay In Touch
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yresplandy@usaid.gov
Eric V. Guichard
eric@homestrings.com
Molly Mattessich
molly@peacecorpsconnect.org

Resources
Please visit the expanding diaspora topic page on Microlinks:
http://microlinks.kdid.org/Diaspora

Microlinks and the Diaspora Seminar Series are products of the Knowledge Driven Microenterprise Development (KDMD) project, funded by USAID/MPEP’s Microenterprise Development team.