Follow-up Round Table of the „High-Level Forum Africa-Europe 2018”

How to take diaspora cooperation ideas into reality?

With inputs by:

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Nella Hengstler, WKÖ - Austrian Federal Economic Chamber, Africa and Middle East

Klaus Steiner, OeEB – Development Bank of Austria, Head of Unit Development Policy

Gunter Schall, ADA – Austrian Development Agency

Konstantin Huber, BMF – Federal Ministry for Finance (international finance)

Moderation: Rita Isiba (Aphropean Partners); Franz Schmidjell (VIDC)

Protocol: Caryne Madonna Müller


The Afrika Club is a joint initiative of Radio Afrika TV (RATV), the Association of African Students in Austria (VAS Österreich), the Vienna Institute for International Dialogue and Cooperation (VIDC) and Ambassador Georg Lennkh.

\(^*\) Mr. Karim Saafi was on board the Ethiopian Airlines flight ET302 which crashed shortly after take-off from Addis Ababa. Karim was on an official mission representing ADYFE at a meeting with the African Union in Nairobi. Karim’s smile, his charming and generous personality, eternal positivity, and his noble contribution to youth employment, diaspora sincere engagement and Africa’s socio-economic development, will never be forgotten. Our deepest condolences are addressed to his family.
Franz Schmidjell (VIDC)

He speaks some welcome remarks and introduces the purpose of this round table:

We are gathering here together as a result of the “High-Level Forum Africa-Europe” that took place last year on December 18, 2018. The purpose of today’s Round Table is discussing different perspectives of the same subject. There is a rise of diaspora engagement and we need to work on the international relationship. Diaspora is not only about remittances, but also skills, knowledge transfer and of course trade and investments. This is a follow-up round table with the headline “How to take diaspora cooperation ideas into reality?”.

150 young people from the African continent and from the diaspora in Europe were invited and worked out a concept on how to strengthen diaspora youth entrepreneurship. The objectives of this meeting are:

- to get a better understanding of situation and needs of diaspora youth entrepreneurship and their value added
- to learn what Austrian institutions can contribute – and what not
- to identify possible areas of cooperation

He shortly mentions a study done by ICMPD “Link up! Enabling Diaspora Entrepreneurship” and the ADYFE Diaspora Operational Plan which will be discussed today.

Moderator: Rita Isiba (Aphropean Partners)

Welcome remarks and introduction of the main speakers.

She mentions that this gathering holds a huge opportunity for turning things into reality. At the end of the meeting proposals and ideas are to be expected.

She gives the floor to ADYFE (African Diaspora Youth Form in Europe). Tomas Glantschnig presented ADYFE including the achievements, the Diaspora Operational Plan’ and the objectives for 2019-2020 (ADYFE power point presentation).

Jan Huguenard, a representative of UNIDO, adds remarks to ADYFE’s presentation saying that ADYFE is playing the role of a connecting bridge between the two continents, also in terms of geopolitics. It is in our hands to find solutions, digital solutions, to reach the market standards. Business incubations are needed in and outside the diaspora.

Much focus from ADA is being put on renewable energy. The diaspora communities represent a bridge between Austria and Africa. Therefore it is important for ADA to engage with them. There should be more social remittance from one place to another and create job opportunities through finding innovative solutions. The decision from ADA to cooperate with Diaspora organisations will provide the diaspora with opportunities to develop digital skills either in Europe or on the ground in Africa.

Rita Isiba - Question directed to the speakers (applying to the ADYFE power point presentation).

Q: What would you have done better (than ADYFE), if you were in charge of this project?
Norbert Feldhofer, BKA
He mentions working with ADYFE organising the High-Level Forum in 2018 and was very pleased with ADYFE’s engagement. It was significant and of great value having young people from the Diaspora and from Africa in the midst of such a forum and the way forward to a cooperation of both continents.

The major focus of the High-Level conference was to link both continents and have a discussion of the same level, especially using the means of digitalisation. The main focus is the private sector investment in Africa through digitalisation: Link up the continents and have the discussion at the same time, create jobs in Africa through investment from the diaspora and EU businesses. A platform for closer relations between the EU (in particular enterprises), the diaspora and Africa could be an option for further discussions.

Nella Hengstler, WKÖ
She applauds ADYFE for the good work done so far and sees it as a great opportunity to work with them. She supports their idea and the importance to get Austrians to do business with Africa and Africans.

The goal of ADYFE is obviously filling a void that is very much needed and it is an excellent concept.

She emphasizes that ADYFE should put more weight on concrete examples. She criticizes the lack of real-life stories. She wishes for tangible results – a face – and more story telling. This would help in expanding in other diaspora communities and attracting potential collaborators.

Klaus Steiner, OeEB
He sees a challenge in cooperating with the Diaspora since the Austrian Development Bank only invests in bankable projects. OeEB has no grants in order to finance the work of ADYFE in Austria. So far OeEB had no cooperation with the African Diaspora.

He gives some examples of OeEB financing instruments like loans with long-term maturity e.g 10 years or equity.

He is open for ideas and perspectives and hopes that at the end of today’s evening he will have new entry points. If concrete, bankable investments are presented, there might be a chance for cooperation in the long run.

Gunter Schall, ADA
He considers diaspora entrepreneurship as a positive approach towards migration. He briefly mentions the outcome of the ICMPD Study. We should have in mind that the topic of diaspora entrepreneurship is very broad. A pilot project was started in Serbia and is still going on.

Regarding ADYFE projects, he wishes to see clear services that this organisation and it’s network provides for the diaspora entrepreneurs. Therefore, he urges ADYFE to describe precise services and business cases. The work that has been done by ADYFE is of great value and sooner or later people will have to pay for the offered services.

Mr. Schall also wishes for an “exit strategy”. What will happen with the short-term projects when the support from ADA is not available anymore? Since ADYFE is working on a 3 year-
project, what happens after this? ADYFE ought to think of self-sustaining business cases as an alternative.

The main question that needs to be discussed is: How can we develop a sustainable service for the Diaspora?

**Konstantin Huber, BMF**

The basic issue of organisations is the lack of funding. What can diaspora organisations do to make access for funding easier? The Federal Ministry for Finance only invests in banks and does not fund projects per se.

ADYFE can make financing easier by bringing financing institutions and the private sector together by:

1) Forming an umbrella organisation that could put pressure on the institutions to provide investments.

2) Coming up with bankable projects by providing the financial institutions with specific business plans. One of the services of this big network should be helping members to come up with good business plans.

3) Using the opportunity of living in the diaspora to link up with European entrepreneurs. This would make getting funds easier than as when they would come as individuals. He adds that African entrepreneurs should have a joint venture with Austrian entrepreneurs. This will help get access to additional capital, know-how and special source of financing.

**Rita Isiba:** How do we bridge the gap of financing? Are there any real-life case stories? Do we have bankable projects since most of the participants are in the beginning of their journey in owning businesses? Are there ideas for sustainable business projects?

**Yousouf Diakite, ADYFE Chairperson**

The Role of ADYFE is to connect and lobby to ensure the right company deals with the right networks. Solutions are found through training youth to become entrepreneurs. These capacity building programs are organised in collaboration with UNIDO.

Just to name a few examples of what happens in our conferences: we do Pitch competitions: 50 established companies and 40 young entrepreneurs from Africa or the diaspora with business ideas for Africa are invited. The winner receives a check worth 5,000 € sponsored by ADEPT. Other youth participants with awarded ideas receive tickets from Ethiopian Airlines to travel to Africa.

The African business model is different to the European because other factors, like bureaucracy, corruption etc., have to be included.

Therefore, a platform has been created to focus on entrepreneurship and having a digital way to do business. This platform is a concept of a global solution. Experts will coach young entrepreneurs and after the training they will be matched with compatible business to establish collaborations.

It is difficult to reach these objectives because of uncertainties between the European institutions and the diaspora.

ADYFE made Austria the hub of international entrepreneurship. They enabled the Diaspora to find ways to work together and create ideas.
ADYFE has a database that can filter companies from both Africa and Europe to ensure that entrepreneurs can find the right partners.

How can we contribute to the development of the continent and business opportunity?

One participant, Alexis Neuberg from ADEPT (Africa-Europe Diaspora Development Platform), adds that we need to approach policy makers and requests that diaspora organisations have to be given a chance to be actors in the development. They should recognise the competences of the diaspora. He adds the fact that diaspora organisations offer great services, but all work on voluntary basis. They need to be given structure to be professional, thus they need to be hired.

Mr. Neuberg says that there is the need of a mechanism to know and recognise diaspora projects. Visibility plays a crucial role in this.

He has the opinion that institutions have enough money. He adds that diaspora organisations have plenty of good projects, that is why they need come together, engage in dialogue and find fundable projects.

His wish for today’s meeting as a follow-up of the High-level Forum, is for a common solution: Diaspora organisations coming together with stakeholders to work on sustainable projects and capitalizing these.

Rita Isiba: What are the speakers willing to do? How can they help?

Klaus Steiner says that diaspora organisations first need ground funding, not loan funding. The most realistic way to make use of OeEB’s funding for entrepreneurs from the African Diaspora is through partnerships with Austrian Companies. He needs bankable projects.

Norbert Feldhofer says Austrian government ministries are considering new ways on how to work with Africa. E.g. the Federal Chancellery is working with the Kofi Annan Foundation on a prize for innovation in Africa and additional official country visits to Africa are planned.

There is a special interest of Austrian businesses - after investing in the Balkans - to discover Africa. The Diaspora could play a key role in bringing the Austrian businesses to Africa.

He considers working with ADYFE in the future. He believes ADYFE can play an important role as a network figure and support Austrian companies in working together with African entrepreneurs.

Konstantin Huber mentions that the BMF has not the mandate to support these projects. The Ministry of Finance makes contributions to the EU and big financial institutions. However, he offers to help diaspora organisations in linking up with these financial institutions. He adds that financial institutions are in the need of good projects. This big network of diaspora organisations ought to come together and put pressure on these institutions for funding, but also need to do their part on presenting good projects and business plans.
Günther Schall clarifies that the money used for fundings by ADA, in fact, is Austria’s tax payers’ money and there are directives and policies behind decisions made on what to do and not to do with the money. He wishes for organisations, like ADYFE, to understand and respect decisions made. Both parties need a healthy cooperation and understanding for a sustainable partnership.

ADA works with ASHOKA Austria, an organisation that focuses on social entrepreneurs and has an interesting philosophy of turning everything into business. He recommends ADYFE to look at their work.

Nella Hengstler says that she will continue working with ADYFE in terms of networking and business linkages.

Rita Isiba: opens the floor to the audience for questions/comments.

An ADYFE member asked: How do we proceed to action?
Rita Isiba answers on behalf of the speakers: Find partners, discuss ideas, come up with concrete business plans and approach financial institutions.

A diaspora entrepreneur suggested that ÖFG should be included in the next meeting because they are very supportive when dealing with funding development projects.

Another participant asked what does it they imply by saying “bankable projects? What is the financial volume or size of bankable projects?
Klaus Steiner answers: The business case must be plausible. The costs of due diligence are covered by the applicant. Therefore, the projects financed have an average volume of several millions. Small projects have heavy examination expenses and the only way they could be financed is through intermediaries.

Alexis Neuberg made a proposal: A Diaspora bond should be set up where Austrian companies put money to fund diaspora projects and facilitate business opportunities in Africa.

The moderator Rita Isiba concluded the discussion as follows:
- Make your business projects more visible
- Ensure your business projects are bankable
- Foster joint ventures and collaboration with Austrian companies to get better access to finance
- Create broader consortia to gain access to international financial institutions, i.e. Africa Development (AfDB)
- Make your project visible
- Establish a mechanism for an ongoing dialogue
- The ADYFE platform should define the offered services clearly