



Investment practices and preferences of the Malian diaspora in their country of origin

Study



In partnership with



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Acronyms

ADEPT	Africa-Europe Diaspora Development Platform
AFD	French Development Agency
CSP+	upper socio-professional categories
FEASO	Euro-African Federation of Solidarity
FFR	Financing Facility for Remittances
FORIM	Forum of International Solidarity Organizations for Migration
HCME	High Council of Malians Abroad
HCMF	High Council of Malians of France
HCMI	High Council of Malians of Italy
HCMS	High Council of Malians of Spain
I&P	Investisseurs & Partenaires
IFAD	International Fund for Agricultural Development
INE	National Statistics Institute
INSEE	National Institute of Statistics and Economic Studies
ISTAT	National Institute of Statistics
MDDO	Malian diaspora development organizations
OSIM	international migration solidarity organizations
PONAM	National Migration Policy
PRA/OSIM	International Migration Solidarity Organizations Support Programme (Programme d'Appui aux projets des Organisations de Solidarité Internationale issues de l'Immigration)
R.M.D.A.	Red Mangrove Development Advisors
SME	small and medium-sized enterprise
VSBS	very small business
YADEC	Yvelines Africa for Common Development

Executive summary

The Malian diaspora is an acknowledged pillar of Malian development because of the remittances it sends to the country. It contributes simultaneously to the balance of payments equilibrium, support for household consumption, economic and social development projects and the installation of basic infrastructure in areas of high emigration where it is lacking – that is, largely rural areas. In 2020, formal transfers alone accounted for 5.7 per cent of Mali's gross domestic product (GDP). The importance of remittances and diaspora investments led the Government of Mali to create in 2004 the dedicated Ministry of Malians Abroad and African Integration (MMEIA). And in 2014 it adopted its National Migration Policy (PONAM).¹ Its efforts are supported by several technical and financial partners, the International Fund for Agricultural Development (IFAD) among them.

This study is aimed at providing food for thought for operators wishing to tailor their financial tools to the needs and expectations of the diaspora while stimulating the interest of public actors in the Malian diaspora in the receiving countries and Mali.

Covering Malian diaspora organizations and individuals in France, Italy and Spain, the study has two components:

- Mapping of diaspora organizations in France, Spain and Italy, with a breakdown by generation and intervention level (geographical, sectoral, etc.) in Mali.
- A survey of the collective and individual preferences of Malian diaspora members in the three European countries regarding productive and financial investment in Mali.

The second component of the study is the subject of this report. Conducted in 2021 through a survey consisting of two questionnaires (one for organizations and another for individuals) and three focus groups – one for each European country. **The survey included 90 organizations and 209 individuals from the Malian diaspora in France, Spain and Italy. Its purpose was to understand the collective and individual productive and financial investment practices and preferences of Malian diaspora members in France, Spain and Italy.**

Institutions, funders and the diaspora do not necessarily employ the same definition of “productive investment”, leading the study to wonder what meaning to give this concept in the survey tools. It turns out that for the diaspora, the concept of productive investment takes multiple forms and includes all investments that could have a direct impact on production in the short and medium term, such as the financing of an enterprise, or an indirect impact, such as education.

¹ Adopted in 2014, it was launched in 2015 with a programme of action through 2019, renewed for the period 2020–2024. <http://adrkayes.com/wp-content/uploads/2019/10/PONAM-Mali.pdf>

This study therefore concentrates on:

- Types of investment linked to projects directly implemented (individual and collective business projects);
- Financial support to enterprises, whether or not through intermediaries, whatever their form (formal or informal), whether or not motivated by a financial return; and
- Financial placements (passbook accounts, time deposits, bond investments, etc.).

The types of placements and investments covered in this study therefore extend beyond what is generally considered productive investment or financial placement, including grants (if they finance income-generating activities, for example), land or real estate investments and equipment purchases (if they boost productivity or production) – this, to obtain a more exhaustive picture of the practices and expectations of the Malian diaspora in France, Spain and Italy.

Main findings in terms of collective investment practices

In their continuing role in financing local infrastructure, **diaspora organizations are increasingly involved in collective business projects and projects to support entrepreneurship**. These projects are designed with a local development approach linked to requests from organization members' village of origin, or a thematic approach illustrating the desire to solve a specific problem there.

The majority of organizations (57 per cent) maintain bonds of solidarity and accountability with their village and finance projects and/or support entrepreneurship. An area of historically high emigration, the Kayes region is mentioned by more than half the responding organizations (56 per cent) as their geographic preference for investment. In contrast to this intervention profile, dynamics unrelated to the area of origin have emerged and appear to be driven by both the diaspora's length of time in the receiving country and generational change. The bonds between diaspora organizations and local populations generally facilitate project management.

Agricultural production is the diaspora's preferred sector for collective projects, investments or placements (mentioned by 83 per cent of the responding organizations), followed by health (59 per cent), education (58 per cent), solidarity and social activities (56 per cent – for example, aid to orphaned children). Support for entrepreneurship is mentioned by 40 per cent of the respondents, ranking it sixth among sectors in response to this multiple choice question.²

These organizations have the ability to mobilize funding for these projects from both internal sources (dues or special contributions) and external sources (local groups, funders, local populations or private enterprise), 80 per cent of it in amounts of over EUR 5,000 and 50 per cent in amounts of over EUR 10,000. All of them fully or partially self-finance their projects. Across the board, nearly all the organizations questioned would like their project to turn a profit. Profits are used primarily to

2 Data from the sample based on a multiple choice question.

defray project maintenance costs and cover supplementary investments associated with the project, which is a guarantee of the sustainability of their activities.

Some 79 per cent of the organizations have already placed money or made a financial investment or wish to do so in the future, 37 per cent of them in Mali. The banking products used are fairly classic and basic, such as passbook accounts – the *livret A* – and checking accounts. It should be noted that half the respondents are unfamiliar with the terms “bi-bancarization”, “bonds” and “prudence/security”. Banks are the trusted intermediary most often cited in France, Spain and Italy (64 per cent) and in Mali (44 per cent), substantially outpacing investment funds, nongovernmental organizations and public institutions.

The financial services and placement needs of diaspora organizations are structured around the life cycle of the projects financed and are consistent with the organization’s purpose. They appear mainly to be liquid placements in the receiving countries and transfers to Mali. **Impact and liquidity are very important, as organizations wish to be able to easily and rapidly access their funds for projects or contingencies.** Some of the less risk-averse organizations might be interested in riskier placements, however, as long as they are profitable and have a real impact in Mali consistent with the association’s purpose.

Finally, **95 per cent of the organizations say they are interested in investing in enterprises** (either directly through projects or through a financial intermediary). Their main problem is the lack of products tailored to the diaspora, followed by a lack of knowledge about placement intermediaries, saving and investment tools and enterprises in need of financing. If such financial products were created, their preferences would lean toward cooperatives, start-ups and entrepreneurs that they know.

A segmentation of these organizations was performed, creating three types of profiles (small association acting in the country of origin; association acting only in the receiving country; large association acting in the country of origin) and their respective needs.

These organizations are therefore actors already involved in support of the private sector at the local level, where the investment and impact potential could be multiplied. **Returning to mapping, 95 per cent of the 433 organizations surveyed in the three countries targeted by the study stated that they operate in Mali.** These organizations have indicated widely varying amounts in one year devoted to activities in Mali that could reach more than EUR 200,000. Extrapolating, **the total investment potential of the three countries combined (Spain, France and Italy) for all types of projects in Mali and all financiers could come to more than EUR 9,000,000.**

Main findings in terms of individual investment practices

At the individual level, virtually all migrants (95 per cent of them), have a keen desire to do business and/or invest in enterprises (61 per cent of them) and/or place money in Mali (69 per cent of them) to contribute to the country’s development and for greater personal prosperity. Only 20 per cent of them, however, have already made their first investment. While for each individual the journey from wishing to realizing this intention depends on internal factors (e.g. building financial assets) as well as external ones (access to supplementary financing, attractive saving solutions

in Mali, the business environment in Mali), the process is easier when the diaspora has been living in the receiving country for a long time, as in France.

Interest in entrepreneurship is concentrated in agricultural production (64 per cent), agricultural processing (38 per cent) and trade sectors (44 per cent).

Thus, in all, 70 per cent of the projects implemented have an agricultural component (including livestock production and fish farming) and/or trade component. The choice of sectors is based on advice, competencies and opportunities.

In terms of scale, the projects are medium-sized (70 per cent are from EUR 10,000 to EUR 50,000) and financed largely with the individuals' own funds. The projects already launched are larger. Access to banks or microfinance appears to be negligible (less than 5 per cent), and financing is the number one problem mentioned by respondents (82 per cent).

Geographically, the regions of Bamako (35 per cent), Kayes (22 per cent), Ségou (21 per cent), Kita (12 per cent) and Koulikoro (7 per cent) are those most often cited.

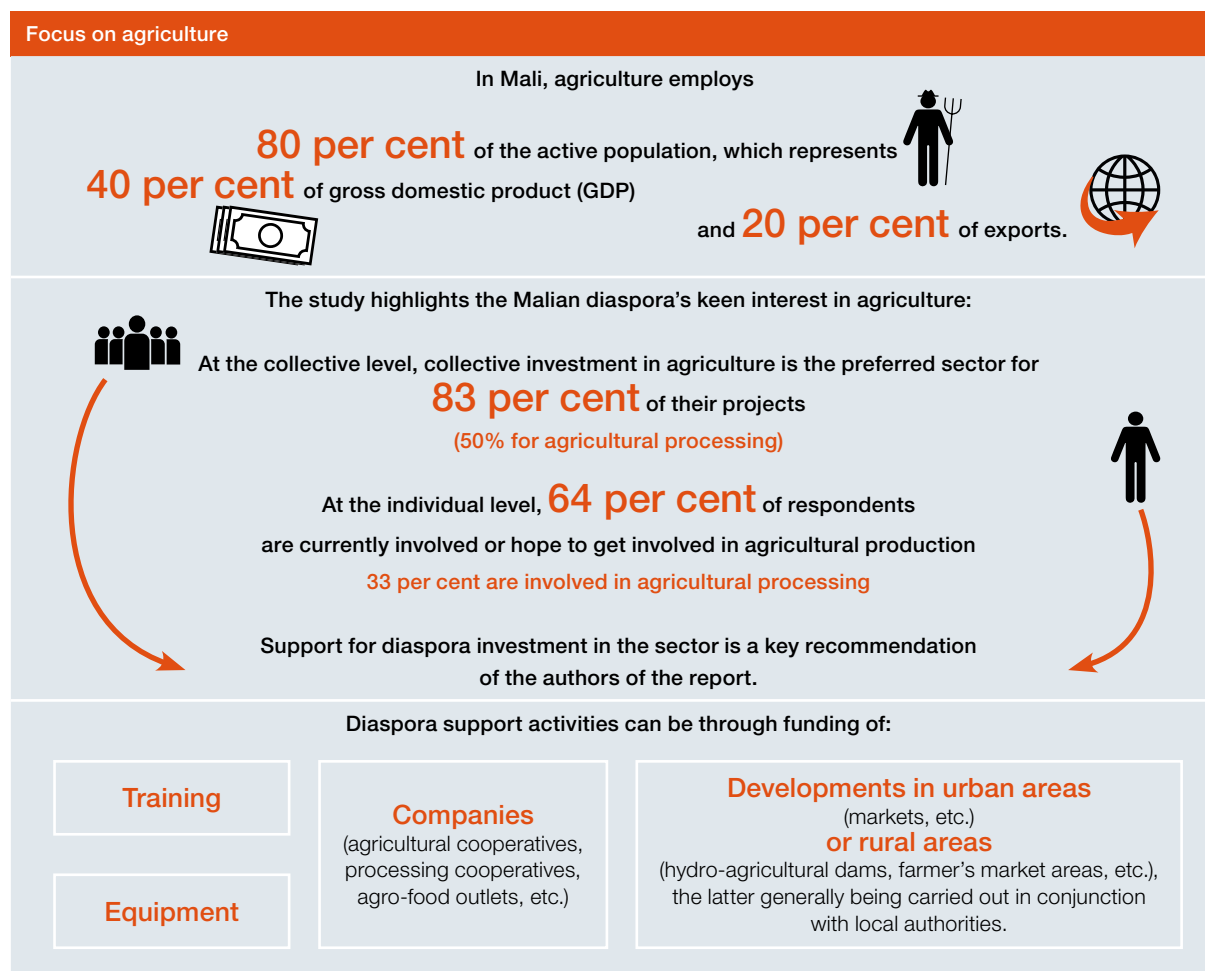
Regarding financial support to entrepreneurs/enterprises, the sectoral and geographical preferences are roughly the same as for entrepreneurship. The preferences in terms of business profiles are fairly well-defined, with attraction to start-ups and/or very small businesses (VSBs) and known entrepreneurs in Mali. Grants and interest-free solidarity loans, as well as the provision of free equipment are preferred by the respondents, who have also expressed an interest in obtaining professional technical advice to support investment in lesser known enterprises.

Regarding placements, in terms of amounts, 64 per cent of the respondents indicated that they would like to place more than EUR 10,000 in one year. This desire should not be understood as a placement that can be made every year. That would be financially unrealistic for nearly 70 per cent of the respondents, given their annual savings level. The respondents still prefer traditional placements: in-kind (real estate, livestock, etc.), passbook accounts and/or time deposits. Bonds appear to be less attractive.

It is also possible to hypothetically estimate the size of the potential market by **extrapolating the individual investment intentions** of the diaspora based on national statistics in terms of the number of Malian nationals or people of Malian origin of an age to invest.

Assuming that each year 1 per cent of them act on their intention and invest EUR 10,000, this would represent **EUR 5,800,000 annually for France** and large investments alone.

In Mali, agriculture is the preferred sector for productive investment by both diaspora organizations and individuals.



Recommendations and work avenues

This study confirms the Malian diaspora's interest in productive and financial investment, whatever the type and stage of development. It reveals the real investment practices of the Malian diaspora, as well as its strong desire to participate in Mali's development, whether through organizations or individual projects. Even though the majority of associations and individuals are interested in investment projects and/or placements, the implementation rate remains low (17 per cent for associations, 20 per cent for individuals).

Also, bearing in mind the existing potential in terms of the volume of funds and the experiences and desire to invest, as well as the constraints identified, the report proposes to issue recommendations in four areas: financial literacy programmes, training, new product development, and the creation of a favourable investment environment in Europe and Mali. It also includes the first work avenues for actors wishing to optimally mobilize and sustain diaspora investment.

Facilitate access to financial literacy programmes

Associations and individuals across the board need the economic, budgetary, and financial foundations not only to make informed financial decisions but to understand public finance policy. **By generally contributing to a better understanding of financial products and financial investment, financial literacy programmes can facilitate the step from intention to action.**

Propose new, tailored financial products

The study highlighted the lack of financial literacy among users and poor communication about existing products as factors underlying the diaspora's limited use of financial products. **Notwithstanding, certain diaspora expectations and needs have still not been met, and new, tailored products must be created.**

Create a favourable investment environment

There is a wide gap between the intention to do business and invest and action to do so. **Creating a favourable environment in Europe and Mali could encourage movement toward action, mainly at the individual level. Particularly in Europe, it is largely a matter of facilitating the insertion and financial inclusion of organizations and individuals.**

Support diaspora investment in agriculture

Since agriculture is the preferred sector of the Malian diaspora and it involves collective and individual projects, it would be useful to develop a real dialogue, or even a partnership, between government, banking, and financial institutions and technical and financial partners in Mali's agriculture sector and the diaspora to provide the Malian diaspora with all the tools necessary for the success of its investments in its preferred sector.

Provide training

Training, awareness-raising and support are needed to reinforce and develop the budgetary and financial competencies of associations and individuals.

- *At the collective level:* in managing the project cycle; managing organizational life; advocacy; specific techniques associated with the investment sector.
- *At the individual level:* training in entrepreneurship, calculation and interpretation of an enterprise's financial needs, financing search techniques and technical training on preferred investment sectors. It is also recommended that physical or virtual mechanisms in the form of a "Malian diaspora entrepreneurs circle" be created for entrepreneurs to share experiences to facilitate peer-to-peer learning.

Communicate

Using efficient communication channels helps circulate information among the target groups. Communication generally takes place through networks, either virtual or physical. **Beyond the basic transmission of information, informational meetings (physical or virtual) organized for associations and individuals build trust.**

1 Study context, objectives and research methodology

A. Study context, objectives and scope

Mali has a long history of **emigration**, its roots lying in both its geographic location (at the intersection of major trade routes, fostering trade-related mobility) and its social and cultural practices (nomad and herder movements, circular and seasonal migration, migration as a source of prestige or a rite of passage) and the economic, security and environmental pressures on its population.

While ancient,³ this phenomenon has been heightened by different historical factors, including colonization (a powerful factor in displacement) and independence, where initial migration practices fostered mobility.⁴ Migration intensified in the early 1970s in the wake of the drought that struck all countries in the Sahel, the regime change wrought by the coup of 1968, poverty and the high labour demand in certain European countries, accelerating migration from Africa. The political situation in the 1980s further intensified this phenomenon.⁵ While there has been a change in the behaviour of Malian émigrés, who have adapted to multiple constraints, including the political and economic situation of their countries of destination, these historical factors still shape current migration.⁶

Contemporary migration management implies management of migration flows but should also foster national and local development by mobilizing the competencies of diasporas and their transfers of funds. In fact, while transfers of funds associated with migration are nothing new, they are arousing growing interest in both countries of origin and receiving countries due to the size of the amounts at play and their impact on the country of origin. This significant increase in transfers of funds is the result not only of the growing number of migrants but of better measurement of these financial flows, linked notably to greater utilization of formal transfer systems, although a substantial portion continues to flow through informal channels.⁷ In 2020, formal transfers alone accounted for 5.6 per cent of Mali's GDP.⁸

Cognizant of these issues, in 2004 the Government of Mali created the dedicated Ministry of Malians Abroad and African Integration (MMEIA) and in 2014 adopted its National Migration Policy (PONAM).⁹ Its efforts are supported by its technical

3 According to a Bambara adage, if a migrant does not accumulate wealth, they can at least acquire the knowledge of problems that staying in one place cannot solve, finding their solutions in migration: *ni sigi tēna ko min ban Mandé, taama de b'o ban*. This adage comes from the Mandinga culture and has been transmitted orally since the early thirteenth century, Saga of Soundjata Keita (1190–1255). Its meaning has changed across the ages and contexts to take on the meaning found in the translation by Seydou Keita in 2009 (see reference 7 below).

4 Mesple-Somps, Sandrine & Nilsson, Björn. (2020). Les migrations internationales des Maliens.

5 KEÏTA Seydou, 2009. Migrations internationales et mobilisation des ressources: Les Maliens de l'extérieur et la problématique du développement.

6 Mesple-Somps, Sandrine & Nilsson, Björn. (2020).

7 Gubert, Flore & Mesple-Somps, Sandrine & Lassourd, Thomas. (2010). Transferts de fonds des migrants, pauvreté et inégalités au Mali.

8 World Bank, 2020, https://databank.worldbank.org/views/reports/reportwidget.aspx?Report_Name=Country_Profile&Id=b450fd57&tbar=y&dd=y&inf=n&zm=n&country=MLI.

9 Adopted in 2014, it was launched in 2015 with a programme of action through 2019, renewed for the period 2020–2024. Document available from: <http://adrkayes.com/wp-content/uploads/2019/10/PONAM-Mali.pdf>

and financial partners, among them the European Union (EU), the International Organization for Migration (IOM), the French Development Agency (AFD), the International Fund for Agricultural Development (IFAD), the Spanish Agency for International Development Cooperation (AECID), the German Agency for International Cooperation (GIZ) and the United Nations Development Programme (UNDP).

As a result of **multiple domestic and international activities, both public and private**, to promote productive and non-productive individual and collective investment by Malian diasporas, the following can be noted:

- Since 2003, several Franco–Malian co-development programmes and then the Co-development Support Programme, financed by the European Development Fund (EDF) and implemented by the Co-development Technical Cell (CTC).
- Since 2015, the involvement of private actors in this market. The International Bank for Mali (BIM) and the Mali Development Bank (BDM), for example, have signed agreements with the ministry to facilitate diaspora transfers of funds and investments and develop financial products tailored to the diaspora. Babyloan Mali, an online solidarity credit platform supported by IFAD, offers the opportunity to support financing for projects in Mali from France. Investisseurs et Partenaires (I&P), an influential investment company devoted to SMEs, based in sub-Saharan Africa and the Indian Ocean, and Zira Capital, an investment fund devoted to small and medium-sized enterprises (SMEs), VSBs and start-ups in Mali, also supported by IFAD, are considering the creation of an investment vehicle for the Malian diaspora. Finally, Cofina and Bank Atlantic sit on the financing committee of the Construire le Mali (Building Mali) project's startup fund.¹⁰
- Since 2016, the Project to Support Malian Diaspora Investments in Regions of Origin (2016–2020), financed by the European Union Emergency Trust Fund for Africa (EUTF) and the AFD, has been operating under PONAM. Its aim is to strengthen diaspora contributions to the development of Mali and its regions and their impact on employment through the promotion of collective development initiatives in the regions of origin (notably, through associations) and diaspora support for entrepreneurship in Mali. Phase 2 of the project was signed in early 2019.
- In 2018, the Support to Youth and Local Communities for Training and Employment in Mali (2018–2021) (ACTIF) was launched by the Sahel Alliance with the general objective of offering more opportunities to young people from Mopti to receive training, find a job and participate in the socio-economic development of their region.

¹⁰ The Construire le Mali is a project supports diaspora investments. It was signed in 2019 and launched in November 2020, aiming at supporting productive investment and development in rural areas through youth entrepreneurship. For more information, visit: <https://construirelemali.net/>

This study aims at providing input to current initiatives and those being identified by these operators. It seeks to:

- **Understand** the productive and financial investment practices and preferences of Malian diaspora members in France, Spain and Italy;
- Enable financial institutions and funders to **tailor their financial tools to the needs and expectations of the diaspora**; and
- **Stimulate interest** in the Malian diaspora among public actors in the receiving countries and Mali.

This has been mandated by the IFAD's Financing Facility for Remittances within the framework of the Diaspora Investment in Sustainable Entrepreneurship for Rural Youth in Mali programme, financed by the European Union.¹¹ The study extends to all organizations and individuals in the Malian diaspora in France, Spain and Italy.

B. General approach of the study

This study is the result of significant exchanges and co-construction among the various actors involved, namely¹² Red Mangrove Development Advisors (R.M.D.A.), a consulting firm; Africa-Europe Diaspora Development Platform (ADEPT), a pan-European network of African diaspora; the Euro-African Federation of Solidarity (FEASO), a group of diaspora associations based in France; and the High Councils of Malians Abroad (HCME) of France, Spain and Italy, hereafter called "grassroots councils" or "high councils" in the study.

In a collaborative approach, this study relied on the expertise of Malian diaspora organizations in the three countries involved, especially:

- The grassroots councils, as interviewers and intermediaries for mapping, as well as the validation of hypotheses and results; and
- The FEASO, which operated at two levels: advisory services for implementing the study and administration of the questionnaires, mainly in France. FEASO also coordinated the first phase of the mapping.

¹¹ Created in 2006, the IFAD Financing Facility for Remittances (FFR) is aimed at optimizing the impact of the diaspora's remittances and investments on development and promoting its engagement on behalf of its country of origin (see appendix 3).

¹² Presentations of R.M.D.A., ADEPT, FEASO and the grassroots councils of the countries involved can be found in appendix 2.

This study was conducted in three phases:

Table 1: The different phases of the study



Box 1: Main mapping results

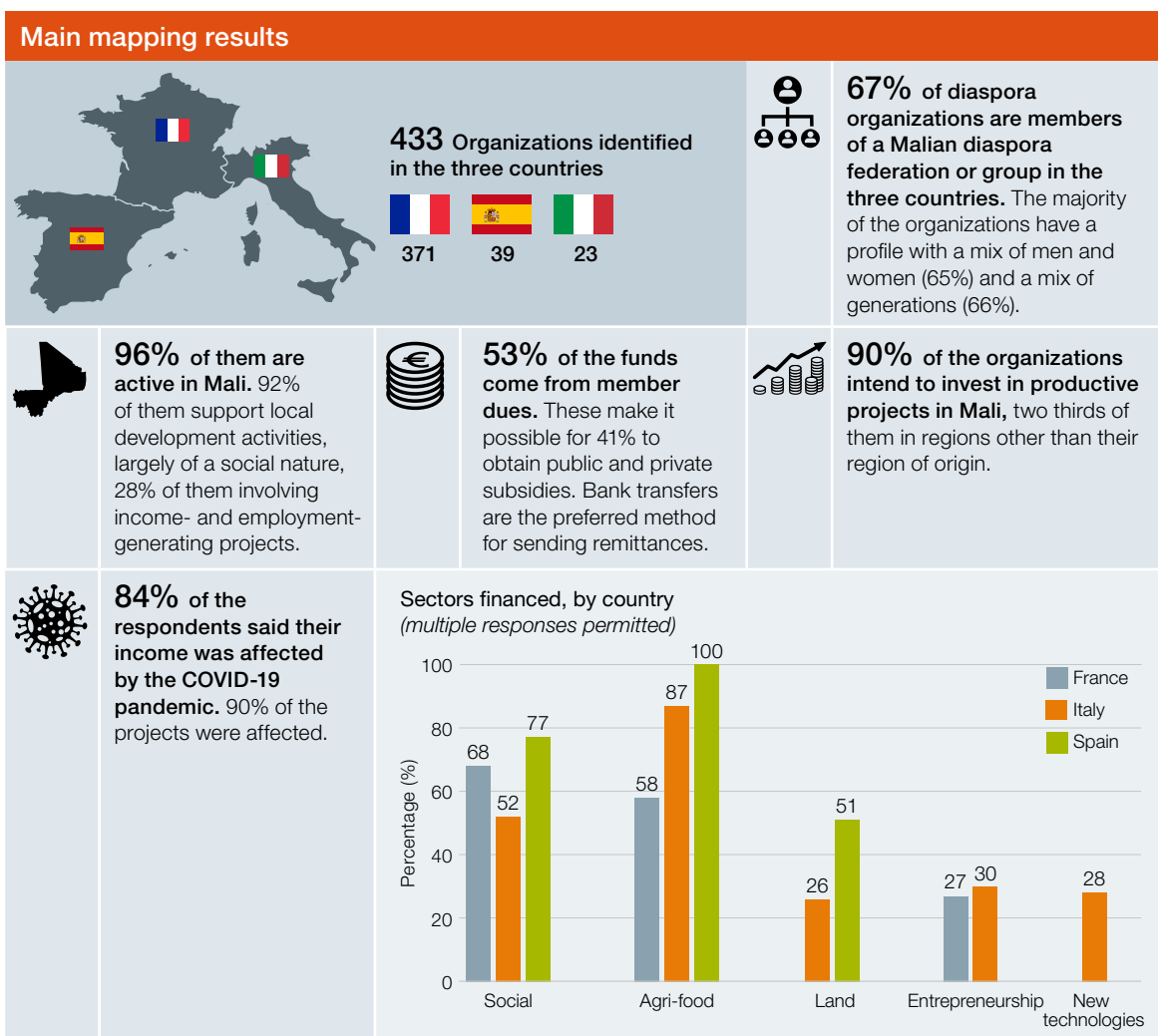
In 2020, FEASO implemented an initial component of the study¹³ to:

- Identify and list the Malian diaspora organizations in France, Spain and Italy;
- Learn more about the characteristics of the Malian diaspora and the type of investments it makes in the country of origin;
- Attempt to quantify and geolocate investment flows toward the principal Malian territories that attract diaspora investments, based on the primary data collected and the existing secondary data (studies, projects, etc.); and
- Identify the main sectors with investment potential.

Through this mapping, 433 organizations in the three countries were identified: 371 in France, 39 in Spain and 23 in Italy.

Based on their purpose, composition, the location of their headquarters and their activities, a matrix of these organizations' interventions in Mali was prepared, a summary of which is provided below.

¹³ The mapping was done by FEASO, represented by consultants Dembele Yéra and Boune Makalou Sadio Filly, with input from the grassroots councils of France, Italy and Spain, represented respectively by Keita Hamalé, Kida Aminata and Toure Belco and Zerbo Daniel, under the aegis of ADEPT.



This report focuses on the last two phases of the study, namely the surveys on collective and individual investment practices. Its approach is multimodal and coordinated around:

- Utilization of the mapping done in the first phase of the study, supplemented with a more general desk review on the Malian diaspora;
- Preparatory meetings for adapting and/or reformulating questionnaire topics;
- Meetings for debriefing and interpretation of the results of the questionnaires; and
- Holding of a small focus group made up of people from each country involved to improve our understanding of the practices and expectations of the study's targets.

With regard to the survey methodology, the questionnaires were administered between April and July 2021 by the High Council of Malians of France and FEASO for France, the High Council of Malians of Spain and the Council of Malians in Italy, respectively, for Spain and Italy, coordinated by ADEPT and FEASO, with technical support from R.M.D.A. Diaspora associations with a collective business project or a project to support entrepreneurship were targeted, as were diaspora members interested in productive investment. The responses were captured online using

SurveyMonkey. The respondents had the opportunity to receive telephone assistance in French, Spanish, Italian and Bambara.

C. Targeting of the study

Based on the expectations and objectives, the scope of the study was limited to the diaspora's productive and financial investment. Regarding collective investment practices, **associations with a collective business project or support for entrepreneurship in Mali were targeted**. Thus, 90 organizations, or 20 per cent of the number identified through mapping, were surveyed.

Certain statistical data on legal Malian immigration to France, Spain and Italy are available.

In the study of individual investment practices, **diaspora members who had business projects and/or were interested in entrepreneurship, financial support to enterprises and financial placements in Mali were targeted**. The 209 individuals surveyed were divided up as follows (see table below). The characteristics of the populations surveyed are detailed further on.

Table 2: Comparison between available statistical national data and study target per country

	First generation		Second generation	
	Statistical data	Study target	Statistical data	Study target
France ¹⁴	Around 78,000 immigrants born in Mali > 40% of them women > 45% having obtained or gone beyond the <i>bac</i> : the secondary school diploma	95 respondents > 26% of them women > 60% having obtained or gone beyond the <i>bac</i>	Estimate of 70,000 individuals, 21% (15,000) of them over the age of 25 > 50% of them women > 66% of them having obtained or gone beyond the <i>bac</i>	26 respondents, or 20% of the total respondents in France > 65% of them women > 77% having obtained or gone beyond the <i>bac</i>
Spain ¹⁵	27,000 foreigners of Malian nationality > 20% of them women > 12% with university or post-graduate education (extrapolation)	67 male respondents > 10% with university or post-graduate education	No available data	1 respondent
Italy ¹⁶	19,000 foreigners of Malian nationality > 5% of them women > 16% with university or post-graduate education (extrapolation)	20 respondents > 10% of them women > 50% with university or post-graduate education	No available data	n/a

14 Data from INSEE, 2017, 2019 and 2020, depending on the figures. For educational level: statistics on sub-Saharan Africa. For second generations: Authors' calculation, based on the weight of immigrants born in Mali and the cadre of descendants of immigrants by age group (data from INSEE 2020 and 2017).

15 Data from INE, 2020. For educational level: Africans excluding Morocco.

16 Data from ISTAT, 2021. For the educational level: 2015 data on foreigners from outside the EU residing in the country – Source: 6th Annual Report – Foreigners in the Italian labour market.

Despite the general coherence of country statistics, the following limitations are noted:

- Underrepresentation of women, particularly in Spain. The explanations advanced in the interpretation meeting were that women *are less available than men*, because of the burden of professional and family obligations. In the Spanish focus group, it was further noted that they are less active professionally than men because work schedules are incompatible with caring for children. Therefore, in addition to cultural reasons, it appears that for the time being many Malian women residing in Spain are devoting themselves essentially to managing their family life. They would therefore be less represented in the contingent of entrepreneurs and hence, less involved in the response to this type of survey.
- While overall the sample is more educated than the populations of Malian nationality or origin, the upper socio-professional categories (CSP+) may nevertheless be underrepresented because of the methods used to get the message out (mainly the FEASO network and the grassroots councils). In fact, communication via LinkedIn and opinionmakers, the best means for reaching this particular target population, did not yield the expected volume of responses. The impact of a survey¹⁷ of CSP+ on a closely related topic launched some weeks earlier through these channels should be considered. Here, several secondary information sources were used to supplement the data collected and offset this effect.
- There were few respondents in Italy, which has a smaller, often transient, Malian community. This limits the ability to generalize the lessons learned about this country.

17 “Major survey on the practices and expectations of the Malian diaspora and ‘friends of Mali’ to support entrepreneurship in Mali”: online survey launched in April 2021 by Investisseurs & Partenaires (I&P) and its partner, Zira Capital, as part of the launch of a new impactful investment fund to support Malian SMEs, VSBs and start-ups.

2 The Malian diaspora in France, Spain and Italy

A. Different diaspora profiles

Box 2: Definition of diaspora

The International Organization for Migration defines diaspora as *“migrants and descendants of migrants, whose identity and sense of belonging have been shaped by their migration experience and background”*.¹⁸ The term thus applies to all populations who decide to leave the country of their birth to settle, permanently or not, in another territory (first generations) as well as their descendants, who maintain an attachment to their parents’ or grandparents’ country (second and third generations). Mali calls its diaspora *“Malians abroad,”* a term that includes the children and grandchildren of Malian émigrés


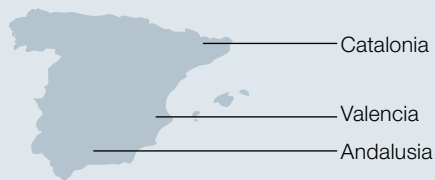

In 2020, the number of Malian émigrés worldwide was estimated at 1.3 million (UN DESA).¹⁹ The vast majority of its migration flows are intracommunity, mainly within the Economic Community of West African States (ECOWAS), with the largest communities located in Côte d’Ivoire, Nigeria and Niger. Only 10 per cent of Malians living abroad have made Europe their choice.²⁰ The destinations of the different waves of migration, the motive behind them and their length of residence in the receiving countries have resulted in communities with very different profiles.

18 IOM, World Migration Report 2018, pg. 305.

19 Malian authorities like the HCME estimate a range of five to six million Malians living abroad.

20 Migration Profile 2016 – European Commission Knowledge Centre on Migration and Demography.

Table 3: Profiles of Malian diaspora organizations in France, Spain and Italy

France		Longstanding and permanent immigration, having given birth to several generations, with 40% women, on average	
1918–1974	1974 (A halt to work-related immigration)	After 1974	
From an inter- and post-war work dynamic...	...to the reunion of families and ecological migrants (drought, famine)...	...and then to clandestine and academic migration, increasing the diversity of profiles	
<i>France is the country with the longest tradition of Malian immigration, associated with its need for labour (recruitment offices in the Senegal River Valley)</i>	<ul style="list-style-type: none"> • From temporary, the migration becomes permanent; • The descendants of immigrants emerge (second generation); and • Migration also becomes more clandestine. 	<ul style="list-style-type: none"> • Part of the first generation nears retirement; • The second generation grows; and • Student and irregular migration leads to new “first generations” with very different profiles. 	
Today, Malian migrants in France include three generations, with new waves of first-arrivals, living primarily in Île-de-France.			
First generation Around 78,000 immigrants born in Mali (INSEE, 2017), some 40% of them women (INSEE 2020)	Second generation An estimated 70,000 individuals, 15,000 of them over the age of 25 ²¹	Third generation No information on third generations in national statistics	
Spain and Italy		A more recent population, the result of circular and seasonal migration and then, the refugee crisis	
1975–1985	1990s (Schengen Agreement)	2010s	
Seasonal migration of Malians between France and Spain/Italy for jobs in the construction, public works and agriculture sectors	Spain joins the Schengen Agreement in 1991 and Italy in 1997, accelerating the dynamic	Arrival of migrants (refugees) described as “in transit” ²²	
<i>Spain and Italy, which were countries with emigration to France, have become immigrant destination countries with the Schengen Agreement.²³</i>			
Spain 27,000 foreigners of Malian nationality 20% women (INE – 2020) 		Italy 19,000 foreigners of Malian nationality 5% women (ISTAT, 2021) More recent immigration, peaking around 	

21 Authors' calculation, based on the weight of immigrants born in Mali and the number of descendants of immigrants by age group (INSEE, 2020 and 2017). See also note on page 26.

22 “In transit” describes a person who enters a territory on his migration path or road to exile. It is therefore not transitory. In the European Union, it is commonly used more often to describe people who entered through southern Europe hoping to end up in another European country (generally the United Kingdom) to seek asylum or remain there (for family reasons related to work or education, for example).

23 Y. Dembélé et al., 2020.

These statistics are a low estimate. They are based on valid residence permits and therefore exclude irregular immigration, as well as immigrants who have been naturalized and part of the second and third generations born with a European nationality.²⁴

B. Diaspora organizations

Box 3: Organization of the diaspora

Diaspora organizations can include very different types of organizations in terms of their purpose (political, cultural, mutual aid in the country of residence, solidarity with the receiving country) and/or the type of member (occupation, region/village of origin, etc.). In this study, diaspora organizations with activities in Mali are those of particular interest. We will therefore use the definition of OSIM (international migration solidarity organization) adopted by the Centre de Ressources pour la Coopération Décentralisée (Resource Centre for Decentralized Cooperation) en Franche-Comté: *"A formal or informal organization founded by one or more migrants (first, second or third generation) wishing to act in their country of origin while engaging in one or more activities in the receiving country."*

Malian migrants from the Senegal River Valley have replicated their village customs on arrival in the receiving country. They settle in areas based on their origin, create solidarity funds with the dual purpose of aiding new arrivals' integration in the receiving country and supporting their country of origin.

Since the time European countries authorized foreigners to found associations (1981 in France,²⁵ 1985 in Spain²⁶ and 1990 in Italy²⁷), a multitude have been created or formalized, leading them to acquire a certain ranking and representativeness and giving them significant political clout in their territories of action. These organizations, the majority of them initially created at the village-of-origin level, have thus managed to form regional organizations that then join national organizations registered in the receiving country, enabling them to engage with umbrella organizations registered in Mali, whether or not they are recognized by the state.

24 In France, from the legal standpoint, the production of ethnic statistics is strictly regulated by the General Data Protection Regulation (RGPD), the Information Technology (Data Files) and Civil Liberties Act of 6 January 1978, and a decision handed down by the Constitutional Council in 2007. Processing personal data in a manner that directly or indirectly indicates the racial or ethnic origins of individuals is prohibited, limiting the ability to obtain information on second and third generations. Certain exceptions based on objective data (name, geographic origin, nationality prior to French nationalization), as well as subjective data, such as a "sense of belonging", however, are permitted in public statistics, subject to prior approval by the National Council for Statistical Information (CNIS).

25 Law No. 81-909 of 9 October 1981 abrogated decree-law of 12 April 1939, restoring freedom of association for foreigners, initially contained in the 1 July 1901 law.

26 Organic Law 7/1985, of 1 July 1985 on the Rights and Civil Liberties of Foreigners, supplemented by STC 115/1987 and STC 236/2007.

27 Law No. 39 of 28 February 1990, the Martelli Law.

The High Council of Malians Abroad (HCME) is the only organization recognized by the Malian state as an umbrella organization representing Malians abroad in the receiving countries. Established in 1991, it has 77 grassroots or high councils of Malians Abroad, located in different cities in the Malian diaspora's countries of residence.

Other federations or confederations of Malian or African associations enable Malian diaspora associations to find each other.

A total of 433 organizations have thus been identified through mapping, as detailed below:

Table 4: Profile of diaspora organizations in France, Spain and Italy²⁸

Data		France	Spain	Italy
Number of organizations surveyed		371	39	23
Sex and age (%)	Mixed organizations	64%	98%	50%
	Women's organizations	19%	0	45%
	Youth organizations	13%	3%	5%
Generation (%)	First generation	8%	85%	26%
	Second generation	10%	0%	5%
	Mixed organizations	74%	10%	37%
	Newly arrived	8%	5%	32%

These organizations and their breakdown make it possible to reach out to and represent numerous groups. Because it is diversified, this constellation of organizations is useful to reach the Malian diaspora, even if there are unknowns about Malian diaspora members who have joined organizations, especially among second generations and the CSP+.

As a general rule, while new thematic approaches have emerged, historically, these associations are born of a territorial approach based on development projects that their members wish to implement in their areas of origin.²⁹ The founding members enlist all acquaintances, friends or relatives who can support the association. Thus, CSP+ are found in both first generation and mixed associations. A specific approach for reaching the CSP+ could nevertheless be to include other African diaspora platforms (FORIM,³⁰ CPA³¹), as well as professional social networks (e.g. LinkedIn), the specialized African economic press or investor's clubs, for example.

A specific approach of diaspora umbrella and youth organizations (not specifically centred on the topics of investment or entrepreneurship) could, however, be a gateway for reaching second generations.

28 Table from the Malian diaspora organization mapping report, published in 2020.

29 On the question "If you checked regions – i.e. the organization's intervention regions –, why those (that one)? (multiple responses permitted)", 56 out of 91 organizations checked "Many members of the organization come from that/those region(s)," or 61 per cent.

30 The Forum of International Solidarity Organizations for Migration (FORIM) is a national platform created in 2002 with support from French government authorities. It brings together networks, federations and international migration solidarity organizations (OSIM) engaged in integration activities here and in development activities in the countries of origin.

31 Residential Council for Africa, founded in August 2017 by French President Emmanuel Macron. An independent entity, it brings together civil society personalities, whether or not members of the African diaspora.

C. Diaspora understanding of productive investment

Box 4: Diaspora investment

According to Gelb et al. (2021),³² a diaspora investment is a two-way exchange: in exchange for funds received from the financial transaction, the user of the funds (the beneficiary in the country of origin) usually provides the source of the funds (a diaspora investor) with an asset (generally a financial instrument) that gives the investor a future return on their investment. Unlike remittances, the source of the funds and the beneficiary exchange property rights..

Productive investment is still a vague concept.³³ **Actors (funders and diasporas) do not necessarily define it the same way, leading this study to wonder what meaning to give the concept in the survey tools.**

Diasporas' contribution to development has been the subject of numerous studies and projects financed by development banks. In recent years, the attention has focused on two aspects:

- **Remittances:** Remittances are aimed at supporting household consumption. Funders' interventions in this regard are based on the finding that the figure for remittances is higher than that of public development assistance.³⁴ Moreover, the World Bank has estimated that lowering the price of remittance transfers by 5 percentage points would result in annual savings of US\$16 billion; the idea is that the savings could be used to benefit the development of the country of origin.
- **Investment:** This takes place outside remittance flows. Its use is productive in value-generating activities, or not so in the case of non-rental properties, for example. Funders' interventions in this area are based on the assumption that remittances, used by beneficiaries chiefly for consumer expenditures, would be less beneficial for growth and economic development than expenditures for productive investment.

In order to enable financial institutions and funders to tailor their financial tools to diaspora needs and expectations, it is first important to define the meaning and target group's understanding of "productive investment". The survey participants (organizations and individuals) were therefore questioned about their understanding of this concept. It appears that:

- **The vast majority of respondents do not consider productive investment to be direct consumption of their money transfers by beneficiaries (84 per cent of individuals – 82 per cent of organizations).** The grassroots councils indicate that they would like to reduce beneficiaries' direct consumption of transfers. In their view, the diaspora is increasingly interested in prioritizing long-term use.

³² Gelb et al., (2021) *Diaspora finance for development: from remittances to investment*.

³³ Ibid.

³⁴ In 2019, the remittances sent by migrants and diasporas to their countries of origin for the first time exceeded total foreign business investments in low- and middle-income countries (with the exception of China); World Bank and KNOMAD, in "Migration and Development Brief 31," April 2019.

- More than three quarters of the respondents consider entrepreneurship, solidarity projects in areas such as education, health, real estate and financial investments to be productive investment.
- A grant can be considered productive investment if, for example, it finances income-generating activities.
- Respondents also consider the provision of equipment or products procured to boost productivity or production to be productive investment.

The concept of productive investment takes many forms among the diaspora because it includes all investments that could have a direct impact on production in the short-to-medium term (i.e. the financing of an enterprise) or an indirect impact in the long term (i.e. education).

To simplify the respondents' understanding of the questionnaires, this study therefore focused on types of investment linked to:

- Projects implemented directly: individual and collective business projects;
- Financial support to enterprises, whether or not through intermediaries, whatever their type, formal or informal, whether or not motivated by financial return; and
- Financial investments (passbook accounts, time deposits, bonds), as well as in-kind placements (real estate, livestock, etc.).




The types of placements and investments studied thus go beyond what is commonly considered productive or financial investment and include grants, land and real estate investments and equipment purchases, to obtain a more exhaustive picture of the practices and expectations of the Malian diaspora in France, Spain and Italy.

D. Main lessons learned

The Malian diasporas in France, Spain and Italy are rather different due to their migration history and current situation in each country.











- Present in France since the period between the two world wars, with permanent settlements since the 1970s, the Malian diaspora in France is well established and highly structured from an organizational standpoint. A group of second generation Malians who are old enough to invest is already present.
- Immigration to Spain and Italy is more recent. Their diasporas are the product of circular and seasonal migration in the wake of the refugee crisis. Few second generation diaspora members are old enough to invest. For most Malians, Italy is the gateway to Europe. Once they are able, they prefer to settle in France or Spain.
- The diasporas in each country are fairly geographically concentrated: in Île-de-France in France; in Catalonia, Valencia and Andalusia in Spain; and in Lombardy, Lazio and Campania in Italy

Table 5: Geographic concentration areas for Malian diaspora in France, Spain and Italy

France	Spain	Italy
		

- The diasporas can be reached through the organizational network, digital methods (LinkedIn, WhatsApp and opinionmakers) and physically, in the locations where they are concentrated.
- Finally, the concept of productive investment takes many forms in the diaspora because it includes all investments that could have a direct and short-to-medium term impact on production (i.e. the financing of an enterprise) or an indirect impact (i.e. education).

3 Collective investment practices and preferences

Characteristics of the organizations surveyed			
 <p>90 organizations surveyed in the three countries, selected because of their interest in implementing business projects or projects to support entrepreneurs in Mali. 95% are associations.</p> <p>  50  29  11 </p>	 <p>±50% are composed of members born in Mali and the other half, members from different generations. The information on organizations composed mainly of second or third generations born in Europe is anecdotal.</p>		
 <p>80% have already implemented or are in the process of implementing a project of this type in Mali (business project or support for entrepreneurs).</p>	 <p>77% of the organizations are run by men. In the sample, 20 organizations are run by women and 14 are composed predominantly of women and are relatively recent.</p>		
 <p>50% were created after 2011. In Italy, practically all the organizations have been created in the past five years, which can be explained by the Malian diaspora's recent arrival in the country.</p>	 <p>80% of the organizations make decisions collectively, with all dues-paying members involved. The board or administrative council has more weight in the remaining 20%.</p>		
 <p>>50% have more than 70 members. Half have more than 52 dues-paying members, providing them with substantial basic own funds.</p>			

Interpretation: The predominantly female organizations were created in recent decades during the launch of the tontines. Women meet in these spaces, which are often not mixed, and then decide to create an association.³⁷ While associations have numerous members, not all of them are dues-paying, which explains the differential.

A. Marked sectoral and geographic preferences but the emergence of new trends

As history shows, Malian diaspora development organizations (MDDO)³⁶ were born out of solidarity funds, becoming village associations and ultimately legally recognized associations in the countries where the diaspora settled, with attention focused on the development of the community of origin as part of international solidarity (OSIM). This bond of solidarity with and responsibility toward their village of origin was likewise reflected in their preferred implementation area and sector for MDDO/OSIM investment and financial placement projects.

- 57 per cent of the organizations responded that they were interested in the village level;³⁷

³⁵ Opinions expressed in the grassroots councils during the end-of-survey interviews.

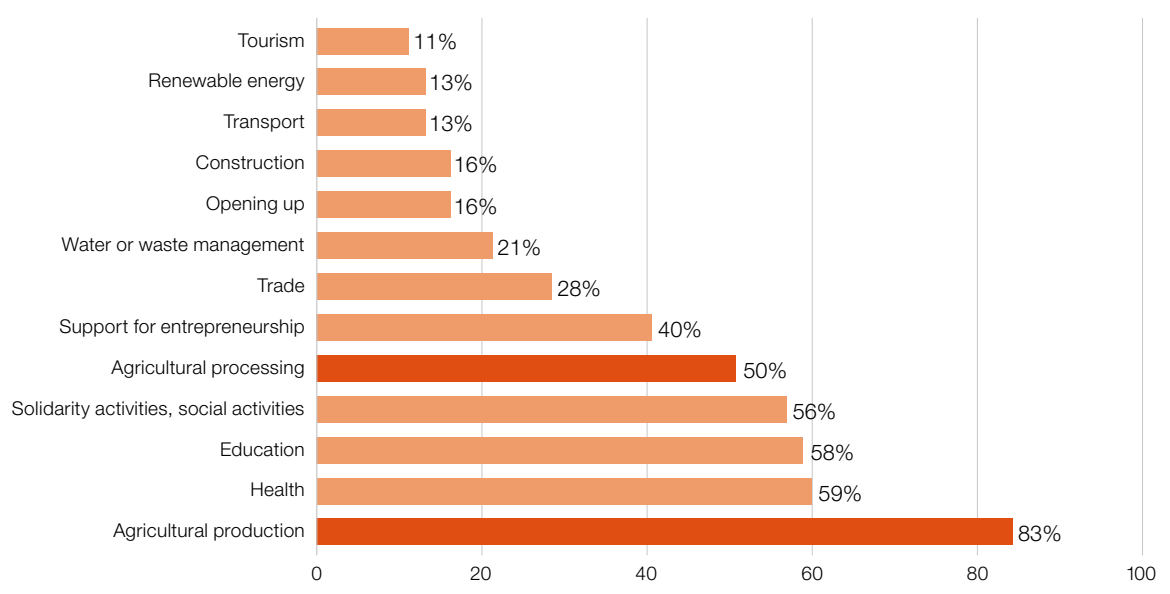
³⁶ MDDOs are international migration solidarity organizations (OSIM) specific to Mali, but the terms can be used interchangeably.

³⁷ Question with multiple responses permitted.

- 56 per cent of the organizations responded that they were interested in Kayes,³⁸ a region marked by high emigration and the origin of a substantial portion of diaspora organization members in France, Italy and Spain;
- 83 per cent of the organizations responded that they were interested in agricultural production, which is considered a form of both solidarity and job creation. Other sectors of interest: health (59 per cent), education (58 per cent), solidarity activities (56 per cent) and agricultural processing (50 per cent).

Figure 1: Sectors in Mali of interest to organizations for their projects, investments or placements in Mali

(multiple responses permitted)



Interpretation: 83 per cent of the organizations mention agricultural production among their sectors of interest

Base: 90 respondents, or 100 per cent of the sample

In counterpoint to this intervention profile, some dynamics not correlated with the territory of origin have emerged:

- 21 per cent of the respondents said they were interested in any region – 17 per cent in the District of Bamako and 16 per cent in Timbuktu.
- 21 per cent of the respondents said they were interested in the town level (33 per cent) and/or any area (25 per cent).

³⁸ In the questionnaire for organizations, the study used the administrative divisions of the time – that is, 10 administrative regions (Kayes, Koulikoro, Sikasso, Ségou, Mopti, Gao, Tombouctou, Kidal, Menaka, Taoudeni) plus the District of Bamako. Here, therefore, the Kayes region includes the new region of Kita.

Financial investment involves a different type of effort and contacts than project implementation and increasingly extra-community implementation criteria. *“When association projects are involved, they remain in the area of origin. But when there is an opening to invest in a corporation, a business, to make a financial investment with a trusted partner, other areas can be targeted provided that there is trust in the financial intermediary and in profitability, the viability of the project”*.³⁹

A new trend spurred by the profit motive appears to be emerging, pushing the geographic limits of organizations’ classical interventions. It appears to be driven by both the length of time and maturity of the diaspora in the receiving country and generational change and young people’s appetite for more economically-based projects:

- **Agricultural production is the primary sector of interest, whatever the country and generation of the association’s members.**
- Having acquired a certain maturity, French organizations are interested in agricultural processing and support for entrepreneurship, while the more recent Spanish organizations are interested in solidarity activities, health, and education.
- Regarding mixed organizations, 62 per cent prefer agricultural processing, a figure 10 points higher than the average for the organizations.

In fact, first generation migrant associations are much more concerned about situations personally known by their members and try to find solutions to the scarcity of basic infrastructure in their areas of origin; they are more active in investing first in local development projects, leaving project management to communities (school, health centre and potable water supply). Once basic needs are met, these organizations turn to projects involving the private sector (markets, irrigation projects and farm cooperatives). It should be noted that an association that has already invested in an area is likely to be asked by the population to undertake other projects; with trust established, the population’s investment requests increasingly turn to micro projects easily managed by women’s or young people’s groups in neighbourhoods or a village.

Mixed diaspora associations (comprised of first and second generation members) appear to be more profit-driven, more sensitive to product flows (sources of income); they are more interested in an economic self-sufficiency approach for local populations. This is due on the one hand to the presence of second generation migrants, who have a different view of aid to the country of origin; and on the other hand, to the experience of first generation migrants who have been in France for a long time and in the majority of cases, are the parents of second generation migrants.

39 Opinions expressed in the grassroots councils during the end-of-survey interviews.

B. Solidarity projects that include the concept of financial self-sufficiency

In the sample selected, 96 per cent of the organizations surveyed were interested in implementing business projects or projects to support entrepreneurs in Mali. Around 70 per cent of them have already implemented or are in the process of implementing their project. Unsurprisingly, the topics of agricultural production and processing are pervasive. It appears that most of the time, projects come about as a result of:

- A request from organization members' village of origin (local development approach): this can include, for example, the financing of enterprises (farm cooperatives, processing cooperatives, agri-food warehouses, etc.) or projects in urban areas (markets, etc.) or rural areas (hydro-agricultural dams, market gardens, etc.), the latter generally implemented in conjunction with territorial groups.
- Diaspora members' desire to solve a problem on site (thematic approach): this could include training or the financing of equipment for a particular population group (often women or youth).

Box 6: Examples of projects mentioned by the respondent organizations

- **Project to expand and supply the granary in the village of Dindanko.** The village granary has been housed for five years in a warehouse constructed in the traditional manner. This project should enable it to construct a permanent new concrete building, supply the warehouse with basic foodstuffs and ensure sales and purchases in the village and surrounding area (Association Dindanko Djigine, based in France).
- **Women's economic empowerment project.** This project should enable women who have experienced hardship to take up an income-generating activity. In 2010, the association, in collaboration with women from the village of Koïma (Gao Region), provided aid to enable them to improve the produce from their gardens so that they could increase sales in the market. In 2014, with an association in Douentza (Mopti Region), the association financed some 20 women through interest-free solidarity loans to take up small business activities, enabling them to provide for their children (Association Koïma, based in France).

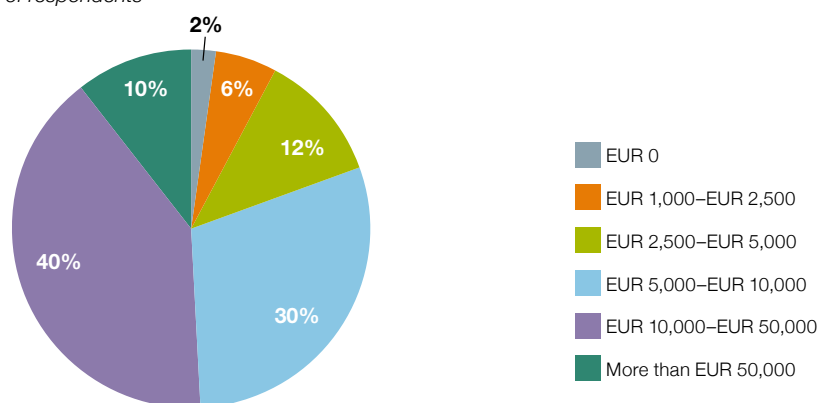
To finance their projects, associations mobilize funds internally and externally.

All the organizations partially self-finance their project (using the organization's own funds). Some 80 per cent of them contribute more than EUR 5,000 in financing to their projects and 50 per cent more than EUR 10,000.

Figure 2: Self-financing of projects by diaspora organizations

How much has your organization spent or does it intend to spend to finance this project in Mali (in EUR)?

97 per cent of respondents



Interpretation: 40 per cent of organizations invest between EUR 10,000 and EUR 50,000 in their project in Mali

These figures are orders of magnitude, because it is hard for organizations to estimate them. Nonetheless, they are relatively high. Indeed, as one council explains, *“If the project reaches the diaspora, it means that the money can’t be found in Mali.”* The size of projects, in turn, influences the amounts that are self-financed. In fact, organizations search for grants and respond to calls for projects, but members are often asked to provide the rest of the financing through their contributions.

These contributions can take two forms:⁴⁰

- Regular dues paid monthly or annually in an amount ranging from EUR 10 to EUR 50 per month, or EUR 100 to EUR 200 per year.
- Special contributions, paid per project, in a variable amount – around EUR 100 per member for associations with many active members and from EUR 500 to EUR 1,000 for associations that have only a few active members. According to the councils, participation here is the members’ choice.

40 Y. Dembélé et al., 2020, Cartographie des organisations de la diaspora malienne en Europe et de ses investissements en Italie.

This means that diaspora organizations have both the capacity to regularly obtain funds and to raise significant sums when the need arises. This gives them considerable flexibility in managing their projects: *“The village request for projects may exceed the funds currently in the organization’s bank account, but that doesn’t stop the organizations. They call for special contributions or grants,”* explains one council.

As explained above, **in addition to self-financing, most of the organizations (60 per cent) mobilize other financiers for their projects, and half of them have access to several.** These financiers are primarily local groups, funders, local populations and associations. Few private enterprises are involved. Codev Mali⁴¹ (through the Co-development Technical Cell) and PRA/OSIM⁴² projects were often cited as project funders and partners. This collaboration could be what is behind certain associations’ increase in project management and monitoring and evaluation competencies, for example. In fact, these funders do not simply finance the organizations but provide technical support – though occasional – encouraging the engagement and contribution of partners in the country of origin. The local authorities’ contribution, for example, could be a parcel of land and their participation in project monitoring and evaluation. The local population’s contribution could be monetary contributions or unremunerated participation in project implementation.

In the vast majority of cases, the funds raised by the organizations are mobilized in the project as a financial donation (subsidy) (mentioned by 85 per cent of the respondents) or an in-kind contribution (mentioned by 53 per cent of the respondents),⁴³ such as the provision of machines to cooperatives or interest-free solidarity loans (mentioned by 26 per cent of the respondents). The willingness to make interest-bearing loans or a capital investment in an enterprise is marginal.⁴⁴

Despite this solidarity approach, the survey found that **virtually all the organizations surveyed (93 per cent) would like to see their project turn a profit.**⁴⁵

Profits are used primarily to cover project maintenance costs (mentioned by 70 per cent of the respondents)⁴⁶ **and supplementary investments associated with the project** (mentioned by 80 per cent of the respondents). In the past, diaspora organization initiatives were insufficiently linked to an economic model. They consequently generated regular and growing maintenance and operating expenditures, thus consuming diaspora association resources and mortgaging much of their capacity to finance new projects. To mitigate these problems, organizations are now designing projects that are more financially self-sufficient and profitable. This, moreover, has become a requirement of funders, where the application must

41 This co-development consists of emphasizing migrants’ contribution as the engine of social transformation and as financiers of development projects in Mali. Launched by the Malian state, it is financed by the French Development Agency and the European Union. This programme connects local development actors with actors from the Malian diaspora to promote the development of the regions of origin. It targets Malians in France and countries in the European Union through the Economic Community of West African States (ECOWAS) and the Economic and Monetary Community of Central Africa (CEMAC).

42 The Support Programme for International Migration Solidarity Organizations [PRA/OSIM], created in 2003, is a national mechanism for the support, cofinancing, capitalization and valorization of local development projects supported by OSIMs. It is supported by FORIM.

43 Question with multiple responses permitted.

44 Interest-bearing loans: 5 per cent; capital investments in an enterprise: 9 per cent.

45 Question formulated via the questionnaire. The concept of “profit” is likened here more to earnings that can be reinjected into project operations and/or maintenance so as not to generate supplementary charges for the organization.

46 Question with multiple responses permitted.

demonstrate the project's viability through a return. Likewise, since associations are non-profits, they do not repatriate profits but instead, reinject them into the project's maintenance or the creation of a related activity. Associations thus retain bonds of solidarity with the beneficiaries of their projects.

To implement their project, 55 per cent of the organizations have access to technical partners

The partners are most often a public institution in Mali (mentioned by 25 per cent of the respondents),⁴⁷ or more rarely, an NGO (17 per cent) or a business (13 per cent). In Mali, this partnership is often with community councils, the customary authorities, intermediary or sister associations, or informal entities without legal status but structured to manage projects supported by the diaspora. In certain cases, the organizations have associated intermediaries, backed by former migrants who have returned and other local actors. Diaspora members view the existence of an official local intermediary involving former migrants as security.⁴⁸

This search for partners is driven by several imperatives, especially the need to mobilize technical competencies and local coordination and the desire to obtain financing. Through the survey it was found that the majority of organizations without a partner were unable to secure external financing for their project (72 per cent). It can be assumed that the presence of a partner reassures funders and lends credibility to the projects. Furthermore, since for a large portion of funders it is an eligibility criterion in project tenders (e.g. PRA-OSIM, AMP,⁴⁹ ADEPT), we can also hypothesize the influence of this requirement on the creation and/or formalization of such partnerships by associations wishing to become candidates for financing.

Nevertheless, the presence of a local partner is not a prerequisite for diaspora organizations, and 45 per cent of them launch and implement their project on their own, at the cost of problems obtaining financing and professionalizing management of the investment. They only work with the beneficiaries, who indicate their needs and are involved in the project's implementation.

Asked about their strengths, associations more often point to their competencies in project management (cited by 72 per cent of them) and monitoring and evaluation (55 per cent) than their knowledge of the terrain (45 per cent), which could also be improved by interaction with a local partner.

Despite the strengths indicated by the majority of respondents, the councils stress that *"it should not be thought that these associations have all these project management competencies."* A fresh perspective that includes funders and other groups underscores, moreover, that training and technical assistance to diaspora organizations are still very necessary for effective, efficient and lasting projects, mainly because diaspora organizations often rely solely on volunteers who contribute to the projects as much as their available time and competencies permit.

47 Question with multiple responses permitted.

48 Y. Dembélé et al., 2020.

49 Agence des Micro-Projets (AMP), a microproject development financing programme supported under Law 1901 by French associations with cofinancing from the AFD.

Box 7: Main obstacles to direct investment by organizations

Asked about their problems, two thirds of the respondents cited the **lack of funds**. This complaint is systematically found in surveys of this type and may be due to the organizations' frustration with financial constraints and the inability to implement projects more swiftly and at a larger scale.

One third of the associations also mentioned **monitoring and evaluation** as an obstacle,⁵⁰ demonstrating the need to upgrade the expertise and competencies of diaspora organizations in this area. In their comments, some organizations also emphasized the need to train their members, particularly on how to search for financing.

Surprisingly, **the respondents rarely cited the security situation**. This could be because living in Europe they are not directly faced with security issues on a daily basis but also because insecurity and health problems could serve as motivation for the diaspora. One council illustrates this: *"I found two associations that had virtually halted their activities, and insecurity served to heighten their resolve; they revitalized the association to come to the aid of the population. For them [the security situation] plays a role but does not impede decisions to undertake activities. On the contrary (...) when the need arises, diaspora associations mobilize."*

C. Need for financial placement products linked to the project cycle and the social purpose of the organization

Some 79 per cent of the associations surveyed are interested in placing money or making a financial investment in Mali and/or the receiving country. Among this group, virtually all the interested organizations (97 per cent) have already done so, which is consistent with the fact that our sample was made up of formal, active associations. In terms of amounts, **half the organizations have placed and financially invested sums of more than EUR 5,000.**⁵¹

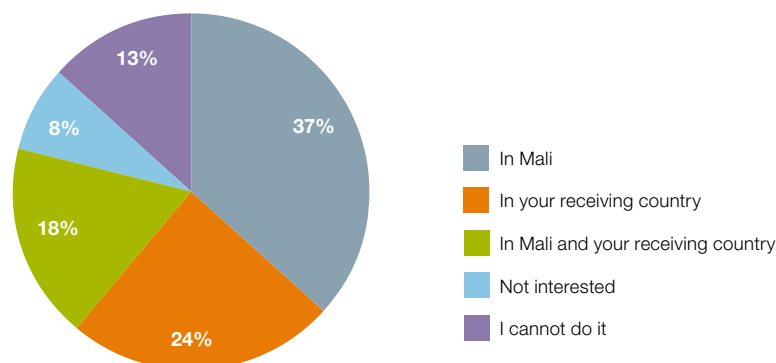
50 By extrapolation, a hypothesis can be developed on the difficulty of monitoring the use of funds beyond the technical dimension of the project.

51 Since the concept of investment and its difference with placement is not always clear to respondents, to preserve a reasonable number of questions, we chose to include the two concepts in a single question. To avoid this problem, the questionnaire for individuals used the term "financial support to an entrepreneur" for investment.

Figure 3: Desire to make a placement and/or financial investment

Has your organization already placed money or made a financial investment or would it like to do so in the future?

100 per cent of respondents



Interpretation: 37 per cent of the organizations have already placed money or made a financial investment in Mali or wish to do so.

It is interesting to note that:

- For around 40 per cent of the respondents, this placement or investment is envisaged or takes place in Mali, and thus, with Malian financial actors and/or enterprises
- For around 25 per cent of the respondents, this placement or investment is envisaged or takes place in the receiving country, and thus, with financial actors in the receiving country
- For around 20 per cent of the respondents, this placement or investment is envisaged or takes place in the receiving country and thus, ideally, with transnational actors.

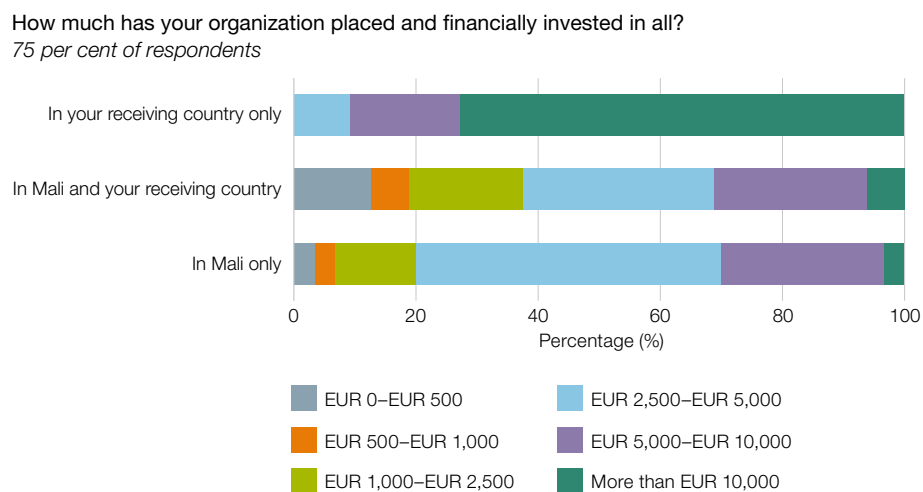
Despite this interest in placements or investments in Mali, the amounts placed are higher in the receiving country:

- 70 per cent of the organizations that place or financially invest only in the receiving country do so in amounts of more than EUR 10,000.⁵² This is consistent with the rather substantial use of checking and passbook accounts in the receiving country where organizations deposit contributions, request grants, and manage their funds before transferring them to Mali. This is also consistent with the organizations' trust in banks in the receiving country.
- 70 per cent of the organizations that place or financially invest only in Mali do so in amounts of less than EUR 5,000.⁵³ There is less use of checking and passbook accounts, probably because of the greater use of liquidity and the limited formalization of financial flows.

⁵² Calculation of this percentage is based on organizations investing only in the receiving country that responded to the question, that is, 22 organizations.

⁵³ Calculation of this percentage is based on organizations investing only in Mali that responded to the question, that is, 30 organizations.

Figure 4: Amounts placed and financial investment by location



Interpretation: 70 per cent of the organizations placing and financially investing only in the receiving country did so in amounts of more than EUR 10,000.

We opted to separate the investments made only in Mali or the receiving country from investments made in Mali and the receiving country to highlight the difference in the amounts by country.

This may be due to financial management habits in the diaspora organizations' receiving countries. One council explains: *"It is more practical to finance in Mali from the receiving country; organizations are accustomed to keeping their savings in the receiving country. They send funds to Mali when a project is starting. In the meantime, the funds are placed in the receiving country."*⁵⁴

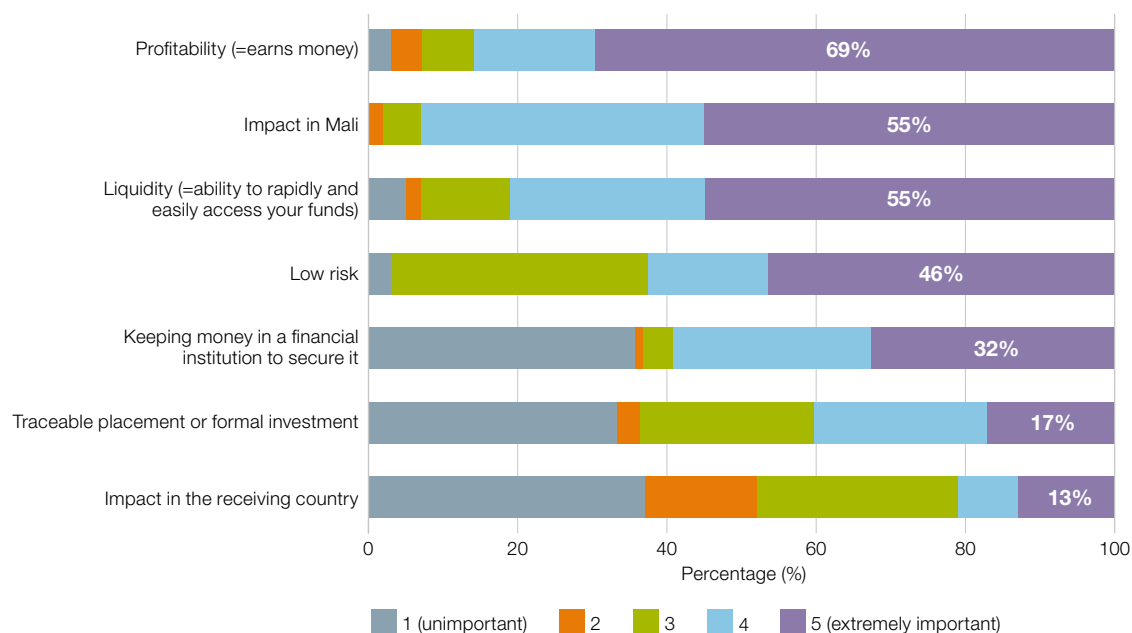
Diaspora organizations that request financing from an external partner start amassing their contribution during the design of the project (10–15 per cent of the total project). Once collected, these funds are available until the rest of the financing is obtained, which could take time (10–18 months or more). However, these funds remain in a bank in the receiving country for security purposes, but without a strategy for returns. Thus, they become dormant assets.

Profitability, the impact in Mali and the full liquidity of their placements are important criteria for organizations.

⁵⁴ Quote from a grassroots council.

Figure 5: Objective of organization placements and financial investments

What objective(s) does your organization have or would it like to achieve through financial investments and placements in Mali or your receiving country?
75 per cent of respondents



Interpretation: 69% of the organizations say that the profitability of their financial investments and placements in Mali or their receiving country is extremely important.

Concerning liquidity, this is due to the fact that the organizations want to be able to access the funds for their projects or contingencies (e.g. the repatriation of remains). This makes time deposits less attractive (funds blocked from three to 36 months) despite their greater profitability. The absence of forward-looking asset management and the failure to consider the use of banking tools other than sight deposits are explanatory factors. While respondents cite profitability as an important criterion, disagreements appear to emerge regularly in associations, with older members preferring the availability of funds and younger ones the profitability of placements. One council stresses here that some of these organizations have potentially answered that question, mentioning a wish for the future: *“if the conditions are right and they decide to put the money into a financial investment, the important thing for them is profitability. But that is in the future.”* While this depends on the profile of the leaders and their knowledge of financial tools, it seems likely that few organizations have differentiated management of their assets (part of them remaining available in checking accounts, for example, and the other part invested in more profitable, less liquid financial placements (such as time deposits) for projects in the medium term, for example).

At the impact level, the top issues are food security (agricultural production), women’s empowerment and fighting poverty.

From this standpoint, diaspora organizations’ need for financial tools seems to lie mainly in liquid placements in the receiving country and transfers to Mali.

About 40 per cent of the organizations appear to be less risk averse⁵⁵ and could also be interested in riskier placements, as long as they are profitable and have a significant impact in Mali, consistent with the organization's purpose. The survey, however, does not permit estimation of the volume of funds that could be steered to placements of this type. The risk of losing capital, furthermore, could be a real and legitimate impediment to such investments.

In addition to classical banking products (checking and passbook accounts) that are unremunerative or yield very low earnings, **some other types of placements/investments are used.**

Some 17 per cent of the organizations also say that have made a capital investment in an enterprise. Here, it should be noted that this type of investment is normally made by a dedicated entity that is legally distinct from the association, staffed solely by volunteers.

Likewise, 17 per cent of the organizations state that they make interest-free solidarity loans. Here, this could refer to an interest-free loan to a Malian enterprise and/or through a financing platform.

Bonds are issued by the state or major corporations, and such issues are not current practices in Mali. The underwriting of bonds and the possibility of investing in bonds and/or creating a guarantee fund to facilitate loans to Malian entrepreneurs are not utilized, because to our knowledge, no product of this type is currently marketed to Malian diaspora organizations.

The main problem cited by organizations in placing or investing is the lack of products tailored to the Malian diaspora (60 per cent), which could be interpreted as a lack of access to placement and transfer products tailored to a project cycle.

The other main difficulty is a lack of knowledge about:

- Placement intermediaries (51 per cent) – that is, lack of information about institutions;
- Savings and investment tools (46 per cent) – that is, unfamiliarity with the available products; and
- Enterprises in need of financing (44 per cent).

Here again, the Malian health and security context are rarely mentioned.

⁵⁵ Here, we are counting the organizations that checked 1 (unimportant) and 2 (fairly unimportant) for low risk in figure 5 above, out of a total of 68 respondents in a sample of 90. The 40 per cent who may have more of a risk appetite thus represent a total of 36 respondents.

Finally, 95 per cent of the organizations say they are interested in investing in an enterprise (directly under projects or through a financial intermediary). If financial projects were created for this purpose, their preferences would lean toward:

- In terms of the type of enterprise, **cooperatives** (mentioned by 60 per cent of the organizations), followed by private entrepreneurs (20 per cent). According to the councils, the preference for cooperatives is logical: *“cooperatives are bridges between the enterprise and the association. When an association wishes to engage in profit-making activities, it creates a cooperative. In Mali, many associations become cooperatives, especially corporate trade associations. People who are very active in these associations are familiar with or think they are familiar with cooperatives, so they are more comfortable with the idea.”*
- In terms of size, half the organizations would like to support **start-up enterprises**, while 32 per cent would like to support very small businesses. To a certain extent, this illustrates the organizations’ priority of improving the living conditions of the population in line with their purpose.
- In terms of relationships, **half the organizations would like to support entrepreneurs that they know.**

It should be noted that with respect to these different criteria, around 30 per cent of the organizations are open to different options (e.g. any type of enterprise, any type of entrepreneur).

D. Market estimation and organization segmentation

Of the 433 organizations surveyed in the three countries targeted by the study, 95 per cent (or 411) indicated that they operate in Mali. These organizations indicated amounts devoted annually to activities in Mali that varied widely and could reach more than EUR 200,000. The total would amount to more than EUR 9 million⁵⁶ for the three countries (Spain, France and Italy), all types of projects in Mali and all financiers included. While this stated figure should be viewed with great caution, it provides an order of magnitude of the potential for diaspora organization placements and transfers.

Diaspora organizations’ potential for productive and financial investment is thus confirmed, even if there are challenges to strengthening capacities and potentially gearing initiatives and funds to the productive sector.

We can propose the following two segmentation criteria:

- Mobilization of the organization in the receiving country, Mali, or the two countries
- The annual budget of the association:⁵⁷ this shows the funds available for activities and projects but is also an indicator of the association’s structure.

⁵⁶ Sums of the amounts indicated by the associations in response to the question “How much money is devoted annually to activities in Mali? (in EUR).”

⁵⁷ “Annual budget” is understood here as the total expenditures and resources of an association and is not limited to the funds raised and placed in expectation of payments for a project.

Table 6: Profile types of collective investors⁵⁸

Association operating only in the receiving country	<p>Criteria: no activities in Mali Volume: 5%–10% of the organizations Needs:</p> <ul style="list-style-type: none"> • Placement solutions in the receiving country • Ancillary services (e.g. repatriation of remains) and digitalization of dues collection
Small association operating in the country of origin	<p>Criteria: annual budget for interventions in Mali < EUR 80,000 Volume: 80%–90% of the organizations Needs:</p> <ul style="list-style-type: none"> • Liquid placement solutions in the receiving country • Time deposits in the receiving country or Mali • Digitalization of dues collection and funds for projects • Fund transfer services • Strengthening of competencies and training in the fundamentals of financial management • Project financing
Large association operating in the country of origin	<p>Criteria: annual budget for interventions in Mali > EUR 80K Volume: 5%-10% of the organizations Needs:</p> <ul style="list-style-type: none"> • Liquid placement solutions in the receiving country • Time deposits in the receiving country or Mali • Facilitation of direct financing to known entrepreneurs or beneficiaries (e.g. honour loan), indirect financing (e.g. investment funds) and the mobilization of financing from financial institutions (e.g. provision of security or co-financing) • Digitalization of dues collection • Fund transfer services • Strengthening of competencies and training in the fundamentals of financial management • Financing of projects and operating expenditures

Interpretation: The digitalization of dues and collection of funds (pooling or crowdfunding) can be understood as an aid to building and managing assets when payments cannot be effected physically. The digitalization of transactions spurred by the COVID-19 pandemic could therefore be extended in this area.

With regard to thematic projects, supplementary segmentation criteria could include:

- The purpose of the organization: this could specifically be to promote agriculture, for example.
- The generation and gender of the members for women’s entrepreneurship projects, for example.

⁵⁸ The needs identified for associations acting solely in the receiving country come from the surveyors’ experience with other projects and studies on the same subject. Other sources of information are the responses to the questionnaires, focus groups and the interviews conducted by the R.M.D.A. with financiers.

E. Main lessons learned

In the continuity of their role in financing local infrastructure, diaspora organizations are now involved in collective entrepreneurship projects and support for entrepreneurship linked with requests from organization members' village of origin (local development approach) or diaspora members' desire to solve a problem on site (thematic approach).

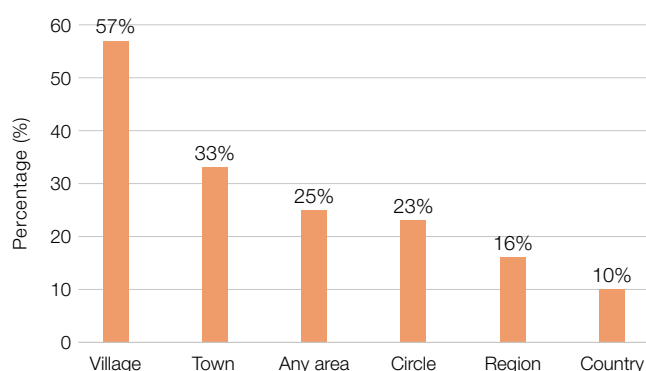
The majority of the organizations maintain bonds of solidarity and responsibility with the village for their projects, whether investments or financial placements.

In terms of practices:

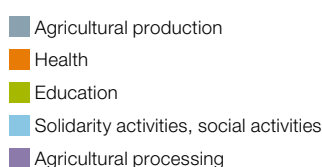
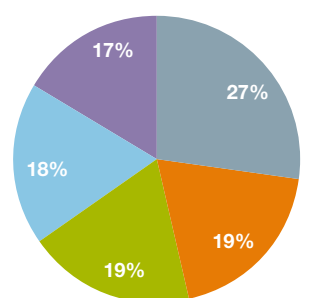
- 57 per cent of the organizations respond that they are interested in the village level
- 56 per cent in the Kayes region⁵⁹
- 83 per cent in agricultural production

Figure 6: Prioritized collective investment levels, sectors and areas

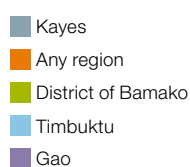
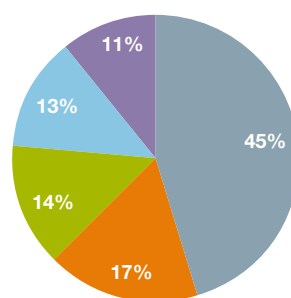
Level of intervention preferred by associations



Sectoral investment preferences (top 5)



Geographic investment preferences (top 5)



59 In the questionnaire for the organizations, the study used the administrative breakdown at the time, namely 10 administrative regions (Kayes, Koulikoro, Sikasso, Ségou, Mopti, Gao, Tombouctou, Kidal, Menaka, Taoudeni) plus the District of Bamako. Here, therefore, the Kayes region includes the new region of Kita.

In contrast to this intervention profile, dynamics not correlated with the area of origin have emerged and appear to be driven by both the diaspora's length of time in the receiving country and generational change.

Organizations have the ability to mobilize internal and external funds for their projects. Their links with local populations facilitate project management.

Across the board, virtually all the organizations surveyed would like their project to at least generate earnings, if not a profit. The funds are used mainly to defray project maintenance costs and supplementary investments related to the project, which is a guarantee of sustainability. The organizations are therefore actors that are already involved and should be taken into account to support local entrepreneurship. Important sectors of interest for their projects, whether investments or placements, are: agricultural production, health, education, and solidarity and social activities. Forty per cent of the respondents mention support for entrepreneurship, ranking it sixth in terms of the response to this multiple choice question.⁶⁰

The financial needs of diaspora organizations are based on the project cycle. They appear mainly to be liquid placements in the receiving country and transfers to Mali. Some of the less risk-averse organizations, around 40 per cent of them,⁶¹ might also be interested in riskier placements if they are profitable or have a significant impact in Mali consistent with the organization's purpose.

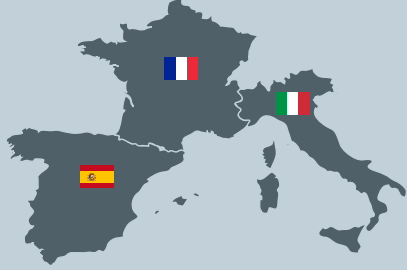









Finally, 95 per cent of the organizations say they are interested in investing in enterprises (directly through projects or through a financial intermediary). If suitable financial products were created, their preferences would lean toward cooperatives, start-ups and entrepreneurs that they know. It should be noted, however, that only 17 per cent have made an investment of this type. This is due in part to the fact that the available financial tools are not well-known or mastered by the associations, which requires the development of financial literacy programs or training for the associations, not to mention better communication about these tools by financial institutions and the creation of financial tools tailored to the degree of impact sought.

60 Data on the sample based on a multiple-choice question.

61 Here, we count the organizations that checked 1 (unimportant) and 2 (fairly unimportant) for "low risk" in Figure 5 above.

4 Individual investment practices and preferences

Box 8: Profile of individuals surveyed for the study

			
209 Individuals who fully completed the questionnaire. Although certain respondents completed only part of the questionnaire, the study chose to consider their responses.			
	 121	 68	 20
	65% male	97% male	90% male
	± 70% are salaried, 15% entrepreneurs and 12% inactive.	± 85% are salaried, 5% entrepreneurs and ~5% in training.	± 75% are salaried, 10% entrepreneurs; 5% unemployed; 5% inactive.
	37% have attained or gone beyond the <i>bac</i> +3 level. The <i>bac</i> is the highest level of education attained by 36%, a higher educational level than in Spain and Italy.	60% have no education. 35% primary or secondary; 7% have the <i>bac</i> or higher.	25% have attained or gone beyond the <i>bac</i> +3 level. 50% stopped before or at the secondary level; for 25%, the highest level of education attained is the <i>bac</i> .
	52 is the median age of the group, 80% of which are first generation members and 20%, second generation members.	46 is the median age of the group, composed almost entirely of first generation members.	37 is the median age of the group, 100% of which are first generation members.
	80% of first generation members left Mali more than 20 years ago (old emigration).	80% of first generation members left Mali more than 10 years ago.	15% left Mali less than five years ago.
	75% say they are sure they will return to Mali to live some day. This strong desire to return can be explained by the more advanced age of the respondents in France and approaching retirement.	± 100% want to return to Mali. 6% say they are sure they will return to Mali to live some day and 86%, that they will return there <i>inshallah</i> (or God willing), translated in the survey as “possibly,” conveying the idea that “yes, if the conditions are right.”	67% say it is possible they will return to Mali to live some day. 21% say they are sure they will.

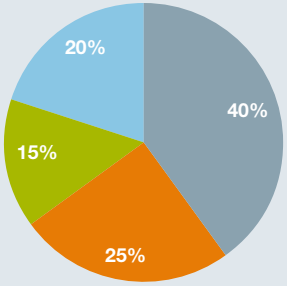
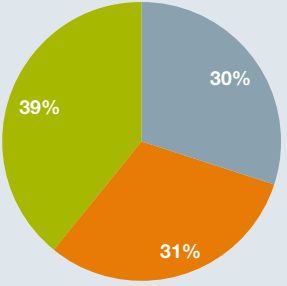
A. Strong desire to do business and invest in Mali

The survey respondents have **strong ties to Mali**.

- Italy: around 80 per cent consider their ties rather important or very close
- France and Spain: around 70 per cent consider their ties to Mali rather important or very close.

This patriotism and sense of responsibility to those who stayed behind in Mali will likely fuel the **respondents' strong interest in doing business and investing in Mali**. However, there is a distinct difference between that interest and doing so.

Table 7: Interest and stage of business projects and financial support to entrepreneurs

	Entrepreneurship	Financial Support
Interest	<p>95% of the respondents say they have implemented or would like to implement their own project for entrepreneurship in Mali in the near future.</p>	<p>61% of the respondents say they would like to finance business projects or enterprises in Mali.</p> <ul style="list-style-type: none"> • Nearly 80% interest in France and Italy • 20 per cent interest in Spain. One council explains that the respondents prefer to save their money for their own project
Implementation	<p>Among them: only 20% have already made the first investments⁶²</p> <p>Where are you in your project?</p>  <ul style="list-style-type: none"> ■ I have the idea (launch within two years or more) ■ I have started a market or feasibility study (launch within one to two years) ■ I applied for funding (launching this year) ■ I have made an initial investment and/or launched the activity (project has already launched) <ul style="list-style-type: none"> • France and Spain: 18% have already made the first investments • Italy: 32% have already made the first investments 	<p>Among them: 40% have already financed a business project⁶³</p> <p>Where are you in your project?</p>  <ul style="list-style-type: none"> ■ I am interested in the idea ■ I am actively looking for companies to invest in ■ I have already invested in companies in Mali <ul style="list-style-type: none"> • France: nearly 50% have already financed a business project • Italy: 40% are actively searching and 40% are interested in the idea • Spain: 92% are interested in the idea

62 220 respondents, or 86 per cent of the total sample (total of 253 responses, including the questionnaires not fully completed).

63 130 respondents, or 51 per cent of the total sample (total of 253 responses, including the questionnaires not fully completed).

An initial finding is that there is greater movement toward acting for investment than for entrepreneurship. This is because investing mainly involves the risk of financial loss or the choice of a grant, while entrepreneurship also involves a heavy investment of time and even a change in one's way of life and professional path.

A second finding is that many more respondents in France have financed a business project or enterprise than in Spain or Italy. This can be explained by the longer history and better, more stable financial situation of the Malian diaspora in France. In fact, it demonstrates a more comfortable financial situation (average formal and informal household income of around EUR 3,500 per month) than in Spain and Italy (average formal and informal household income of around EUR 1,950 per month).⁶⁴ This finding echoes that of certain studies⁶⁵ that have shown that when migrants are well-integrated in the receiving country, it has a positive impact on their engagement with their country of origin.

Table 8: Revenue and savings of respondents in France

What do you estimate your total average household income (formal and informal) per month to be? 108 respondents in France		What do you estimate your annual savings to be? 116 respondents in France	
Income	France	Savings	France
< EUR 500	2%	EUR 0	1%
[EUR 500–EUR 1,000]	2%	< EUR 500	3%
[EUR 1,000–EUR 2,000]	5%	[EUR 500–EUR 1,000]	4%
[EUR 2,000–EUR 3,000]	21%	[EUR 1,000–EUR 2,000]	10%
[EUR 3,000–EUR 5,000]	54%	[EUR 2,000–EUR 5,000]	74%
> EUR 5,000	17%	[EUR 5,000–EUR 10,000]	6%
		[EUR 10,000–EUR 25,000]	1%
		> EUR 25,000	1%

Interpretation: Some 54 per cent of the individuals estimate their monthly income, formal and informal, at EUR 3,000–EUR 5,000

Savings are defined here as money set aside – that is, income neither spent nor transferred to the immediate family.

Factors that foster the step from wanting a project to having one.

According to the focus groups, there are many determinants of action to launch or invest in a project. They could be linked to the time of life, opportunities and/or personal motives. The participants often cited the following:

- **An empty nest and retirement.** This is an excellent time to return to Mali and settle there and continue working as an entrepreneur. Diaspora members often prepare for this moment by investing in land and/or real estate and by launching small family farming projects often financed incrementally, as their means permit.

⁶⁴ 108 and 25 respondents, respectively.

⁶⁵ Baraulina et al. (2006): Les diasporas égyptienne, afghane et serbe en Allemagne et leurs contributions au développement de leurs pays d'origine.

- **Access to financing.** As seen below, access to financing is very important to project owners. Partners who provide financing often provide technical assistance at the start of the project as well. Having a partner therefore makes it possible to launch the project faster and on a larger scale. A participant in the French focus group stated, for example, that he had launched his market gardening project 60 km from Bamako two years ago (in 2018). With assistance from Yvelines Coopération Internationale & Développement (YCID), he was able to prepare his business plan and obtain an honour loan of EUR 25,000 from the YADEC mechanism (see box 9, below) to supplement his own funds. He would like to complete his project's financing by raising funds through the Construire le Mali⁶⁶ programme and is still awaiting a response from it. The project got off the ground in 2020 and now has two employees. His personal goal is to return to Mali to live after his retirement in France, though he expects to return to France often to see his children and grandchildren.
- **Requests for financing from family or friends.** It is common for members of the Malian diaspora to be asked by people close to them to finance business projects and family businesses.
- **The opportunity to invest (outside the family circle).** One participant in the French focus group was able, for example, to invest in the petroleum sector, which is usually rather closed. She learned about the opportunity through her large circle of acquaintances (a friend of a friend). This investment gives her no decision-making power in the enterprise, but she receives an account of its activities every three months.
- **The entrepreneurial spirit and/or discontent with working conditions in Europe** (working hours, bureaucracy, etc.)

Box 9: The YADEC fund for honour loans

The YADEC – (Yvelines Afrique pour un Développement en Commun) fund for honour loans is a facility that supports enterprise creation by Yvelines residents wishing to launch a project in Africa. This facility is geared largely to project owners from African diasporas who demonstrate strong engagement with their country of origin and request financial assistance and tools. Once the business project gets off the ground, entrepreneurs can apply for a five-year unsecured honour loan of EUR 15,000–EUR 50,000 at zero interest.

⁶⁶ Programme launched by the Ministry for Malians Abroad and African Integration and financed by the European Union and French Development Agency to “upgrade the technical and financial competencies of the diaspora for the development of Mali.”

B. With sectoral and geographical preferences similar to those of collective investment

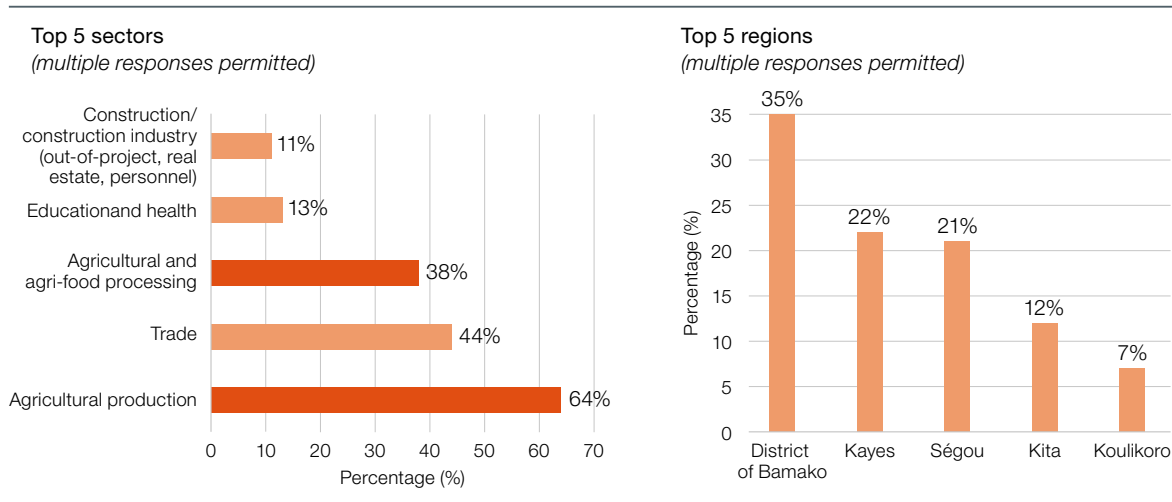
A good understanding of diaspora preferences (sectors, geographic areas, etc.) and problems can enable institutional and private actors to design products tailored to the needs of the Malian diaspora in France, Spain and Italy.

Entrepreneurship

Interest in entrepreneurship is highly concentrated in:

- **Agricultural production/processing and trade**, in terms of sectors.
- **Bamako, Kayes, Ségou and Kita**, in terms of regions.

Figure 7: Preferred sectors and regions for doing business⁶⁹



Interpretation: Among the sectors involved in their project, 64 per cent of the individuals wish to start a business or engage in business in the agricultural production sector.

Many respondents marked several sectors their projects are involved in, notably agricultural production and trade; thus, in all, 70 per cent of the projects implemented have an agricultural component (including livestock production and fish farming) and/or a commercial component.

Entrepreneurs choose these sectors based on their interests (cited by 65 per cent of respondents),⁶⁸ their competencies (60 per cent), and their opportunities as well:

- About one third because of a market study; and
- About one third because it is an opportunity they were offered. There are 13 mentions of the Malian aid programme for the return of the diaspora, which makes hectares that could be developed available through the Office du Niger (ON)⁶⁹ in Ségou – Kolongo Area.

67 Top 5 sectors: 219 respondents; Top 5 regions: 220 respondents.

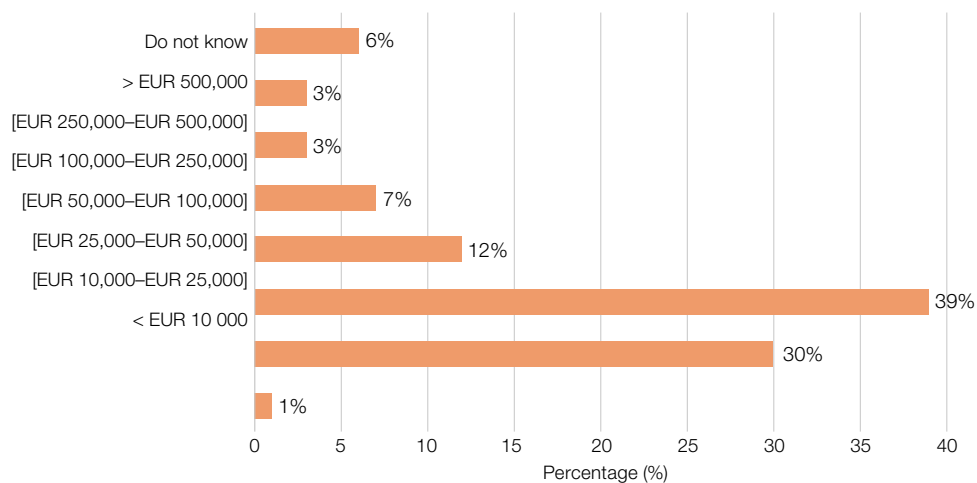
68 Multiple responses permitted.

69 The Office du Niger is a Malian parapublic enterprise that manages one of the oldest and most extensive irrigated tracts in West Africa. Its main missions are: water management, maintenance of developed hydro-agricultural areas, delegated project management for conducting studies, land management, rural advisory services and technical assistance to farmers (on-mali.org).

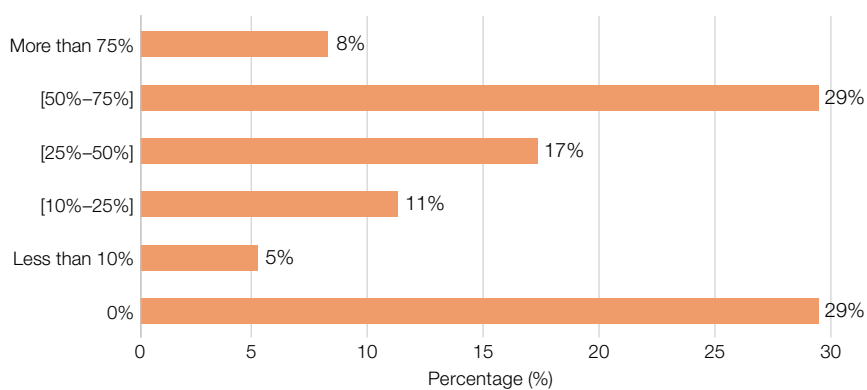
The projects are medium-sized: 70 per cent of them range from EUR 10,000 to EUR 50,000. The projects already launched are larger.

Figure 8: Total cost of project and financing obtained⁷⁰

What is the total cost of your project?



How much do you already have?



Interpretation: 39 per cent of current and aspiring entrepreneurs have projects ranging from EUR 25,000 to EUR 50,000.

⁷⁰ 220 and 224 respondents, respectively.

The modes of financing are:

- The respondents themselves, 64 per cent using their own money or funds from close family or friends.⁷¹ **Logically, 93 per cent of projects already under way fall into this category, since respondents find it hard to do business without their own funds;**
- Their members (40 per cent);
- Other investors (27 per cent); and
- Mali's Co-development Technical Cell, mentioned by 10 per cent of respondents.

Recourse to banks or microfinance appears to be rather negligible (<5 per cent). Several reasons could be advanced for this based on the focus groups from France, Spain and Italy:

- The diaspora does not trust Malian banks to finance its projects. A participant in the French focus group commented *"If we begin searching for funds in Mali, the project is doomed to fail. This much I know. They criticize your project and it will never be financed."* Certain participants, moreover, deplore the amount of security demanded by the banks, interpreted as a lack of trust in diaspora entrepreneurs, as well as loan maturities and fees. However, this does not prevent them from putting their money in banks.
- In Spain and Italy, certain diaspora members do not know about the products that banks offer or do not trust banks. As a result, they do not apply to them for loans.

Logically, financing is the number one problem mentioned by the respondents. The majority of focus group participants in France, Spain and Italy believe that project financing can only be obtained little by little through their own economies (savings). Some of them, nonetheless, launch business projects to supplement their salaries in Europe and build seed capital. Examples of this are the entrepreneur who offers online courses in Bambara to help migrants obtain a driver's licence in Italy, or the one who started out with EUR 1,000 from the sale of jewellery because it has high margins and today operates her own online sales platform for Mali.

Apart from financing, the main problems are:

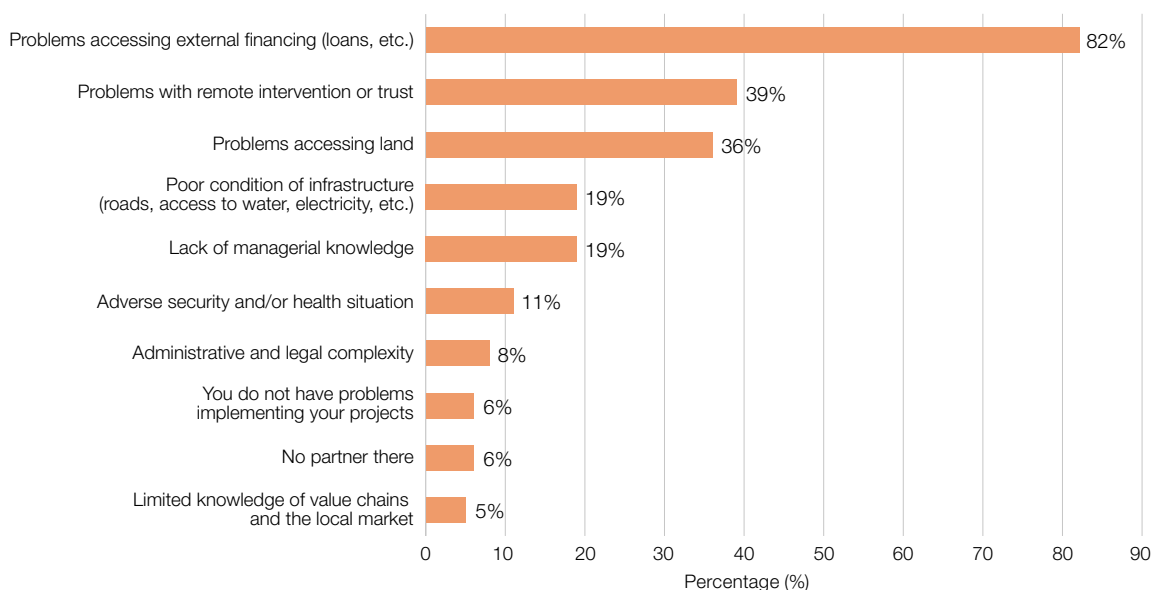
- Difficulty with remote operations and trust, mentioned by 39 per cent of respondents and 58 per cent of those with a partner in Mali.
- Access to land is also a common problem: *"many people have a project but not the place for it to prosper,"* according to one council. It is mentioned for 41 per cent of projects under consideration.

71 Multiple responses permitted.

The security situation is mentioned by only 11 per cent of the respondents and affects entrepreneurs in the northern regions of Mali the most. Bureaucracy and legal issues are rarely mentioned, but focus groups have noted the problem getting through customs and the bribes demanded to complete many formalities. *“Nobody encourages you. They think when you’re coming to help your country, you have a lot of money, so you should pay,”* comments one participant in the Italian focus group.

Figure 9: Current or expected problems with business projects⁷⁴

What problems are you having/do you expect to have with your business project in Mali?
 (multiple responses permitted)



Interpretation: 82 per cent of current or aspiring entrepreneurs mention the difficulty obtaining external financing among their current or expected problems.

To leave nothing to chance, two thirds of the respondents have associates in Mali. Furthermore, half of the respondents receive assistance to develop their project. The bulk of this assistance is self-financed (93 per cent). This is also one of the points mentioned in the different focus groups: diaspora entrepreneurs would like more assistance and training in what they want to do: at both the start-up and technical level (poultry raising, for example).

⁷⁴ 218 respondents.

Financially supporting entrepreneurs or enterprises

When it comes to financial support for entrepreneurs/enterprises, sector and geographical preferences are roughly the same as for entrepreneurship:

- Agricultural production/processing and trade, in terms of sector
- Bamako, Kayes, Ségou and Kita, in terms of region

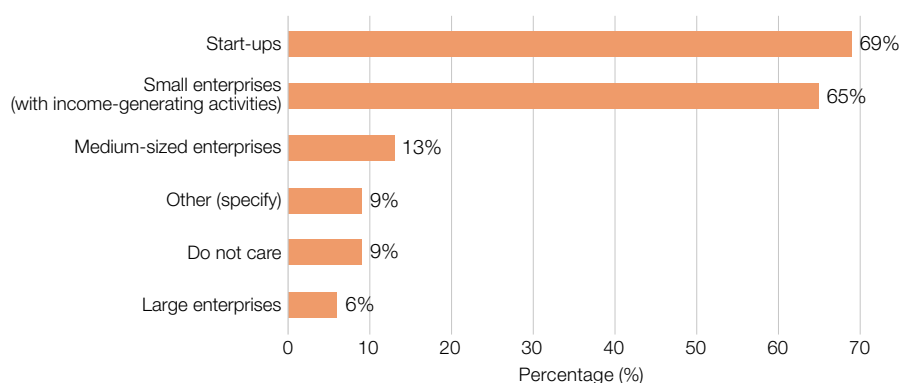
Preferences in terms of business profiles are also fairly well-defined:

- Business start-ups /or very small businesses
- Known entrepreneurs in Mali and/or the diaspora

Figure 10: Preferred types of enterprises and promoters to financially support⁷³

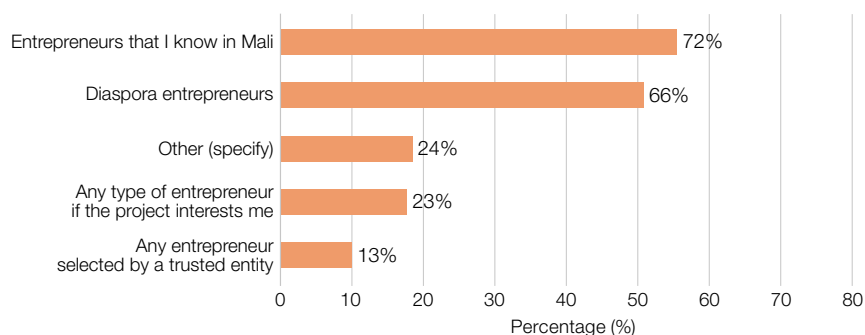
What types of enterprises do you prefer?

(multiple responses permitted - optional question)



What types of promoters do you prefer?

(multiple responses permitted - optional question)



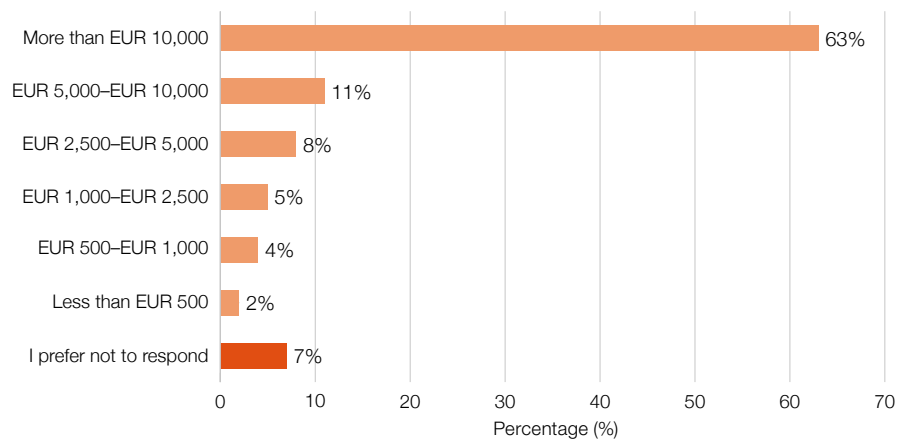
Interpretation: Among the types of enterprises that they wish to support financially, 69 per cent of the respondents preferred start-up enterprises.

In terms of amount, 63 per cent of the respondents would like to invest more than EUR 10,000. This tendency is even stronger in respondents who have already invested, with 69 per cent wishing to invest more than EUR 10,000.

⁷³ Out of a total of 127 respondents.

Figure 11: Amounts envisaged or provided to financially support enterprises

How much would you like to provide in a year to finance business projects or enterprises in Mali?
(required question)



Interpretation: 63 per cent of the respondents would like to provide more than EUR 10,000 in financial support in one year to business projects or enterprises in Mali.

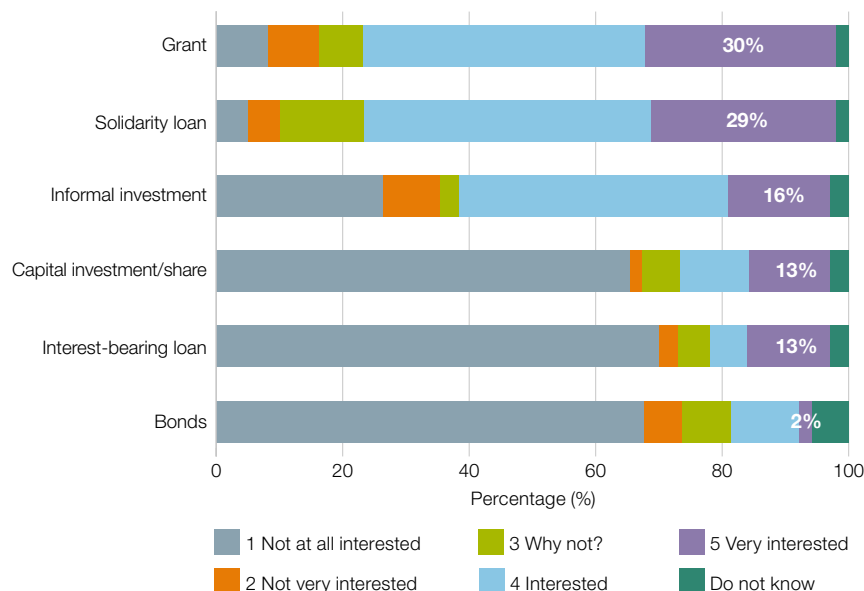
More than 70 per cent of the respondents prefer interest-free solidarity grants and loans when providing financial support. Some 48 per cent of the respondents⁷⁴ mentioned the provision of free equipment in their comments. One council explains that when investors purchase a machine, they have the assurance that it will be productive and profitable. *“You’re sure that no one will steal your money.”*

⁷⁴ Out of a total of 130 respondents.

Figure 12: Types of financial support to enterprises envisaged or provided⁷⁵

If all these products were available, which type would you prefer for this financing?

62% respondents



Interpretation: Not exclusively, 30 per cent of the respondents consider grants an interesting type of financial support for enterprises.

The councils agreed that respondents think basically about investing in a project of their own or that of close family or friends. "Everyone thinks about tending his own garden (his own or his family's business). Without a certain level of education, people don't understand investing in another enterprise." However, for collective investment, it appears that new trends are emerging with generational change and among highly educated people. Thus, it is no surprise that the preference for interest-bearing loans and investments in capital/stocks is low (13 per cent), because outside their circle of family and friends, the Malian diaspora has little information about enterprises that would like to obtain financing and the financing needs of enterprises. In fact, in the exchanges surrounding the questionnaires, considerable interest was expressed in obtaining information and financial investment tools; there is a real need to know how to identify a profitable enterprise and how to invest while minimizing risks. Moreover, some individuals responded that they would prefer "any type of entrepreneur" if the project interested them:⁷⁶

- These individuals are largely in France and Italy
- There is an over-representation of second generation members among them (30 per cent of them born in France versus 13 per cent of all respondents)
- There is an over-representation of highly educated people among them (46 per cent with the *bac*+3 and more versus 25 per cent of all respondents)

⁷⁵ Out of a total of 130 respondents.

⁷⁶ Out of a total of 127 respondents.

Box 10: The potential search for diaspora CSP+

Funders and financial institutions are searching for a Malian diaspora market segment that would be open to investing outside its region of origin and circle of family and friends to scale up and shift away from a territorial investment approach. This appears to be corroborated by a 2021 market study by I&P and Zira Capital with a younger, more educated sample containing more second generation members. According to this study, the majority of the respondents prefer to finance:

- In terms of sectors: utilities or public services (energy, transportation, etc.) (56 per cent), innovative sectors (47 per cent).
- In terms of geography: throughout Mali (39 per cent); in a secure region (36 per cent); with only 23 per cent responding "in the region where I was born."

An action-research would be necessary to confirm the existence of this market segment and verify whether it is making its "wish to invest" come true.

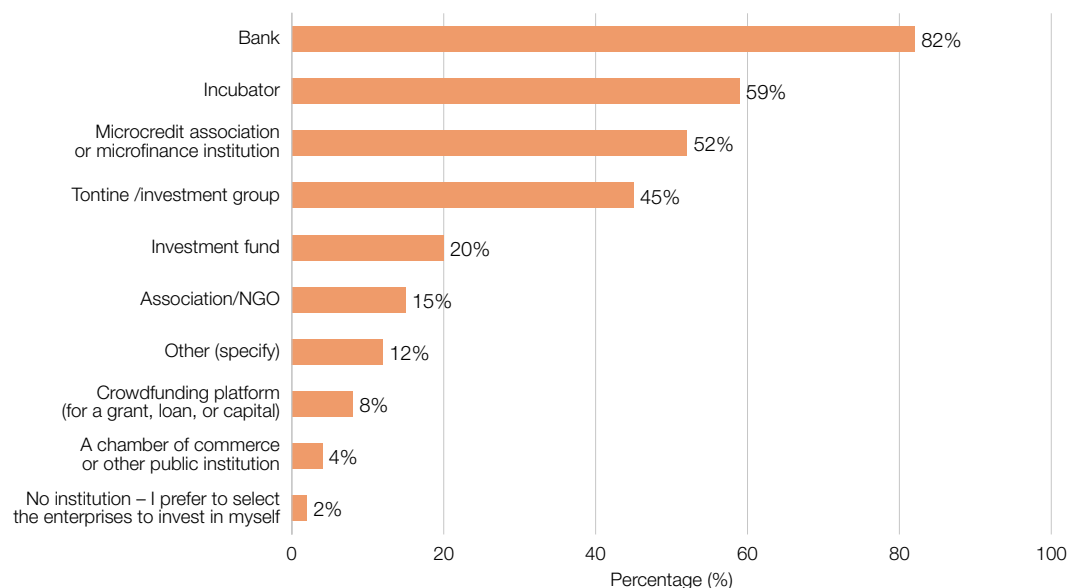
Finally, two thirds of the respondents would like to receive professional advice, including those who would like to finance entrepreneurs they know.

The comments of 40 per cent of the respondents explain this need: *"Lack of knowledge about investment conditions in Mali obliges the diaspora to call on advisors,"* and *"The Malian diaspora is very disconnected from the reality of Mali. It needs advice and training [on] investment conditions in Mali."* **The respondents trust banks, incubators, and microfinance institutions the most** to steer them toward enterprises to finance or even manage their investment. It may be, however, that some of the individuals who responded were thinking about the institutions present in Mali.

Figure 13: Trusted intermediaries⁷⁹

If all these intermediaries were present, which type of institution would you trust to steer you toward enterprises to finance or even manage your investment?

(multiple responses permitted)



Interpretation: Not exclusively, 82 per cent of the respondents trust a bank to steer them toward enterprises to finance or even manage their investment.

Box 11: Characteristics of second generations

While our study has only a small sample of second generation members, it is useful to point out some of the things that characterize them.

Second generation respondents are better-educated than their elders, and 81 per cent of them are members of an association. In terms of financial capacity, they estimate a monthly household income (formal and informal) of EUR 2,700, and 64 per cent put aside EUR 2,000–EUR 5,000 in savings per year. While they have the same tendency to engage in business as their elders, they are more attracted to trade and to the District of Bamako.

With regard to financial support to other entrepreneurs, they prefer entrepreneurs from the diaspora, especially the District of Bamako and/or all of Mali, and the trade, agricultural production, processing and agri-food sectors. In terms of the type of investment, grants and interest-free loans are once again the preferred types, but 22 per cent are also very interested in capital investments.

77 130 respondents, or 62 per cent of the sample.

Nevertheless, respondents cannot do business themselves while financing the business projects of others

Whether to engage in business or financially support other enterprises, the sums indicated by the respondents are relatively high. This desire should not be understood as an investment that can be made every year. That would be financially unrealistic for nearly 70 per cent of the respondents, given their annual level of savings.

Several practices promote asset building, formal and/or informal, whether equipment, financial and/or social, which in time will enable the project to be launched. Those mentioned in the focus groups include:

Table 9: How individuals in the Malian diaspora create wealth (all countries)

Building financial assets	Building real estate, movable, and intangible assets
<ul style="list-style-type: none"> • Monthly passbook savings • The regularly mentioned tontines <i>“we must be part of a reliable network to be sure we can do our part when needed,”</i> according to one focus group participant 	<ul style="list-style-type: none"> • Inheritance and/or the purchase of land • The purchase of second-hand machines in Europe, which are then sent to Mali • In the case of transnational trade, small informal operations that make it possible to obtain experience and mobilize networks in advance of a future business project

Patience is therefore essential for these projects, whether for doing business or providing financial support to another enterprise. Investments and asset building are accomplished incrementally; in certain cases, a project might take 25 years to materialize – at retirement, for example.

In the meantime, the assets or equipment that an individual amasses can be used to finance someone else’s project while they are awaiting the launch of their own business project. A participant from the focus group in France stated that a friend had requested financial support to mount a livestock operation in the Kita region. He loaned him EUR 3,000 for a six-year period. The livestock operation prospered, enabling the friend to repay the amount in full in three years. His friend had started out with 30 cows. Today, he has 135 and employs five people.

Personal constraints are also one of the reasons for postponing personal projects. They are valid reasons for the interest in “interim” projects/operations while awaiting for the right moment: the presence of young children in the country of residence – in France, for example – makes a return to Mali or frequent travel for a business project more complicated.

C. Potential for further mobilizing diaspora savings in Mali

Banked respondents with different reasons for saving

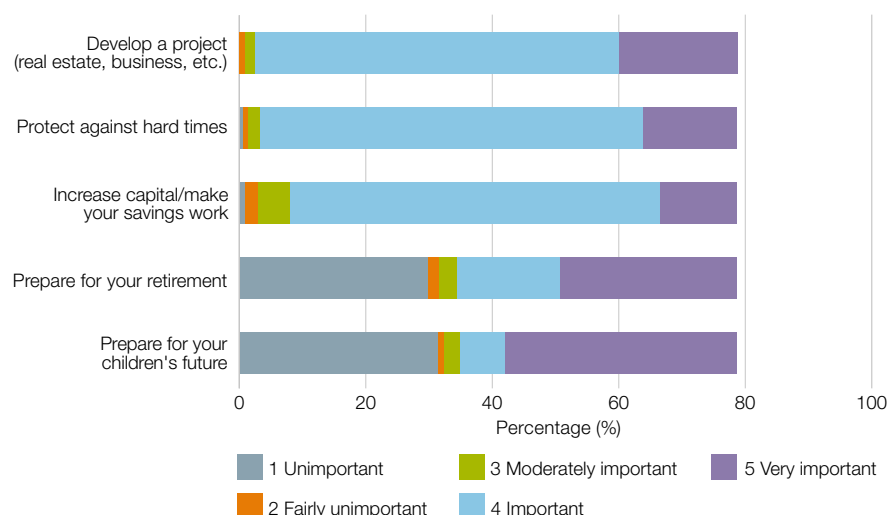
Some 70 per cent of the respondents have bank accounts in both Europe and Mali, and 22 per cent have accounts exclusively in Europe. Some of the others have accounts in Mali (4 per cent) and the rest (4 per cent) are unbanked. Most of the unbanked people live in Spain. This has been discussed in focus groups, where participants deplore how hard it is to open an account, as well as the bank fees for managing the account.

Saving practices are more deeply rooted in France and Spain, where 84 per cent and 75 per cent, respectively, of respondents put aside monthly savings, than in Italy (33 per cent).

The three main reasons for saving are to mount a project, to protect against hard times and to grow capital. Preparation for retirement and the children's future are associated with certain times of life and on this point there is less unanimity.

Figure 14: Reasons for saving⁷⁸

Why do you save?



Interpretation: Among the reasons for saving, mounting a project is very important to 24 per cent of the respondents

In the focus groups, the criteria most often cited by the respondents was the availability of funds (liquidity) and the profitability of the placement. As in the population at large, risk aversion varies from person to person. In practical terms, financial asset building through bank savings and tontines appears mainly in Europe and to a lesser extent in Mali.

⁷⁸ 197 respondents, or 94 per cent of the respondents.

Interest in placing money in Mali

Still, **69 per cent of the survey respondents say that they have placed or would like to place part of their money in Mali.** This interest varies from country to country.

- In France, 90 per cent of the respondents are interested, and almost 80 per cent of them have already placed money in Mali.
- In Italy, 78 per cent of the respondents are interested, but the majority (69 per cent) are still thinking about it.
- In Spain, only 28 per cent of the respondents are interested, and almost all of them (89 per cent) are thinking about it.

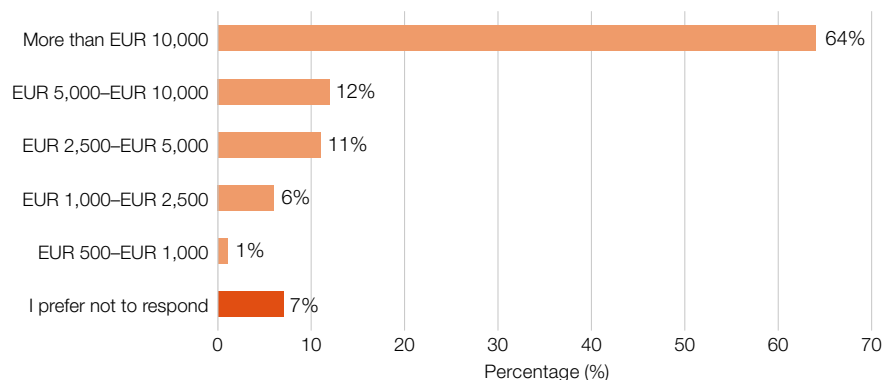
This difference can be explained by the divergent history and situation of the diasporas in the three countries, described earlier, as well as the variance in the financing available to them. The diaspora in France in the region surrounding Paris has access, for example, to branches of the Malian Solidarity Bank (BMS), the National Agricultural Development Bank (BNDA), the Mali Development Bank (BDM-SA), COFINA, etc. Such services are not available in Spain and Italy.

In terms of the amount, **64 per cent of the respondents say they would like to place more than EUR 10,000.** As noted earlier, this desire should not be understood as a placement that can be made every year. That would be financially unrealistic for nearly 70 per cent of the respondents, given their annual savings.

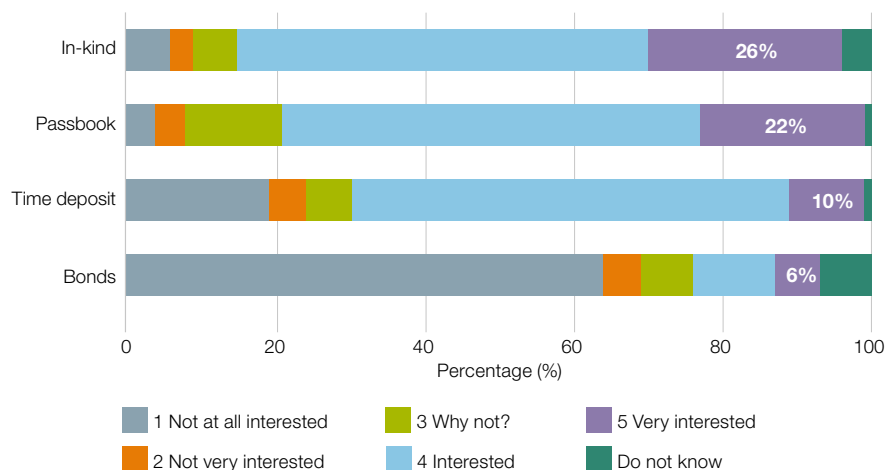
The respondents prefer traditional placements: in-kind (real estate, livestock, etc.), passbook accounts and/or time deposits. Respondents appear to find bonds unattractive.

Figure 15: Preferred amount and types of products for placing money in Mali⁷⁹

How much money would you like to place in Mali in one year?



If all these products were available, which type would you prefer for placing money in Mali?



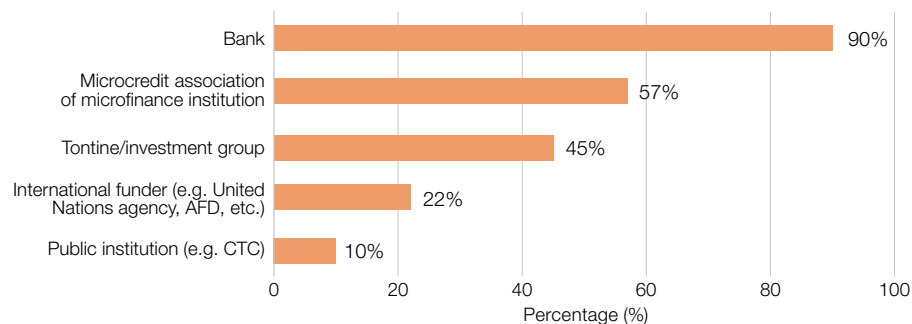
Interpretation: Some 26 per cent of the respondents are very interested in an in-kind placement in Mali (real estate, land, livestock, etc.).

Even though the diaspora has little confidence in banks to finance their projects, **banks and microfinance institutions are the intermediaries that inspire the greatest trust among the respondents.** Sixty per cent of the respondents do not anticipate problems with their placement in Mali, but some are concerned about their lack of knowledge about placements (24 per cent), as well as placements not being tailored to the diaspora (20 per cent). Lack of knowledge about financial tools and the desire to obtain more information was seen in each focus group, which would justify a “financial literacy” initiative to inform them about bond-type placement tools that could pique their interest.

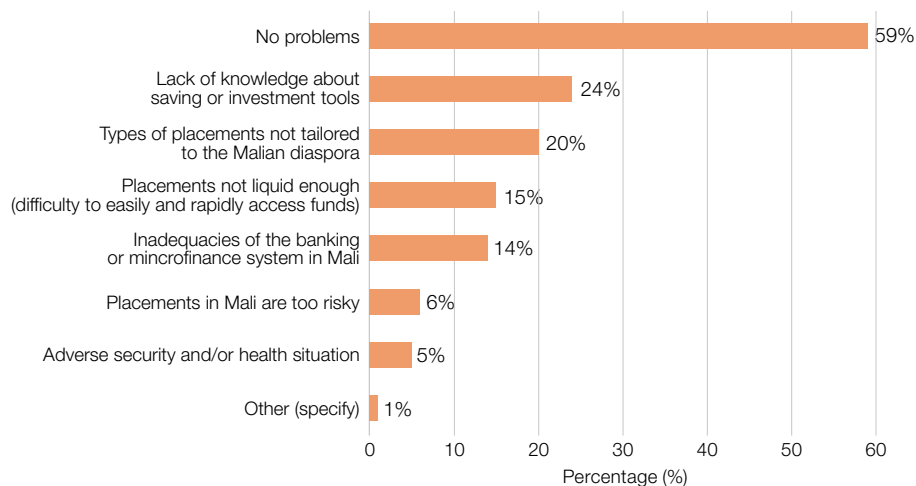
⁷⁹ Figures based on a total of 145 respondents.

Figure 16: Trusted intermediaries and expected problems with placements⁸⁰

If all these intermediaries were present, which type of institution would you trust to guide your placement?
 (multiple responses permitted)



What problems are you having/do you expect to have with your financial placements in Mali?
 (multiple responses permitted) 143 respondents



Interpretation: Not exclusively, 90 per cent of the respondents trust a bank to guide them with their placements.

⁸⁰ Figures based on a total of 145 respondents

D. Market estimation and segmentation of individuals

Regarding individuals from the Malian diaspora (legal immigrants only):

- France has around 78,000 immigrants born in Mali and around 15,000 children over the age of 25 born of immigrants of Malian origin
- Spain has 27,000 foreigners of Malian nationality
- Italy has 19,000 foreigners of Malian nationality

Focusing on the French market and a product that could be intermediated: financial support to enterprises:

- 80 per cent of the respondents in France say they have financed business projects or enterprises in Mali or would like to.
- 78 per cent of them intend to invest more than EUR 10,000 (representing 62 per cent of the total respondents in France).

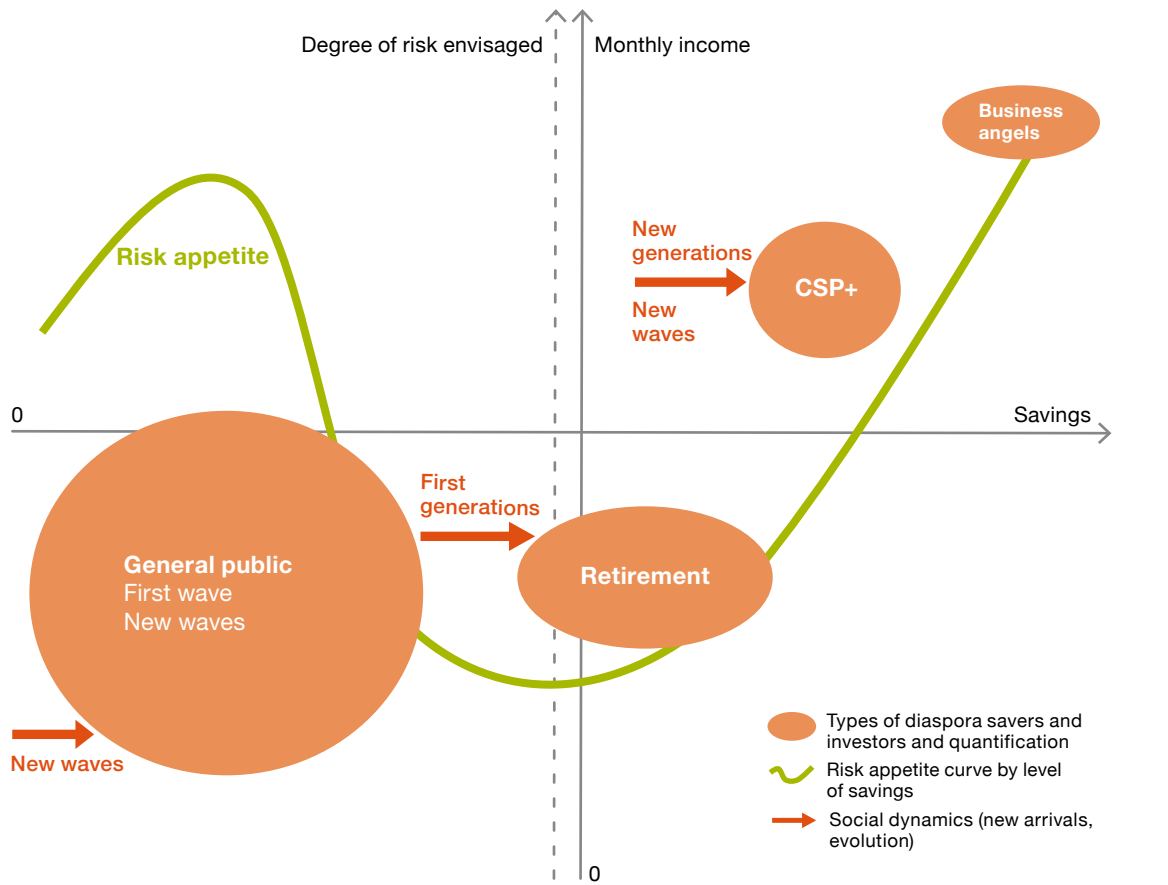
Extrapolating these intentions and assuming that each year 1 per cent of them makes an investment of EUR 10,000, this would represent an annual figure of EUR 5,800,000 for France alone and large investments, of over EUR 10,000.

The potential for productive and financial investment among diaspora members is therefore of interest, even if there are challenges to product creation, marketing, and communication/training to tap this potential, knowing that the persistence of ties with Mali is a prerequisite for doing business, saving, or financially supporting enterprises in Mali. Developing suitable communication channels to reach the different segments is thus a real challenge.

The feasibility study of the DiasDev project⁸¹ conducted by R.M.D.A. for the French Development Agency proposes segmentation that the study has tailored to the Malian diaspora.

81 Ipsos/R.M.D.A. survey conducted in 2020, financed by the French Development Agency (AFD) and the Ministry for Europe and Foreign Affairs. <https://www.afd.fr/fr/actualites/impact-covid19-transferts-fonds-diasporas>.

Figure 17: Profile types of individual investors



General Public

- Low or moderate income
- Moderate savings
- Very localized attachment
- Strong attraction to the agriculture and food-processing sectors

Retirement

- Low or moderate income
- Moderate savings
- Proven investment capacity
- Very localized attachment
- Strong attraction to the agriculture and food-processing sectors

CSP+

- Moderate or high income
- Substantial savings
- Substantial investment capacity
- Less localized attachment (all of Mali, secure area)
- Diversified attraction in terms of sectors: public utilities or services (energy, transportation, etc.), innovative sectors

Business angels

- High income and major capital
- High investment capacity
- Philanthropic and/or financial motivation to invest
- Attachment less linked to geography

E. Main lessons learned

Many in the Malian diaspora in France, Spain and Italy have a strong desire to engage in business, invest and place money in Mali to contribute to the country's development.

For each individual, the step from wishing to acting upon that desire depends on factors that are both internal (e.g. financial asset building) and external (e.g. access to supplementary financing, attractive saving solutions in Mali, the business environment in Mali). The process is easier in France, where the diaspora has a long history.

Interest in doing business is highly concentrated in:

- Agricultural production/processing and trade, in terms of sector
- Bamako, Kayes, Ségou and Kita, in terms of region

Some 70 per cent of the projects implemented have an agricultural (including livestock raising and fish farming) and/or trade component.

The projects are medium-sized, financed largely with the entrepreneur's own funds. Use of banks or microfinance appears to be rather negligible (<5 per cent).

Regarding financial support for entrepreneurs/enterprises, sector and geographical preferences are roughly the same as for entrepreneurship.

Preferences in terms of enterprise profiles are also fairly well-defined:

- Start-ups and/or very small businesses
- Known entrepreneurs in Mali and/or from the diaspora

Respondents prefer interest-free solidarity grants and loans, as well as the provision of free equipment.

Regarding placements, in terms of the amount, **64 per cent of the respondents say they would like to place more than EUR 10,000.** This should not be understood as a placement that can be made every year. That would be financially unrealistic for close to 70 per cent of the respondents, given their annual savings level. Respondents prefer traditional placements: in-kind (real estate, livestock, etc.), passbook accounts and/or time deposits. They appear to find bonds unattractive.

5 Recommendations for public, private and institutional actors to support collective and individual investment by the Malian diaspora in France, Spain and Italy

Whatever the type and stage of project advancement there is real interest among the Malian diaspora in collective and individual productive and financial investment. That interest should be understood broadly as the desire to contribute to the development of their country of origin, as the concept of productive investment takes many forms among the diaspora: it includes all investments that can produce a direct short-to-medium-term impact on production (such as the financing of an enterprise) or an indirect impact (such as education).

This study has shed light on the real investment practices of the Malian diaspora and its desire to participate in Mali's development, whether through associations or individual projects. This is accomplished in all cases by asset building, fundraising and the transfer of funds.

The concept of productive investment takes many forms in the diaspora: it includes all investments that can have a direct short-to-medium-term impact on production (such as the financing of an enterprise) or an indirect impact (such as education). Understanding of the concepts of placement and financial investment also remains limited.

While 95 per cent of associations are interested in investing in enterprises, actual implementation remains low (17 per cent for associations, 20 per cent for individuals).

Moreover, bearing in mind the existing potential in terms of the volume of funds, as well as the experiences and desire to invest and the challenges identified, the report makes a number of recommendations and offers work avenues for public, private and institutional actors wishing to support collective and individual investments by the Malian diaspora in France, Spain and Italy.

These investments are divided into four main categories: financial literacy programmes, training, the proposal of new products and the creation of a favourable investment environment. They are also broken down by scale (collective or individual) and include the first work avenues for external actors wishing to optimally mobilize and support investments by the Malian diaspora.

Facilitate access to financial literacy

Across the board, associations and individuals need to learn the economic, budgetary, and financial fundamentals (everyday banking, saving, insurance) so that they can make informed financial decisions and understand public finance policy.

This largely involves:

- Facilitating their access to the existing tools and better defining their needs;
- Improving their financial management; and
- Encouraging digitalization of dues collection, grants and transfers of funds.

Financial literacy programmes can generally contribute to a better understanding of financial products and financial investment, facilitating the step from intention to action.

Work avenues

- Develop specific programmes and financing for the activities cited above.
- Introduce a financial inclusion component in existing financing and support mechanisms of the Codev Mali- and PRA/OSIM-type.

Provide training

Training, awareness-raising and support activities are necessary for reinforcing and developing budgetary and financial competencies. At the collective level, they can be supplemented with training in:

- Management of the project cycle (pre-project, project, financing, implementation, monitoring, evaluation, capitalization);
- Management of association life and advocacy; and
- Specific techniques in the investment sector, geared to members involved in actual project management.

At the individual level, training needs are largely in the following areas:

- Entrepreneurship, measurement and interpretation of an enterprise's financing needs;
- Techniques to search for financing; and
- Technical training for the preferred investment sectors.

Creating and encouraging a "Malian diaspora entrepreneurs circle" would enable members to interact and share their experiences and present or future concerns through, for example, narratives by diaspora entrepreneurs describing their personal journey with the maturation phase, obstacles and successes. This type of training through peer interaction could easily be adapted to the video capsule format.

Work avenues

- Begin/facilitate technical training tailored to diaspora members in terms of time and content. It is worth recalling that diaspora members with a project in Mali are most often salaried workers in the receiving country and cannot always make multiple and/or extended trips to attend training courses.
- Introduce or improve a technical training component on the preferred investment sectors in programmes supporting investment in Mali.
- Introduce a financial inclusion component of the Codev Mali- and PRA/OSIM-type in existing financing and support mechanisms.

Propose new, tailored financial products

This study has noted users' lack of financial literacy and poor communication about existing products as factors in the diaspora's limited use of financial products. Furthermore, certain expectations and needs of the diaspora have not yet been addressed and require the development of new, tailored products.

At the collective level:

- The creation of offerings that include, for example, management of an association account, one or two placement solutions and a solution for transfers would facilitate the financial inclusion of associations in the programmes targeting them. This supply could open the possibility of keeping part of the funds in Mali as security for obtaining a loan when an association also has a collective business project (in the form of a cooperative or other, similar initiative).
- More profitable (and thus, riskier) placement products could be proposed to associations, as long as the products have a significant impact in Mali consistent with the association's purpose and the risks are properly explained (see section on financial literacy). It would be necessary, however, for a funder to be able to cover the potential foreign exchange risk in the prospect of introducing the ECO currency (scheduled for 2027).

At the individual level, it is a matter of working on the accessibility of the products. In developing banking tools for the Malian diaspora, a credit facility tailored to the location of the income (retirement income in Europe, for example), so that a person is not denied borrowing opportunities in Mali just because they are a member of the diaspora.

- By promoting the acquisition of financing and technical assistance tailored to the profile of the entrepreneur (returning migrant, second generation member, retiree, etc.); and
- By proposing placement products that allow idle funds to work, generating an impact: proposals such as loan guarantees or placements in investment vehicles with an impact, such as cooperatives and medium-sized start-ups.

Work avenues

- Improve banking coverage in rural areas by developing local microfinance institutions.
- Forge/strengthen partnerships between microfinance institutions and the Malian diaspora.
- Develop and make tools for transferring funds more accessible and affordable: with the COVID-19 pandemic, informal transfers of funds gave way to formal transfers. This trend should be bolstered and maintained.
- Facilitate diaspora access to bank loans from Mali – at the moment, these are largely reserved for individuals permanently domiciled in Mali.

Communicate

Using efficient communication channels helps circulate information among target groups.

- At the collective level, mobilization of the umbrella organization (HCME) and other groups of Malian diaspora associations makes it possible to reach a significant portion of the diaspora organizations. In each country, focus groups have recognized grassroots councils as reliable communication channels.
- Other federations of diaspora organizations (FEASO, FAFRAD-Associatif, FORIM, Summit delle Diaspora, etc.) could also be mobilized to pass along information.
- The financing facilities and funders to which associations currently apply could serve as alternative channels for attracting attention in the short term.

At the individual level, communication should be at two levels:

Among the diaspora in the receiving country

- Communication takes place essentially through networks, whether virtual or physical. Communication through an umbrella organization and Malian diaspora groups could reach much of the diaspora.
- It should be backed by robust digital communication to reach CSP+ and second generation members. It would also be useful to mobilize opinion makers and influencers through social networks (WhatsApp, Facebook, etc.)
- In addition to providing basic information, informational meetings (physical or virtual) are also essential for building trust. They also contribute to better targeting and identification of the different segments.

In Mali

- In populations and institutions to build appreciation of the diaspora's role as a provider of time and competencies and not simply money.

Work avenues

- Mobilize the interest of public actors in collective productive projects, projects to support entrepreneurship in general and women and youth entrepreneurship in Mali by emphasizing the potential impact of such projects on national development. Based on the potential and impact of support for entrepreneurship in Mali, placements could represent an investment flow of the order of EUR 15 million, or slightly more than 1 per cent of family remittances. It would also have an impact on job creation.
- The gap between the intention to invest and the act of investing could lead the public sector to encourage the creation of vehicles and products tailored to the diaspora.

Create a favourable investment environment

As seen earlier, there is a wide gap between the intention to go into business and invest and actually doing so. The creation of a favourable environment in Europe and Mali could contribute to taking this step, mainly at the individual level.

In Europe, by:

- Facilitating financial insertion and inclusion, because it involves a determinant of the diaspora's productive investment. It could also be accomplished primarily through support to diaspora organizations.

In Mali, by:

- Facilitating diaspora asset building in the country (land, real estate, liquid placements potentially in EUR, etc.);
- Fighting discrimination or bias against certain Malians abroad wishing to invest in the country; and
- Mobilizing the competencies and time of diaspora members wishing to contribute to projects personally without, however, having the financial means to do so. This could be particularly important for causes such as climate change adaptation or youth employment, which have aroused growing interest.

Support diaspora investment in agriculture

Since agriculture is the preferred sector of the Malian diaspora (83 per cent of organizations and 64 per cent individuals responding), involving collective or individual projects, it would be useful to develop a real exchange or even a partnership between the diaspora and state agencies, banks (such as BNDA), financial institutions and technical and financial partners in the Malian agriculture sector, thereby giving the Malian diaspora all the financial tools necessary for the success of its investments in its preferred sector.

Work avenues

- **Start developing a framework for work between Malian banks and their branches in Europe and the Malian diaspora (associations and individuals).** The purpose, on the one hand, is for these banks to identify the diaspora's real needs in terms of financial tools and support, and on the other hand, for members of the Malian diaspora to discover and understand these tools and see their value added, ultimately creating a climate of trust.
- **Propose a federating tool (a web platform) to provide information, available resources and investment opportunities.** The physical and virtual resources of the diaspora and professionals supporting business in France and Mali, like the DIASDEV initiative, could relay the information and facilitate its use.

The challenges to implementing these types of products include:

- **Informality:** the shift from formality to informality occurs at the time of transfer to Mali. It would be critical for the financial partner to have good regional coverage, at least in the Kayes region.
- **Anti-money laundering/combating the financing of terrorism laws (AML/CFT):** the funds come from dues, often liquid, which is burdensome for agencies.
- **The consistency of riskier, potentially innovative placements with the associations' purpose:** certain investment funds specifically targeting technologically and digitally innovative enterprises could appear to be out of sync with the majority of associations.

These actions are aligned to the National Migration Policy (PONAM). They require both an institutional dialogue between Mali and Europe and a dialogue, or even a partnership, between Mali's public and private sector.

A next stage in implementing these recommendations would be to commence a dialogue with financial institutions and institutional actors to explore their interest, learn more about their regulatory and economic constraints and make the recommendations and work avenues more operational.

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Appendix 1

Definitions

These are the definitions of the terms used by the investigators in the surveys on collective and individual investment practices to facilitate the respondents' understanding. They therefore reflect the surveys' understanding of certain terms and are intended to be neither exhaustive nor representative of official definitions.

Business project: This term covers the activities leading to the creation and growth of an enterprise, in which the primary result is value creation (wealth, employment). This includes social and solidarity entrepreneurship (SSE), the organization of the activity with a viable economic project, that meets goals of general interest (social or environmental) but with a lucrative purpose.

Enterprise financing: Enterprise financing can take different forms (grant, loan, shares, etc.) It can be direct (e.g. an individual purchase of shares in an enterprise) or indirect (e.g. investment funds).

Financial placement: A placement consists of depositing a certain sum of money, often from savings, in a financial institution (bank, microfinance, insurance company, etc.). Example of a placement: passbook account.

There are non-financial forms of placement that we call "in-kind" (real estate, land, livestock, etc.).

Solidarity loans: We use this term for a loan of money to be repaid without interest or fees.

Interest-bearing loans: We use this term for a loan of money to be repaid with interest.

Capital investment in an enterprise (share): Minority or majority participation in the capital of an enterprise.

Investment fund: An investment fund is made up of money pooled by investors. These sums are then placed in different products (e.g. shares, bonds, treasury bonds, etc.) managed by a fund manager.

Crowdfunding platform: Crowdfunding or participatory financing puts investors in contact with project owners through an Internet platform. The objective is to collect funds in small amounts from a large public to finance a creative or business project in different sectors. This financing can take different forms: grant, loan with or without interest or capital investment, e.g. Babyloan.

Appendix 2

Main characteristics of the collective and individual productive investment of the Malian diaspora

The table below is a summary of all of the quantified data in this report.

	Collective practices	Individual practices
Diaspora practice: entrepreneurship		
Trends	<ul style="list-style-type: none"> • 96% of organizations are interested in entrepreneurial or support projects for entrepreneurs in Mali. • 70% have already carried out or are in the process of carrying out their project. • 57% of the organizations maintain a link of solidarity and accountability at the village level. 	<ul style="list-style-type: none"> • 95% want to start a business. • 20% have already made their first investment. This proportion is higher in France than in Spain or Italy. This seems to be due to a better level of integration, and a higher level of precedence.
Sector(s)	<ul style="list-style-type: none"> • Agricultural production (83%), health (59%), education (58%), solidarity projects and social projects (56%), agricultural transformation (50%), support for entrepreneurship (40%). 	<ul style="list-style-type: none"> • Agricultural production (64%), agricultural processing (38%) and trade (44%).
Location(s)	<ul style="list-style-type: none"> • Region of Kayes (56%), any region (17%), Bamako (14%). 	<ul style="list-style-type: none"> • Regions of Bamako (35%), Kayes (22%), Ségou (21%), Kita (12%) and Koulikoro (7%).
Terms	<ul style="list-style-type: none"> • Initiated by a request from the village or responding to the need of the diaspora to immediately address a problem. • All organizations partially self-finance their project, 80% at more than EUR 5,000 and 50% at more than EUR 10,000. • 60% mobilize other funders for their projects. • 93% want their project to generate a profit, allocated to maintenance or investment. • 55% of organizations use technical partners to carry out their project. 	<ul style="list-style-type: none"> • 70% of companies have invested between EUR 10,000 and EUR 50,000 • 93% are financed by the entrepreneur's own funds or their relatives. 5% used banks or microfinance institutions. • Financing is the primary challenge cited by entrepreneurs (82%), more than the challenges of remote intervention (39%) and access to land (36%). • One half of respondents benefited from support in setting up their project, which was predominantly self-financed (93%).

	Collective practices	Individual practices
Diaspora practice: investments in companies		
Trends	<ul style="list-style-type: none"> 95% are interested in investing directly or through a financial intermediary. 17% have made a capital investment in a company. 17% say they have made solidarity loans (without interest rate). 	<ul style="list-style-type: none"> 61% want to invest. 20% have already made their first investments. 63% of respondents want to invest more than EUR 10,000; 69% when they have already invested.
Sectors	<ul style="list-style-type: none"> Agricultural production (83%), health (59%), education (58%), solidarity and social projects (56%), support for entrepreneurship (40%). 	<ul style="list-style-type: none"> Mostly agricultural production, agricultural processing and trade.
Locations	<ul style="list-style-type: none"> Primarily the region of Kayes (56%) where the majority of the villages of origin are located. 	<ul style="list-style-type: none"> Regions of Bamako, Kayes, Ségou, Kita and Koulikoro.
Terms	<ul style="list-style-type: none"> Preferences for cooperatives (60%), private entrepreneurs (20%), start-ups and entrepreneurs they already know. Main challenges cited: <ul style="list-style-type: none"> – lack of products adapted to the diaspora; and – lack of knowledge about investment intermediaries, savings and investment tools, companies in need of financing. 	<ul style="list-style-type: none"> Preferences for businesses being launched (69%) and/or very small businesses (65%) and diaspora entrepreneurs (66%) and/or known to the diaspora in Mali (72%). Give priority to donations, solidarity loans (interest-free), or the provision of equipment free of charge. Interest in providing professional technical advice to support investment in lesser-known companies. Trusted financial intermediary: banks (82%), incubators (59%) and microfinance institutions (52%).
Diaspora practice: Savings and financial investments		
Trends	<ul style="list-style-type: none"> 79% of organizations already have or wish to place money or make a financial investment. Half of the organizations have placed and invested financially to the tune of more than EUR 5,000. 	<ul style="list-style-type: none"> 69% want to make financial investments. 63% of respondents say they want to invest more than EUR 10,000.
Locations	<ul style="list-style-type: none"> 55% already have or wish to place money or make a financial investment in Mali. Favor liquid investments in the host country and transfers to Mali. The amounts invested are greater in the host country than in Mali. 	<ul style="list-style-type: none"> 69% say they have or want to invest part of their money in Mali. 70% of respondents are banked in both Europe and Mali, 22% in Europe exclusively. Savings practices are more established in France and Spain where 84% and 75% save monthly, which is more than Italy (33%).
Terms	<ul style="list-style-type: none"> Use of basic banking products: passbook A and current account. Bi-banking, obligation and surety/guarantee are unknown to half of the organizations. Profitability (69%), impact (55%) and liquidity (55%) are very important. Some of the organizations could be interested in riskier investments provided they are profitable and have a strong impact in Mali. Banks are the most cited trusted intermediary, both in France, Spain and Italy (64%), compared to Mali (44%). 	<ul style="list-style-type: none"> Investments are made in kind (real estate, livestock, etc.), in savings accounts and/or in term accounts. In terms of investment, banks (90%) and microfinance institutions (57%) are the intermediaries that inspire the most confidence in individuals in the diaspora. More than 90% save for a project (real estate, entrepreneurial) and also to grow their savings.
Diaspora practice: Overall investment potential		
	<ul style="list-style-type: none"> More than EUR 9 million per year across all three countries: Spain, France and Italy. 	<ul style="list-style-type: none"> EUR 5.8 million per year just in France and the population of investors with high savings capacity (>EUR10,000).

Appendix 3

Study contributors

Africa-Europe Diaspora Development Platform (ADEPT)

ADEPT is the Africa-Europe Diaspora Development Platform, a pan-European network created in 2017 and based in Brussels.

Its mission is to heighten the influence and impact of people from the African diaspora and development organizations in Africa and Europe.

ADEPT has a network of more than 200 African diaspora organizations and individuals based in Europe. Bridging the two continents, ADEPT members operate in the member states of the European Union and the African Union, as well as Norway, Switzerland and the United Kingdom. It promotes a vision of the world in which Africa, its peoples and its diaspora are empowered and transformed.

ADEPT's strategic approach involves three areas:

- Strengthening the capacities of African diaspora development organizations (ADDOs) through technical and financial support and training.
- Amplifying the voice of the diaspora through media campaigns, an e-magazine and events.
- Solidifying the diaspora's position as a vital actor in Africa's development through political action and advocacy.

ADEPT also works to strengthen the connection between migration and development:

- By sitting on the International Steering Group for Civil Society of the Global Forum on Migration and Development (GFMD).
- By representing the African diaspora in the Global Forum on Remittances, Investment and Development (GFRID) and the Global Remittances Working Group.

Euro-African Federation of Solidarity (FEASO)

The Euro-African Federation of Solidarity consisted of 255 associations in 2021 – mainly migrant organizations working in Africa: Angola, Benin, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Congo, Côte-D'Ivoire, Democratic Republic of the Congo, Gabon, Guinea, Guinea Bissau, Madagascar, Mali, Mauritius, Mauritania, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Togo, Uzbekistan and Zambia.

In addition to its role as a network, FEASO supports migrants on a daily basis in their efforts at insertion, integration and enterprise creation.

It has created a programme to support the integration and insertion of newly arrived immigrants, with the objective of strengthening and improving the competencies of member associations in the following areas:

- Welcoming and orienting new arrivals;
- Literacy;
- Enrolling school-age children in school; and
- Professional insertion of women and youth.

It provides technical and methodological support to small associations with international solidarity projects and fights for the recognition of a participatory approach that makes civil society organizations here and in the home country actors in their own development.

Finally, FEASO has specific activities targeting youth, supporting youth organizations in civic or international solidarity activities and enabling them to acquire knowledge and experience to subsequently mobilize in their occupational area.

Red Mangrove Development Advisors (R.M.D.A.)

The Red Mangrove (a term that denotes not only the tree but the entire ecosystem) is undoubtedly one of the most remarkably adaptable forests in the world. Its network of trees grows in salt water and reminds us that success can sprout even in the most hostile environments if we know how to be flexible.

These trees combine to form a network that offers an inestimable opportunity for coastal development, providing protection from wind, waves and erosion while permitting the survival of the resources that provide a living to local populations.

By analogy, **R.M.D.A.** is a team of professionals who work to create and improve the conditions for sustainable economic and social development. R.M.D.A. helps actors in the North and South to:

- Monitor, evaluate and measure progress and impacts through an ongoing improvement approach;
- Strengthen the connection between migration and development by emphasizing the value of diaspora contributions; and
- Building ecosystems (financial and non-financial) friendly to a diversified, resilient private sector.

To accomplish this, R.M.D.A. fosters a close dialogue with stakeholders and operates at the most appropriate territorial level in a dynamic designed to upgrade local competencies.

High Council of Malians of France (HCMF)

Pursuant to the law of 1 July 1901, a body known as the High Council of Malians – France (HCMF) was created within the framework of the High Council of Malians Abroad.

The HCMF is a federative body for representation in the form of an inclusive, nondiscriminatory, secular, apolitical, non-profit association.

Only Law 1901 associations of Malians in France that have legally filed with the prefecture can become members of the HCMF by paying a registration fee and annual dues. However, Malians or Franco-Malians with a permanent residence in France who are registered with a diplomatic or consular mission or hold a valid residence permit in France can also join, as long as they obtain a membership card.

Objectives of the HCMF:

- Support public authorities in the areas of information, awareness raising, management, assistance and defence of the rights and interests of the Malian diaspora in France;
- Bring Malians from all over France together and represent them in dealings with the authorities in Mali and France;
- Promote their participation in the enrichment of France and the national effort to build Mali;
- Welcome and orient new Malian migrants to France;
- Aid Malians in France who wish to take up residence in Mali again and support them in their efforts;
- Promote peace and integration among peoples;
- Work for better collaboration between the Council of Malians of France, its members, diplomatic and consular missions and French institutions; and
- Create social activities capable of improving the living conditions of members of the Malian community.

High Council of Malians of Spain (ACME)

Established on 5 October 2005 pursuant to Organic Law 1/2002 of 22 March and supplementary regulations, the objectives of the Council of Malians of Spain are to:

- Foster greater solidarity among Malian residents in Spain and their associations, coordinating, encouraging and promoting all types of services to assist, support and advise them as needed;
- Broaden and strengthen the bonds of friendship and collaboration between the Spanish population and communities of residents who are Malian nationals;
- Promote human, economic, social, educational and cultural development in disadvantaged areas of Mali;
- Promote knowledge in Spain of Malian culture and traditions, and more particularly, of all its artistic, literary and musical expressions;
- Serve as an intercultural bridge between Spain and Mali through sister cities programmes, exchanges and other instruments that promote harmony and respect between their peoples;

- Promote the constitutional values of liberty, equality and pluralism, as well as the rights of man, and discourage all forms of discrimination; and
- Promote the rights of women and ethnic minorities.

Operations of the High Council of Malians of Spain

The Alto Consejo de Malienses en España (ACME) is organized by Spanish region. Malian associations have been created in 17 autonomous regions and two autonomous cities. Each region has at least one association that includes all Malians. The ACME is comprised of the representatives of these associations.

The ACME General Assembly meets each year in Madrid to take stock of the preceding year and propose activities for the coming year. All regions are represented in the ACME board, so that information reaches all members simultaneously.

It should be underscored that the Grassroots Council of Malians of Spain works in perfect symbiosis with Malian diplomatic representatives, especially the Ambassador and the Consul General. Thus, *“each time His Excellency and his team visit the regions, they are accompanied by the President of the ACME to facilitate their encounters with Malians in Spain,”* says Daniel ZERBO, Council member and focal point for this study.

Council of Malians of Italy (CMI)

The Council of Malians of Italy (CMI) is a federal organization the includes all friendly associations and organizations (34 members). It is the Italian branch of the HCME.

It is the link between Malian immigrants in Italy and the government of their country of origin. It supports the implementation of international cooperation programmes involving Mali in Italy. It fosters partnerships between local and Malian associations and groups. It promotes repatriation projects and the integration of Malians abroad in the development of Mali and the receiving country through individual and collective microprojects and co-development projects between Mali and Italy, specifically in the habitat sector and socioeconomic, rural development and educational activities and youth exchanges through universities.

Its main objectives are to:

- Promote unity and solidarity among Malians in Italy;
- Encourage Malians to participate extensively in the socio-cultural and economic development of Mali;
- Promote knowledge and respect for national and international conventions, laws, and regulations to foster the full integration of Malians in the social fabric of Italy;
- Promote better collaboration between the CMI, HCME and other global associations; and
- Promote dialogue, information and training programmes for youth born to immigrants.

Operations of the CMI

The CMI is organized into strategic hubs and decentralized organizations in Italy's regions. A decentralized meeting is held every six months. Its board is elected by association delegates or popular vote (of all Malians in Italy) when problems arise.

The CMI has created a cross-sectional body for aid to social cases through a fund created for this purpose. Membership in this fund is individual and decisions are made collegially.

Malians in Italy are too numerous for all those in need to avail themselves of this fund (more than 90 per cent of newly arrived youth and more than 80 per cent of the elderly, due to their precarious situation). Malians in Italy, moreover, are generally scattered all over Italy but have created community funds, as they have in France. This social solidarity fund alleviates this situation and has been highly successful. *"When the funds collected reach a certain level, we invest in productive projects that create jobs and wealth in Mali. Thus, instead of sending money, we will produce it on site,"* says Belco Touré, CMI member and focal point for this study.

Appendix 4

IFAD's Financing Facility for Remittances (FFR)

This study was commissioned by IFAD's Financing Facility for Remittances (FFR).

It is part of the **Diaspora Investment in Sustainable Rural Youth Entrepreneurship in Mali** project, financed by the European Union.

This project is aimed at supporting youth entrepreneurship and jobs by mobilizing diaspora investment through investment opportunities tailored to their capacities and expectations.

The FFR is cofinanced by IFAD, the European Union, the Grand Duchy of Luxembourg, the Ministry of Foreign Affairs of Spain and the Swedish International Development Cooperation Agency (SIDA).

It is a leading international actor in the field of diaspora money transfers and investment and is the only one that focuses chiefly on rural areas.

It has launched more than 60 innovative initiatives in more than 45 countries to facilitate access to money transfers and their use, as well as diaspora capital investments.

Since 2006, the FFR has sought to maximize the impact of remittances on development and foster the engagement of émigré workers in their country of origin.

The FFR works to heighten the effect of remittances on development by:

- Encouraging innovative investments and transfer modalities;
- Supporting mechanisms with a financial inclusion dimension;
- Increasing participation;
- Giving émigré workers and their families the means of empowerment through education and financial inclusion; and
- Encouraging investment and the entrepreneurial spirit among émigré workers.

Table 10: FFR objectives

Enabling environment	Market know-how	Innovative models
<ul style="list-style-type: none"> • Global advocacy • Regulations • Secotral dialogue 	<ul style="list-style-type: none"> • Market data and socio-economic data for private and public decision makers • Market research and behavioural surveys 	<ul style="list-style-type: none"> • Support innovative product delivery systems, and supply-side investment vehicles • Strengthening the financial capacities of migrant families and diasporas, on the demand side
Stakeholders and partners		
<ul style="list-style-type: none"> • Governments • Regulatory and supervisory authorities • International organizations 	<ul style="list-style-type: none"> • Consulting firms • Universities 	<ul style="list-style-type: none"> • Banks, microfinance institutions, transfer operators, financial technology companies • Impact investment funds, crowdfunding platforms • Governments • Diaspora organizations

It is also meant to serve as a significant source of information on remittances. The *Sending Money Home* report on migrant remittances has provided an estimate of global remittance flows to developing countries.

It helps build consensus on public policies through practical research and the Global Forum on Remittances, Investment, and Development (GFRID), which brings together public and private sector stakeholders and civil society from around the world working in the field of remittances, migration and development.

The FFR has also coordinated activities leading to the United Nations General Assembly's declaration of the International Day of Family Remittances (16 June), aimed at raising awareness about the important contribution of émigré workers not only to their families and communities but to the sustainable development of their country of origin. In 2020, IFAD launched the campaign for International Day of Family Remittances to encourage public and private sector institutions to aid 1 billion people – migrants and their families – to bolster their resilience in times of crisis by introducing measures to lower transfer costs and provide financial services.

Since 2019, the FFR has operated the Platform for Remittances, Investments and Migrants' Entrepreneurship in Africa (PRIME Africa) to maximize the impact of remittances on millions of African families by fostering local economic potential in migrants' countries of origin.



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