

## EDITORIAL

Tap into Diaspora Fund to  
promote industrialisation

**E**arly this week, Common Market for Eastern and Southern Africa (Comesa) member states, including Uganda, proposed to create a diaspora investment fund. The 19 Comesa member states agreed to facilitate their nationals all over the globe to contribute into a fund geared towards industrialisation.

According to data from the Bank of Uganda (BoU), remittance inflows from Ugandans working and living in the Diaspora last year stood at about \$820m (Shs3 trillion). Before this, BoU records show that personal transfers increased to more than \$1.2 billion (Shs4.3 trillion) in 2016 compared to about \$1 billion (Shs3.6 trillion) transferred in 2015.

**The issue:**

Diaspora  
investment fund

**Our view:**

Government  
needs to develop  
networks to ease  
communication  
and build strong  
partnerships  
between the  
Diaspora and  
professional  
communities at  
home.

This confirms that Ugandans in the Diaspora are increasingly transferring their resources, knowledge and ideas to their home countries and eventually incorporating them into the global economy. Such remittances and technical experience can be another source of capital to drive Uganda's economy to middle income status.

It must be noted that Ugandans in the Diaspora hold substantial financial assets beyond their income; in savings and retirement accounts, plus property.

Such an investment fund is a good way of involving Ugandans in the Diaspora in driving the country's industrialisation agenda that eventually contributes to the development of their home country.

But their involvement in the economy requires a good business climate. This is why the economy should strive to create formalised institutional linkages aimed at productive cooperation between various actors in migration (national and international) plus economic development.

These may include forums or platforms for information sharing ranging from simple websites, large-scale conferences to crowd funding platforms. Such an enabling environment allows Uganda to benefit from her Diaspora community.

Government also needs to develop networks to ease communication and build strong partnerships between the Diaspora and professional communities at home. This will help raise the quantity and quality of global knowledge in the content.

The remarkable development in Uganda's financial services is encouraging remittance flows. There is improved access to wider financial services through money transfer systems, improved infrastructure to aid domestic and cross boarder payments, among others.

If such developments are sustained and the Ugandans in the Diaspora can see the concrete results of their remittances, the flow of remittances will also increase, giving Uganda's economy as well as African economies the least costly alternative to investment funds, to promote domestic investment.

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