



Baseline Assessment Report

Development of a digital
remittance booklet

TA/014/2015

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List of acronyms

ACP	Group of African, Caribbean and Pacific States
AU	African Union
AUC	African Union Commission
BA	Baseline Assessment
CBK	Central Bank of Kenya
CN	Concept Note
CSO	Civil Society Organization
EU	European Union
GDP	Gross Domestic Product
GoK	Government of Kenya
IOM	International Organization for Migration
KDA	Kenya Diaspora Alliance
MFAIT	Ministry of International Trade and Foreign Affairs
MTO	Money Transfer Operator
NGO	Non-Governmental Organization
ODA	Official Development Assistance
SACCO	Savings and Credit Cooperative Organizations
TA	Technical Assistance
TAF	Technical Assistance Fiche
UN	United Nations
USD	United States Dollar

Executive summary

This Baseline Assessment (BA) report outlines the observations from a desk review and a range of stakeholder meetings during one week in Nairobi (Kenya).

The report begins with an introduction of the proposed intervention: the development of a digital booklet informing Kenyans in the diaspora on affordable remittance channels as well as investment opportunities in Kenya (chapter 1). Following this, the report outlines the BA methodology (chapter 2); the current state of affairs with regard to diaspora remittances and investments (section 3.1); the possible baseline indicators that can be used to assess the impact of the Technical Assistance intervention (section 3.2); a limited mapping of relevant stakeholders (section 3.3); and specific feedback and recommendations on the proposed intervention (section 3.4).

The report notes that it would be important to have more detailed information on emigrant Kenyans in the diaspora. This is particularly important with regard to content (for example, available remittance channels might differ per region and/or country, which makes it important to know where the largest concentrations of diaspora Kenyans are) and dissemination (i.e. where and how to reach Kenyans in the diaspora with the proposed booklet). If it is feasible, a rapid but representative survey among the Kenyan diaspora could be factored in the migration expert's preparatory work to provide input for developing the intervention.

In the context of the proposed intervention, the major challenges for Kenyans in the diaspora are the high costs of sending money home, as well as the lack of information on reliable investment opportunities. Taking these challenges above into account, the proposed booklet could be of value by:

- First of all, providing information on alternative (and innovative) remittance channels and pointing Kenyans in the diaspora towards these channels, might increase competition. This could lead to lower prices for money transfers.
- Secondly, there is a lack of information on reliable ways to invest money in Kenya and many Kenyans are insecure about potentially investing in their country of origin. If the booklet could point out the steps to be taken when Kenyans in the diaspora intend to invest in Kenya, including precautions, what to be aware of, where to inquire for additional information, etc. this might alleviate the current lack of trust.

Four potential baseline indicators are proposed: the total volume of remittance; the average cost of sending remittances to Kenya; the proportion of diaspora Kenyans that use different types of remittance channels (e.g. commercial banks, MTOs, new technologies) and the proportion of remittances channelled towards productive activities, such as investments. However, available data is limited. On these first two indicators, there is data, but on the latter two there is no solid data available. Establishing impact of the proposed intervention by using any of these baseline indicators will not be possible, since any changes in these indicators cannot be reliably attributed to the publication of a booklet, i.e. it will not be possible to establish a causal relationship. To gain insight in the impact of the proposed intervention, a small-scale survey, asking basic questions about the use of the booklet, the use of remittance channels and investment opportunities will be the most feasible instrument.

Government and public organizations (such as Ministries, the Central Bank of Kenya and the African Institute for Remittances), the private sector (commercial banks, investment agencies, Money Transfer Operators), Civil Society Organizations (such as Diaspora Associations) and research institutions (the University of Nairobi) are the most relevant stakeholders in the area of remittances. Since it is required that stakeholders that might receive support under component 2 of the Action

are non-profit organizations, mainly the diaspora organizations and or research institutions are potential beneficiaries.

In the final section, the report highlights a number of important issues. While it is recommended the intervention goes forward, these are issues on which a clear decision has to be made upfront, before developing the intervention:

- The booklet should have a very clear objective, and avoid mixing multiple objectives. The issue of how to include information on investment opportunities (besides the information on affordable remittance channels) should be carefully explored. With regard to information on investments, it is recommended to provide more general guidance and precautions on the steps to take before investing in Kenya and to target this information towards small scale diaspora investors. In terms of highlighting specific investment opportunities, it is recommended to limit this to 'institutional' investment opportunities (such as treasury bonds through the Central Bank of Kenya).
- The profile and needs of Kenyans in the diaspora vary. The booklet should be clear in terms of which audience is being targeted. Based on needs, it is recommended to target small-scale investors in the diaspora, as they are the ones who are most in need of reliable information and guidance on investment opportunities and new, innovative and affordable remittance channels, contrary to Kenyans in the diaspora who are looking for more large-scale, substantial investments.
- If the booklet contains a cross-section of examples and is not exhaustive with regard to investment opportunities and remittance channels, this entails a risk in terms of neutrality/objectivity. On the other hand, it is almost impossible to be exhaustive. When particular examples are included in the booklet, it should be made very clear to the diaspora that the booklet is not exhaustive, that these are just illustrative examples and what were the criteria to include these.
- Unless the booklet is regularly updated, there is a risk it will lose its value rather quickly, which limits the sustainability of the intervention. Before developing the booklet, it should be carefully explored how to ensure some mechanism for regular updates (such as referrals to other information sources, or publication of update briefs as an addendum to the booklet).
- Although publication of hard-copy booklets could be considered, digital dissemination of the booklet, particularly through diaspora association websites and social media, will be most important to reach the diaspora. Moreover, the booklet could be launched during diaspora events.

1. Introduction and background¹

Remittances are an increasingly important source of foreign currency inflow for Kenya. In 2014 remittances hit an estimated USD 1.42 billion, accounting for over 2 percent of Kenya's GDP and surpassing tea as the highest foreign exchange earner. The Central Bank of Kenya forecasts that remittances will rise to USD 1.5 billion in 2015.

Critically, remittances are private funds and senders and receivers have the fundamental freedom to determine how they are used. However, empirical and anecdotal evidence suggests that Kenyans are also channelling remittances into productive activities, such as investments in business ventures, property, agriculture and other initiatives. Thereby, remittances play an important role in contributing to the Kenya's national development.

Notwithstanding the above, a number of challenges have been identified as negatively affecting the developmental impact of remittances and diaspora investments such as the high cost of remitting money and weak structures to inform Kenyans abroad of investment opportunities. Indeed a recent research study found that aside from a lack of sufficient funds to remit money, a lack of information on available channels for transferring money was the second major hindrance to financial remittances.²

Currently, a wealth of information about savings, credit and investment opportunities is dispersed on many online platforms, such as government websites, diaspora websites, commercial websites, and social media sites, as well as through commercial banks and Savings and Credit Cooperative Organizations (SACCOs). Navigating through this significant pool of information can be daunting and time consuming. In the absence of professional advice, a lot of time is likely to be spent trying to identify which of the many facilities/instruments/opportunities are suitable and genuine. It also presupposes a level of financial literacy that some remittance senders and recipients may lack.

In short, diaspora remittances entail a huge (economic) development potential for Kenya, but there is a lack of consistent and easily available information on remittance channels and investment opportunities. There is great value in improving access to reliable information on affordable and safe remittance channels, as well as on savings, credit and investments opportunities that remittances can be channelled towards. In this context, the Kenyan Ministry of Foreign Affairs and International Trade (MFAIT), under the EU-funded and IOM managed ACP Migration Action, submitted a request for Technical Assistance (TA) for an intervention that seeks to systematically explain and collate a cross section of remittance savings, credit, and investments opportunities in an informative and user-friendly digital booklet (e.g. in portable document format).

The objective of the intervention (the booklet) is to provide the Kenya diaspora with information about affordable remittance channels, as well as remittance savings and investments opportunities. The booklet also aims to promote the use of new formal remittance channels (such as mobile phones/internet platforms) as well as support possibilities for further mobilizing investments of migrant savings with the aim of contributing to development. It also seeks to contribute to the financial literacy of migrants and transfer recipients in order to enhance their management and the development impact of remittances. It aims to do this by providing some financial literacy education through the provision of information and raising awareness about the products and services which are available. This may go some way in assisting its users to make better financial choices. The

¹ The introduction is based on the Concept Note and the Technical Assistance Fiche, prepared by the Ministry of Foreign Affairs and International Trade, unless otherwise referenced.

² Mwangi, 2013, p. 126.

booklet is expected to support human and economic development at a micro (and possibly a macro) level by leading to remittance savings for migrants through the use of cheaper, safer, more efficient channels, as well as by mobilizing them to invest and save in Kenya.

Based on the Concept Note (CN) and Technical Assistance Fiche (TAF), developed by the MFAIT, the booklet:

- should have remittance senders and recipients as the primary audience.
- does not seek to provide an exhaustive list of all the savings, credit and investment opportunities/products which are on the Kenyan market. Rather, its objective is to provide a sample of the kinds of the opportunities/products remittances can be channelled towards. Further, those that are identified should be included through equitable and wide-ranging consultations with stakeholders.
- The booklet can also serve to contribute to financial literacy by offering concise explanations of the financial options and services linked to remittances.
- The booklet can also have short sections/textboxes where experts (from the Central Bank of Kenya (CBK), Kenya Forex Remittance Association, commercial banks, Kenya Diaspora Investment Club etc.) offer advice/tips/explanations on remittance targeted savings, credit and investment opportunities.
- The booklet can also provide an overview/textbox of the various affordable channels for remitting money and technological innovations in this respect.

The expected output of the intervention, is a digital remittance booklet in a portable document format (pdf). The digital booklet would be made available on a range of sites such as the MFAIT's website, the MFAIT Diaspora Portal system, websites of Kenyan Embassies, the Government's Youth Enterprise Development Fund website (which runs an overseas youth employment scheme), the KenInvest website, and diaspora blogs. The MFAIT's social media sites will also be used to draw attention to the booklet.

Rationale for the baseline assessment

According to the Action's Guidelines, a Baseline Assessment (BA) in the context of a TA Intervention is the final step in the preparatory stage and has the objective of:

- Providing an overview of the state of affairs in the requesting country on the specific subject of the request;
- Identifying the major stakeholders amongst Government and NSAs; and
- Offering inputs and guidance to fine-tune the technical assistance intervention, if necessary. As such, based on the baseline, modifications or refinements of the TA Fiche could be recommended for fine-tuning purposes.

The Baseline Assessment will thus provide a reference to compare the results achieved through the technical assistance intervention and evaluate its impact and contribution to the improvement of the initial situation in a given country. Within the framework of the intervention, the Baseline Assessment precedes a technical assistance intervention by setting the point of reference prior to the intervention.³

The specific objectives of the present baseline assessment are to:

³ ACP Migration Action, Guidelines to Technical Assistance Interventions.

1. Provide an **overview of the state of affairs** on the specific subject of the request from the Ministry of International Trade and Foreign Affairs (MFAIT) of the Republic of Kenya prior to the actual implementation of the TA intervention, to be used as a reference against which to compare the results achieved through the TA intervention and with the objective of evaluating its impact and contribution to the improvement of the initial situation. Specifically, this should also include a short assessment of the sustainability of the possible TA;
2. Offering **inputs and guidance useful to fine-tune TA intervention**. Hence, the baseline assessment will help further defining the work plan for the TA intervention;
3. Identifying the major **stakeholders and Non State Actors (NSAs)** working in the thematic area of the request (remittances); this will result in the identification and mapping of potential NSAs in the Republic of Kenya that might be asked to submit project proposals for component 2 of the Action.⁴

2. Baseline assessment methodology

Since there was limited time available for the BA and the preparation of this report, the methodology was limited to semi-structured in-depth interviews (see Annex 2 for the questionnaire that was used) with key informants and a rapid review of secondary data and literature, to derive quantitative and qualitative baseline data with regard to the current state of affairs.

During one week in Nairobi, the BA consultant held 14 key-informant interviews (either in person or, in case of diaspora abroad, via Skype) with 18 respondents, including with the MFAIT and other Kenyan government actors, the European Union Delegation, several Money Transfer Operators (MTOs), other private sector actors and diaspora associations. See Annex 3 for an overview of key informant interviews. A list of references is included in Annex 1.

3. Assessment results

3.1 State of affairs

Kenya's diaspora

In a 2013 joint UNFPA and Government of Kenya publication it was noted that information on emigrant Kenyans is incomplete, leaving room for speculation on the size and profile of the diaspora, including on information such as previous and current employment and countries of residence.⁵ As a result, estimations of the size and distribution of the Kenyan diaspora vary. According to the Kenya Diaspora Policy, the number of Kenyans abroad is estimated to be about three million and is continuously on the rise.⁶ However, the United Nations Department of Economic and Social Affairs (UN-DESA) puts the number of emigrant Kenyans in 2013 at 439,925, of which two-thirds are in developed regions and one-third in less developed regions, including other African countries.⁷ However, UN-DESA uses official statistics, which might not accurately capture all (irregular)

⁴ Terms of reference for Consultant to carry out Baseline Assessment.

⁵ Government of Kenya and UNFPA, 2013, p. 235-236.

⁶ IOM, 2015, p. 51.

⁷ United Nations, Department of Economic and Social Affairs, 2013

migration.⁸ According to UN-DESA figures, the top-5 destination countries for Kenya's diaspora are the United Kingdom, the United States, Uganda, Tanzania and Canada.

The wide variety in these figures, shows that information on emigrant Kenyans is incomplete, which means the profile of the diaspora is not exactly known.⁹ This issue came up during many of the meetings with stakeholders. Clearly, there is a need for better information on diaspora: how many Kenyans live abroad (including in other African countries), where do they congregate, which type of business are they involved in, what are their needs, which information channels do they use and how to reach out to them. Several stakeholders remarked that before reaching out to them, it would be important to have a better understanding of the Kenyan diaspora. Similarly, during the Kenya Diaspora Easter Conference, one of the participants noted that "beyond harnessing diaspora remittances and provision of cost effective transmission channels, it is imperative that several measures be taken including having a database of diaspora competencies with demographics and skill-sets".¹⁰

Implication for the proposed intervention

In relation to the proposed intervention, it would be important to have more detailed information on emigrant Kenyans. This is particularly important with regard to content (for example, available remittance channels might differ per region and/or country, which makes it important to know where the largest concentrations of diaspora Kenyans are) and dissemination (i.e. where and how to reach Kenyans in the diaspora with the proposed booklet). If it is feasible, a rapid but representative survey among the Kenyan diaspora could be factored in the migration expert's preparatory work to provide input for developing the intervention.

Policy process

The Kenyan government increasingly recognizes the potential and important contribution of its diaspora to the development of the country. In 2011, the Government of Kenya developed a draft Diaspora Policy. The main objective of this policy is to mainstream the Kenyan diaspora in the development agenda of Kenya, by creating an enabling environment into which the diaspora is effectively integrated and able to make significant contribution to the development of the country.¹¹ In 2011, the Kenyan government acknowledged that, although the significance is visible in terms of remittances and technology transfers, much of the potential contribution of Kenya's diaspora to the country's development remained untapped due to a number of challenges, including:¹²

- administrative challenges which inhibit proper provision of consular services and lack of a policy framework that is responsive to diaspora needs.
- a lack of administrative structures and mechanisms for the government to tap (leverage) directly into foreign remittance inflows from the diaspora as an asset for investment and national development.
- a lack of clear structures and avenues to facilitate Kenyan diaspora to play a proactive participatory role in the promotion of tourism.
- no proper documentation of the intellectual resources possessed by the Kenyan diaspora. As such, the government is unable to attract qualified and skilled human resources from the diaspora community which inhibits technology transfer.
- a visible lack of policy coherence between, among and within the various state and non-state agencies dealing with diaspora issues, which has resulted in poor co-ordination, duplication of efforts and wastage of resources.

⁸ RMMS, 2015, p. 77.

⁹ Government of Kenya and UNFPA, 2013, p. xix.

¹⁰ Ministry of Foreign Affairs and International Trade, 2015, p. 11.

¹¹ Government of Kenya, 2014, p.8.

¹² Government of Kenya, 2014, p.7.

- a lack of bilateral agreements that would facilitate the transfer of social security savings to Kenya upon return of Kenyans from the diaspora.¹³

To address these challenges, the draft 2011 diaspora policy proposed several actions, including:¹⁴

- To place the coordinative role of diaspora related issues in the Ministry of Foreign Affairs which will, in consultation with other stakeholders, work towards eliminating the overlaps and promote consistency in the management of diaspora issues. It will also oversee formation of a National Diaspora Council of Kenya (NADICOK), which will comprise all the other stakeholders.
- To create necessary structures to address the high cost of sending remittances, with a view to attracting remittances for investment and trade. The government will encourage the diaspora to direct their remittances towards investment in development and productive ventures.
- To put in place an Integrated Diaspora Information System to collect, collate, analyze and disseminate information to enhance diaspora engagement.
- To mainstream the Kenyan diaspora in its *Vision 2030* development plan (the country's development plan, adopted in 2008).

In May 2014 the diaspora policy was finalized and in January 2015 officially launched. Although the diaspora policy is indeed mentioned in the Vision2030 and minor references are made to migration in Vision2030, IOM recently noted that but it does not adequately mainstream migration as a potential contributor to national development.¹⁵ Furthermore, some stakeholders feel that Kenya's diaspora policy is very much focused on the diaspora in the US and Europe. A 2013 study concluded there is limited formal engagement between the Government of Kenya and its members in the diasporas within Africa, even though most Kenyan migrants are located within other African countries, mainly Uganda, Tanzania, Rwanda, South Africa and South Sudan. Moreover, the study also shows many of them are equally interested in national development and either own investments in Kenya or are interested in making private investments in Kenya.¹⁶ Especially when taking into account that the bulk of Kenyan migrants does reside in other African countries and taking into account the very high remittance transfers costs between East African countries (see the next section) there is considerable untapped potential, which is often overlooked.¹⁷

Implication for the proposed intervention

When developing the booklet, it is important to sufficiently focus on the Kenyan diaspora in the South as well, since most Kenyan emigrants likely reside in other African countries. The booklet should thus also include specific information on sending money from other African countries to Kenya and on small-scale investment opportunities for Kenyan labour migrants who reside in the South.

Related programmes and projects: the African Institute for Remittances

One particular, related activity to the proposed intervention which is important to mention here, is the African Institute for Remittances (AIR). Kenya's offer to host the AIR was accepted in January 2013 by the Executive Council of the Africa Union (AU). On 28 November 2014, the AIR was officially launched in Nairobi when the host country agreement was signed between the African Union Commission (AUC) and the Government of Kenya (GoK).¹⁸ On 22 October 2015, the flag hoisting

¹³ Government of Kenya, 2014, p.7.

¹⁴ Government of Kenya, 2014, p. 9-12.

¹⁵ IOM, 2015, p. 21.

¹⁶ Kinuthia, 2013, p. iv; p. 9-10; p. 40.

¹⁷ RMMS, 2015..

¹⁸ African Union, 2014.

ceremony took place to mark the operationalization of the AIR.¹⁹ One of the objectives of the AIR is to develop the capacity of the Member States of the AU, remittance senders and recipients, and other stakeholders to implement concrete strategies and operational instruments to use remittances as development tools for poverty reduction. Activities include:

- Conducting policy research and dialogue and sharing information on how remittances can contribute to the development of African countries;
- Developing partnerships between African central banks and remittance service providers and non-bank correspondent agencies to improve financial access;
- Disseminating data and research findings;²⁰

The main objective of AIR is to lower the costs of sending remittances to and within Africa. The AIR website (sendmoneyafrica.org) will list key corridors, the costs and the different MTOs on these corridors and data on new mobile technologies.

Implication for the proposed intervention

While there might be some overlap in activities and objectives, there is no risk of duplication of efforts between the proposed intervention and the activities of the AIR. First of all, the AIRs focus is on the whole of Africa, while the booklet will be Kenya specific. As such, the booklet could include remittance operators that are not necessarily captured by the AIR website. For example, remittance operators which are home grown and/or specifically target the Kenyan market, as well as operators that provide 'in-kind remittances' to be sent to relatives (such as Mama Mikes, through which Kenyans in the diaspora can, for example, pay for groceries and have these delivered to their relatives). Moreover, the booklet – as it is envisaged now – is a one-off publication, while the AIRs website will publish data on a quarterly basis. Nevertheless, it is important to closely collaborate with the AIR while developing the intervention, to ensure both initiatives are complementary and avoid duplication.

Diaspora remittances and investments: current challenges

As described, remittances are now the single most important source of foreign exchange inflows in Kenya, bringing in more than Official Development Assistance (ODA). In the 12 months up to September 2015, Kenya received over 1.5 billion USD in remittances (see also the next section on baseline indicators). These remittances boost household consumption and investment. The current property boom in Kenya and activity in the stock market have been attributed partly to remittances.²¹ Both empirical and anecdotal evidence suggest that Kenyans in the diaspora are channelling remittances into both consumption and productive activities. Although many still use international remittances to pay for food, health, education and other daily expenses, Kenyan households also make productive investments with remittances received (see also the next section on indicators).²² Moreover, Kenyans in the diaspora are directly involved in investments as well. A 2013 study on the development potential of Kenya's transnational migrants in the United Kingdom (UK), the United States of America (US), Canada and Ghana, found that most of the Kenyan migrants in these four countries are actively involved in remittance transfers, return-visits, savings and investments in Kenya. However, the same study also revealed that this potential has not been fully utilized due to a myriad of impediments that the migrants face in their transnational transactions.²³ Some of the obstacles identified as impeding participation in development at home included: lack of information about what is going on in Kenya; corruption; insecurity; bureaucratic and administrative processes; fraud and lack of trust; lack of a diaspora policy; high costs of remittance transfers and

¹⁹ African Union, 2015.

²⁰ World Bank, 2014.

²¹ World Bank, 2015a, p. vi.

²² World Bank and African Development Bank, 2011.

²³ Mwangi, 2013, p. 213; p. v.

immigration challenges. Specifically with regard to investing in Kenya, the main barriers that were mentioned are: risk of being conned by fraudulent persons; information asymmetries; poor management by workers; and bureaucratic formalities.²⁴

Asked about the major challenges for Kenyans in the diaspora, stakeholders almost unanimously mention the high costs of sending money. As of the fourth quarter of 2015, remittances costs are still the highest in Sub-Saharan Africa with an average of 9.53%. According to many stakeholders, many Kenyans in the diaspora are still carrying cash back home to avoid the high costs.

Other challenges that were mentioned include:

- A lack of information. Many Kenyans in the diaspora still use bank transfers or well-known (MTOs), as they are not aware of the existence of an increasing number of cheaper, faster and reliable channels that use innovative (web- and mobile wallet-based) technologies. Information on remittance operators is scattered all over the internet, and it is not clear to what extent websites can be trusted and/or the information they publish is accurate.
- The limit of sending money to Kenya through MTOs, which according to some stakeholders is set at around USD 1,000. For larger money transfers – needed for more substantial investments – several transactions are required which increases the total costs.
- Safety of remittances and investments. Many Kenyans in the diaspora are unsure about safe and credible remittance channels. This is even more of an issue with regard to investments. All stakeholders referenced stories of Kenyans abroad, who lost their investments because of fraudulent investment agencies. There is a lack of information on trustworthy and reliable channels and agencies for investments in Kenya.

Implication for the proposed intervention

Taking these challenges above into account, the proposed booklet could be of value in several ways:

- First of all, providing information on alternative (and innovative) remittance channels and pointing Kenyans in the diaspora towards these channels, might increase competition. This could lead to lower prices for money transfers.
- Secondly, there is a lack of information on reliable ways to invest money in Kenya and many Kenyans are insecure about potentially investing in their country of origin. If the booklet could point out the steps to be taken when Kenyans in the diaspora intend to invest in Kenya, including precautions, what to be aware of, where to inquire for additional information, etc. this might alleviate the current lack of trust.

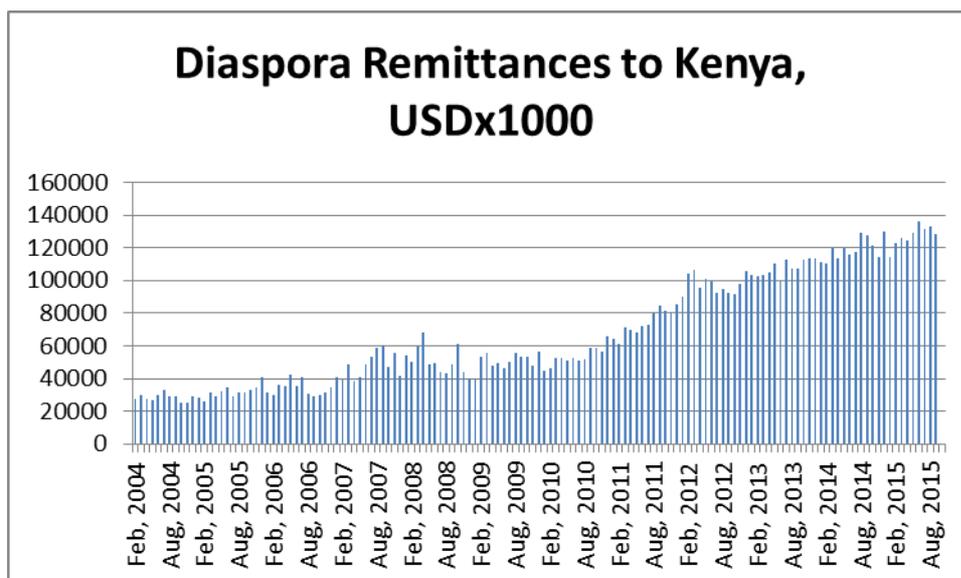
3.2 Key baseline indicators

This section provides available quantitative data and discusses which data could serve as potential baseline indicators.

Total volume of diaspora remittances and average transaction amount

The figure below depicts the total volume of diaspora remittances to Kenya, since 2004, based on CBK statistics. Since 2004, the total annual volume of remittances has increased from around 200 million USD to almost 1.5 billion. This total figure is even likely to be an underestimate, since Kenyans are also using informal channels which are difficult to capture.

²⁴ Mwangi, 2013, p. 215-218.



Source: Central Bank of Kenya (<https://www.centralbank.go.ke/index.php/diaspora-remittances?yr=2015>)

As of September 2015, remittance inflows from North America accounted for 48.2 percent, inflows from Europe for 29.1 percent and from the rest of the world for 22.7 percent.²⁵ Until now, the Central Bank just collects global information on the total volume and, in terms of sending countries, provides a break down by US, Europe and rest of the world. There are plans though to collect more precise information about sending countries. In line with earlier comments on the need to acquire a better insight in the profiles of Kenyan diaspora, it would also be important to have more detailed information on where exactly the remittances are coming from.

While the total volume of remittances provides an important baseline figure, it cannot serve to evaluate the impact of the Technical Assistance intervention, since it is highly unlikely that the total amount that Kenyans are sending home will be related to a relatively modest intervention like the proposed information booklet, let alone that a causal relationship between the intervention and any changes in the total volume of remittances could be established. Any changes in the latter are more likely to be related to global economic developments, as well as improvements in the accuracy of remittance data collection methods.

The average value of remittance transactions might provide some indication on whether Kenyans are mostly sending small amounts meant for daily expenses, or whether they are increasingly sending larger amounts, which might be targeted towards productive activities. However, data on the average amount per remittance transaction are not available. Nevertheless, according to the Central Bank it should be possible to collect information on the total number of transactions, so that consequently the average transaction amount can be calculated.

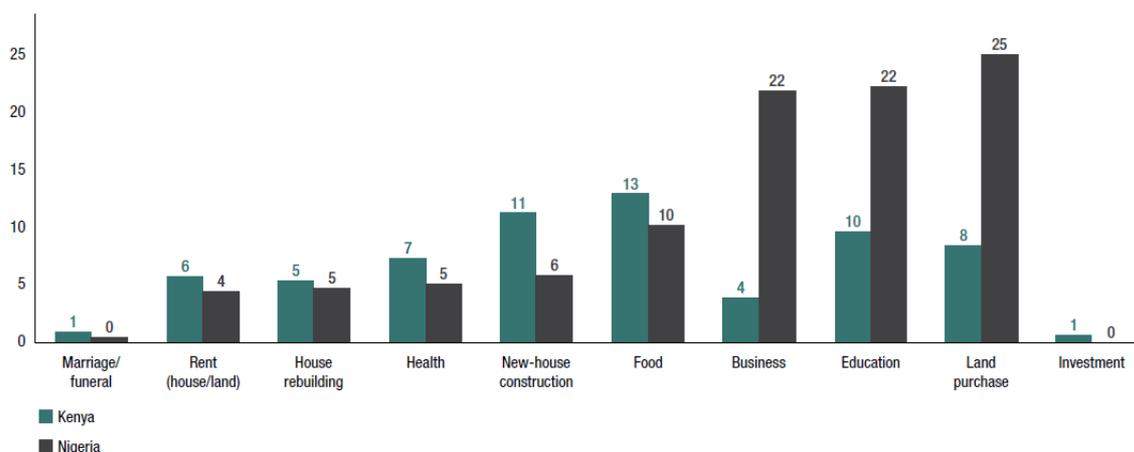
The use of remittances and diaspora investments

Since an important objective of the intervention is to harness diaspora remittances for development, including investments, another relevant indicator would be where the money is going, i.e. how remittances are being used. Based on data from a 2011 World Bank and African Development Bank report, the following figure shows the reported use of international remittances in Kenya (and

²⁵ According to Central Bank of Kenya data: <https://www.centralbank.go.ke/index.php/diaspora-remittances?yr=2015>).

Nigeria).

Figure 2: Reported use of international remittances: Kenya and Nigeria (% of total remittances received)



Source: Mohapatra and Ratha (2011: 20). Data are from Mohapatra and Ratha (2011) calculations and are based on household surveys conducted in Kenya and Nigeria in 2009 as part of the Africa Migration Project.

Source: Watkins and Quattri, 2014.

While these data provide some indication on the use of remittances in Kenya, it cannot serve as a good baseline indicator. These data are based on household surveys conducted in 2009, while for baseline indicators to serve as a point of reference, they should describe the situation as it is now. Especially when informing Kenyans in the diaspora about investment opportunities will be an important objective of the booklet, it would be valuable to have baseline data on the proportion of Kenyans that are currently using their remittances for investments.

However, according to the Central Bank, such data is not available. While most stakeholders argue that Kenyans in the diaspora are increasingly interested in channelling their remittances towards investment – especially in Kenya’s real estate sector or by buying land which is rising in value quickly – this information remains anecdotal and no solid data is available.

Remittance channels and operators

Another potentially relevant baseline indicator would be the proportion of Kenyans in the diaspora using either formal bank transfers, certain MTOs or new technologies and companies for remitting money. Especially when the booklet aims to increase competition and point Kenyans to alternative cheaper and innovative remittance channels, any future shifts in these proportions could be a relevant baseline indicator. For example, if the proportion of Kenyans that are using relatively expensive bank transfers is decreasing, it is an indication they are increasingly turning to other, likely cheaper channels. However, there is no solid data available on these proportions.

There are some studies though that looked into the use of remittance channels. The earlier quoted study by Mwangi (2013), found that informal channels are a popular channel for remitting money with 26 percent of the respondents choosing to remit money through friends, relatives or themselves. In contrast, traditional remittance channels (such as commercial banks, Western Union, and Money Gram,) accounted for 59 percent of the platforms used, despite being generally more expensive than alternatives such as mobile money and internet based platforms.²⁶

To gain more insight into the channels that the diaspora are using to send money home, a survey asking a representative sample of the Kenyan diaspora which channels they use, could provide

²⁶ Mwangi, 2013.

relevant information, especially when the diaspora is surveyed at multiple points in time to allow for a comparison over time (before and after the intervention).

Some stakeholders argued that the number of operators / institutions that are active on the remittance market could be an indicator, assuming that more information will lead to a more varied use of MTOs, more competition and, as a result, reduced costs. However, the number of operators is not necessarily a good indicator. If the objective is that the more expensive operators will leave the market, a decrease in the number of operators could even be a positive outcome. However, it could be assumed that an increase in the number of non-bank institutions authorized to provide remittance transfer services in the country is a good indication that Kenyans are increasingly using new and innovative remittance channels and that the costs are decreasing.

Average cost of money transfers

The costs of sending money is still the highest in the Sub-Saharan African region, with an average of 9.53% of the transferred amount, as of the fourth quarter of 2015.²⁷ As discussed, stakeholders consider the high costs of sending money to Kenya the biggest challenge for Kenyans in the diaspora.

The table below, based on World Bank data, provides the average costs of sending money to Kenya in the third and fourth quarters of 2015 on four of the most important corridors for either sending 200 USD or 500 USD.

	200 USD		500 USD	
	3 rd quarter 2015	4 th quarter 2015	3 rd quarter 2015	4 th quarter 2015
USA	6.97%	7.57%	4.57%	5.22%
UK	7.38%	7.33%	5.73%	5.72%
Canada	9.67%	10.27%	6.22%	6.83%
Tanzania	13.43%	13.13%	7.27%	6.97%

Source: <https://remittanceprices.worldbank.org/en/countrycorridors>.

Although the Kenya-Tanzania corridor is still the most expensive of these four corridors, the average costs used to be much higher. As of the third quarter of 2013, the Kenya-Tanzania remittance corridor was still among Africa's most expensive corridors, with an average 24% per transaction of 200 USD.²⁸ The decrease of the average costs, might be a good example of the impact of introducing new, innovative technologies on certain remittance corridors. Since March 2015, Safaricom's Mpesa introduced mobile money transfers between Kenya and Tanzania, which means that 20 million Kenyan and 7 million Tanzanian Mpesa users can now make cheap cross-border transactions between each other. This announcement came just two months after the Central Bank of Kenya awarded Safaricom a cash remittance operating licence, which now enables Safaricom to transfer money in and out of the country.²⁹ The World Bank overview of the average costs per remittance operator (including commercial banks) clearly shows that Mpesa is the cheapest on the Kenya-Tanzania corridor, with only 3.36% (for 200 USD) or 2.48% (for 500 USD), while some of the commercial banks still charge over 20% on similar transactions.

Taking into account the booklet's objective to provide information to diaspora Kenyans on reliable and affordable remittance channels, the average costs of sending remittances to Kenya would be the most important indicator. The costs of certain MTOs could be tracked over time. When costs are going down, this might be a good indication that people are increasingly using other channels,

²⁷ World Bank, 2015b, p. 7.

²⁸ Watkins and Quattri, 2014, p. 24.

²⁹ Business Daily, 2015.

and/or that increased competition is driving the prices down. The AIR will further monitor and publish on remittance costs in Africa on a quarterly basis once the new website sendmoneyafrica.org is up and running, and will also focus on intra-African money transfers costs. Since the bulk of the Kenyan diaspora likely resides in other African countries, it is important collect more information on remittance costs between Kenya and other African countries. To this extent, close cooperation with the AIR is recommended.

Evaluating the progress of the intervention and measuring impact

In a Baseline Assessment, baseline indicators would normally serve as a point of reference, which could be used to evaluate the impact of the proposed intervention, by comparing the baseline indicators before and after the intervention. However, to prove any impact of the intervention, it should be possible to attribute changes in the baseline indicators over time to the actual intervention. In the case of the proposed intervention, it is unlikely this will be possible. For example, an increase in the total volume of remittances to Kenya would be difficult to describe as a consequence of the publication of a booklet.

To get more insight into the baseline indicators that are proposed above – whether currently available (total volume of remittances, average costs of sending money to Kenya) or not (use of type of remittance channels and proportion of remittances channelled towards investments) – and any potential impact of the proposed booklet, it would be more valuable to carry out a survey among a representative sample of the diaspora. The survey could include questions such as:

- Are you aware of the booklet? Did you read/use it?
- Which money transfer operators do you use? (commercial banks, traditional MTOs, web- and mobile phone based innovations)
- Have you changed the operator you use? Why did you change?
- Are you interested in investing (part of) your remittances in Kenya? What type of investments do you look for?
- What are your experiences with investing in Kenya?
- What challenges do you experience?

Conclusion on Baseline Indicators

- Four potential baseline indicators are proposed: the total volume of remittance; the average cost of sending remittances to Kenya; the proportion of diaspora Kenyans that use different types of remittance channels (e.g. commercial banks, MTOs, new technologies) and the proportion of remittances channelled towards productive activities.
- The first two are available. On the latter two, there is no solid data available.
- Establishing any impact of the proposed intervention by using any of these baseline indicators will not be possible, since any changes in these indicators cannot be reliably attributed to the publication of a booklet, i.e. it will not be possible to establish a causal relationship.
- To gain insight in the impact of the proposed intervention, a small-scale survey, asking basic questions about the use of the booklet, the use of remittance channels and investment opportunities will be the most feasible instrument.

3.3 Stakeholders mapping and analysis

An overview of stakeholders with whom direct contact has been made during the BA, is included in Annex 3. The section below summarizes some of the major stakeholders in the field of remittances in Kenya. Given the very limited time available for this Baseline Assessment, it has not been possible

to establish contact with each of these and/or to carry out an in-depth assessment of their potential relevance and strengths in the field of the intervention.

Government and public stakeholders

The **Ministry of Foreign Affairs and International Trade**, particularly the **Directorate of Diaspora and Consular Affairs**, is the main stakeholder in the area of diaspora engagement. It has the overall responsibility of coordinating issues of Kenyans Abroad and in particular overseeing the successful implementation of the diaspora policy. The Directorate will also serve as the Secretariat to **NADICOK**.³⁰

The **Ministry of Devolution and Planning** facilitates the employment of youth in the international market as required under the Youth Enterprise Development Fund Order 2007 in collaboration with the **Ministry of Labour, Security and Services**; Ministry of Foreign Affairs and International Trade and employment agencies through identification and contracting accredited Kenyan recruitment agencies for foreign employment.³¹

The **National Treasury** facilitates incentives aimed at increasing participation of Kenyans Abroad in nation building, while the **Central Bank of Kenya** maintains records on Kenyan diaspora remittances to the country. It conducts a monthly survey of inflows of remittances through formal channels, including through commercial banks and other authorized international remittance service providers.³²

The African Union **African Institute for Remittances** (AIR) is being hosted by Kenya. On 22 October 2015, the flag hoisting ceremony took place to mark the operationalization of the AIR, after it had been officially launched in November 2014.³³ (see section 3.1, State of Affairs, for more on the AIR).

Private sector

Since remittances and investments are closely related to the financial markets, the private sector is obviously heavily involved. This includes the **commercial banks**, of which there are currently 41 licensed by the Central Bank. Many of these commercial banks have specific diaspora desks.

Another group of private sector stakeholders are the **Money Transfer Operators**. There are currently 17 local MTOs that are licenced by the Central Bank of Kenya. In addition there are the big MTOs like **MoneyGram** and **Western Union**, which ride on the infrastructure of commercial banks. An increasing number of new, web-based operators are active on the major remittance corridors that link Kenya to diaspora hosting countries, such as **World Remit**, **Simba Pay**, **Sawapay**, **Wave**, **Bitpesa**, **Sendwave** and **Skrill**. Many of these are subsequently connected to mobile payment systems, such as **Safaricom's Mpesa** and **Airtel's Airtel Money**. Mpesa in Kenya now has 21.6 million subscribers and around 25 per cent of the country's economy and gross national product flows through mobile money services.³⁴

Finally, there are several investment promotion organizations in Kenya that engage diaspora in investment initiatives: examples are the **Kenya Private Sector Alliance (KEPSA)**, **Kenya Investment Authority (KenInvest)** and **Capital Market Authority**. **KEPSA** aims to attract experts from the diaspora to return to Kenya to transfer skills to the private sector in Kenya, as well as facilitating the

³⁰ Government of Kenya, 2014.

³¹ Government of Kenya, 2014.

³² IOM, 2015, p. 141.

³³ African Union, 2015; African Union, 2014.

³⁴ IOM, 2015, p. 83.

investment of the diaspora into business start-ups in the country. KenInvest provides advisory services to returning diaspora on investment opportunities in Kenya. The Capital Market Authority works in liaison with the MFAIT through its embassies abroad and the Central Bank of Kenya to promote investment products such as real estate, diaspora bonds and remittances.³⁵ Additionally, there are obviously numerous private investment agencies (like **Optiven**), that are also increasingly targeting the diaspora, for example to invest in Kenya's rapidly expanding real estate sector.

CSOs, including diaspora organizations

The **Kenya Diaspora Alliance** (KDA) is a federation of 34 of some of the largest diaspora organizations with a nominal membership of about 250,000 Kenyans across the globe. The KDA aims to demonstrate the potential for return and investment, to create awareness on domestic policies for those abroad, to review the impact of diaspora remittances and investments, to advocate for reduced costs of remittances, and to engage in activities that facilitate diaspora reintegration into their communities and societies upon their return.³⁶ Additionally, there are numerous diaspora organizations all over the world, although it is unclear to what extent these are registered in Kenya (which is a requirement for support under component 2 of the Action, see the next section).

Research organizations

Finally, an important group of stakeholders are research institutions. In the context of the BA, contact has been established with the **University of Nairobi**, which has published extensively on the issue of remittances. Another local research institution on the migration and development nexus is the **African Migration and Development Policy Centre (AMADPOC)**, based in Nairobi).

Potential recipients of direct assistance

In the second component of the Action, there will be a restricted call for proposals for non-profit, NSAs that could serve as recipients of direct support under Component 2. This non-profit requirement, excludes actors in the private sector, such as MTOs, commercial banks, investment agencies and telecom providers. However, not many NGOs or CSOs in Kenya are active in the field of remittances. Most NGOs and CSOs that are active in the field of migration, focus on other migration-related issues, such as human trafficking, human rights, assistance to and protection of migrants and refugees, border management, etc. That mainly leaves the public sector agencies, diaspora organizations or research institutions as potential beneficiaries.

One particular challenge that came up during the BA is the lack of comprehensive knowledge about Kenya's diaspora: where they are, what are their needs and challenges, what kind of business are they involved in, etc. A potential intervention under component 2, which could involve both the Kenya Diaspora Alliance in cooperation with research institutions such as the University of Nairobi, is a survey to gain a better understanding of the Kenyan diaspora.

3.4 Feedback regarding the Technical Assistance Fiche

This final section provides specific feedback on the proposed intervention. The issues discussed below illustrate the overall conclusions with regard to the proposed intervention, highlight some potential risks and provide preliminary recommendations for fine-tuning the intervention.

³⁵ IOM, 2015, p. 147.

³⁶ IOM, 2015, p. 147.

Decisions to be taken before developing the actual intervention

Based on this BA and the consultations with a range of stakeholders, it is recommended the actual intervention is developed. However, before the migration expert starts the development of the booklet, it is important to first make clear decisions about a number of issues that are flagged in the sections below. During the Baseline Assessment meetings, these issues surfaced repeatedly in discussions with stakeholders. These issues are grouped together under the following headings.

Multiple objectives

As it is currently envisaged the booklet will have at least two general objectives: informing Kenyans in the diaspora on affordable remittance channels, and informing them on remittance savings and investments opportunities. In other words, both Kenyans who are looking for remittance channels to send money to their relatives (mostly relatively small amounts, for basic expenses), as well as Kenyans who are looking for opportunities to invest in Kenya, should be able to find the information they are looking for in the booklet. In fact, during initial discussions with the MFAIT – which requested the technical assistance – a potential third objective was added, which is to inform policy makers.

First of all, it is important not to mix up too many objectives in one booklet. The booklet should be concise and simple, and it should be clear for the diaspora whom the information is meant for. It is therefore recommended not to include the objective of influencing policy makers in the booklet. Kenyans in the diaspora and policy makers in Nairobi, are two very different audiences. If the booklet includes a policy paper, meant to influence policy makers, Kenyans in the diaspora might easily disregard it, as not being meant for them, and the objective of the booklet becomes too diffuse.

Secondly, although opinions vary, there are some doubts among stakeholders on whether the booklet should combine information on remittance channels and investment opportunities. Some stakeholders argue that it is a good idea, because many diaspora Kenyans are increasingly interested to invest in their country of origin.

Others, however, argue that the two should not be conflated, since it is still a small proportion of diaspora who are able to make investments, with the majority still using remittances for small money transfers to their relatives, to cover basic expenses and consumption. Some argue that remittances and investments are two different things, requiring different channels and maybe even separate booklets. Investing through remittances is also difficult, given the limits the amount allowed per transaction.

There are even some strong doubts about whether the investment angle should be part of the booklet at all. Some stakeholders, for example, question to what extent the diaspora will see the government as financial experts, able to provide neutral advice on investments. Some also question whether the government should even take the responsibility to list and endorse reliable investment opportunities. That would require very careful due diligence processes, especially given the experiences of fraud in the land and real estate sectors.

Based on the BA, the consultant is not in the position to fundamentally recommend against including information on investment opportunities, but it should be carefully re-considered and might need additional exploration and discussion before the development of the booklet starts. The booklet could be designed in such a way that it clearly has two different sections. One on remittance channels and one on investment opportunities. Moreover, the government might want to limit the investment information to institutional investments, like government bonds, or the stock market, or

mutual funds, and leave out anything related to land and real estate. Most important is that the booklet from the onset has a very clear and targeted objective.

Target group

Very much related to the issue discussed above, is the target group or the audience of the booklet, which should also be clear and decided upon before developing the intervention. Within the diaspora there is much variety. Which section of the diaspora does the booklet cater for? Within the diaspora are Kenyans doing blue collar jobs in the Gulf States or in neighbouring countries, who just earn enough to make small transfers to their relatives, or maybe very small-scale investments.

Another cross-section of the diaspora includes wealthy Kenyans who work as professionals and might have sufficient funds to make large scale investment and buy property or land in Kenya. It is questionable whether the latter group is even in need of information and guidance on investment opportunities. Many will have their network, are well-informed and know their way around in Kenya.

The booklet should be specific about which group is being targeted or which information in the booklet is meant for which audience. Although based on anecdotal evidence, the majority of Kenyans in the diaspora does not save large amounts of money and will only be able to make small investments. This particular group is likely to benefit most from information on small-scale investments, such as in SACCOs. If the booklet will include information on investment opportunities, it is, therefore, recommended to target small-scale investors in the diaspora, as they are the ones who are most in need of reliable information and guidance on investment opportunities. Similarly, they might be the ones who are most in need of good and reliable information on new, innovative, fast and cheap remittance channels (such as World Remit, Simba Pay or Mama Mikes).

Two additional issues with regard to the target group that should be taken into account when developing the booklet, are the regions where Kenyans reside, as well as the counties where they originate from. The challenges, as well as the available remittance channels that Kenyans in the diaspora use, differ between, for example, the US or the Gulf States. It could be considered to use, for example, different colour tabs in the booklet, to indicate whether information in the booklet is meant for Kenyans in the US, Europe, the Gulf States, Africa or Asia. Similarly, investment opportunities might differ per county in Kenya. Kenyans originating from one county might be looking for other investment opportunities than Kenyans originating from another county. This should be taken into account when developing the sections on investment opportunities.

Neutrality of content

As described in the TAF, the booklet does not seek to provide an exhaustive list of all the savings, credit and investment opportunities/products which are on the Kenyan market; rather, its objective is to provide a sample of the kinds of the opportunities/products remittances can be channelled towards. This is a potential risk in terms of neutrality; how to explain which examples have been included in the booklet, and which ones are not.

When discussed, some stakeholders argued that the booklet should not be a cross-section of examples, but should in fact be exhaustive and include all actors. However, it is questionable whether this will be even possible, given limited time, resources and space. Even if it would be, the booklet will no longer be exhaustive after a couple months where there are new developments (see the section below on sustainability). To maintain objectivity, it might be better to avoid using examples (e.g. the names of remittance companies or investment agencies) at all. Rather, the booklet could explain which steps to take, what to be aware of and refer to other information fora, when investing in the Nairobi stock market, when buying land, or when investing in treasury bonds.

Any mention of specific companies might let the diaspora suspect a certain level of bias during development of the booklet.

In case it will be decided to include specific examples, the booklet should make it very clear these are indeed examples, and should explain the criteria used to include these particular examples, to avoid any suspicion of bias. Along similar lines, it should be avoided to include any logos of private sector companies on the cover of the booklet, as this may lead to perceptions that the booklet is biased/its contents are subjective.

Sustainability

Since a booklet is one-off, static publication, there is a well-founded risk of limited sustainability of the intervention. The remittance/investment market is a dynamic environment, with new, innovative initiatives entering the market on a regular basis. Unless the booklet is regularly updated, there is a risk it will lose its value rather quickly.

Opinions among stakeholders vary. Some argue that the booklet does not have to be a lifetime intervention. If the objective is a booklet and it will lead to some initial changes in the financial behaviour and motivations of Kenyans in the diaspora, it will have reached its objective. Others argue that it has to be updated regularly, or it will be of limited use. Taking this into account, some argue that a website or application would be better, since it is easier to update (also see the next section). However, maintaining a website obviously requires substantial resources and technical IT expertise.

The booklet could also refer to other websites, such as the World Bank, the MOFA diaspora web-portal, or the website of NADICOK (National Diaspora Council of Kenya), once NADICOK will be established. Such websites could also allow for users to suggest/submit new initiatives in the remittance market and could be easier to update than a booklet. Another solution to ensure more sustainability of the intervention is to publish annual, brief pamphlets as an addendum to the original booklet, which highlight all the new developments over the past year. No matter the solution, it is important that the activities regarding the booklet are factored in the Ministry's work plan to ensure there are resources set aside for updates. In the TAF, the Ministry already included that booklet would provide a template which the MFAIT can periodically update to ensure its content reflects developments and innovations on the ground.

Lay-out and dissemination

While initially a digital booklet has been proposed in the TAF, some stakeholders, including the MFAIT, argue the booklet should be published both hard-copy and digitally. Hard-copy booklets could be disseminated through diaspora conferences, home coming events, during diaspora events abroad and to Kenya's High Commissions and Consulates abroad. This will require substantial resources though, for printing and shipping the booklets overseas, for which there is no budget provision yet.

However, all stakeholders agree that digital dissemination - through diaspora association websites, foreign mission websites and social media such as Facebook and Twitter in particular – is most crucial to reach out to the diaspora. The digital booklet should be developed in a format that is easy to download from these websites, as well as easily readable on smart phones.

As mentioned in the previous section, some stakeholders have argued that a website, or an application (app), would be better tailored towards the diaspora, as well as easier to keep up-to-date, which benefits the sustainability. However, since this BA is focused on the booklet, this issue

has not been explored much further. It could be considered though to explore the possibilities of developing a website or application as a follow-up or parallel intervention.

Summary of feedback

- Based on this BA and the consultations with a range of stakeholders, it is recommended the actual intervention will be developed. However, the section above highlights a number of issues. On each of these, a clear decision has to be made upfront, before developing the actual intervention.
- The booklet should have a very clear objective, and avoid mixing multiple objectives. The issue of whether or not to include information on investment opportunities should be carefully explored. With regard to information on investments, it is recommended to provide more general guidance and precautions on the steps to take before investing in Kenya and to target this information towards small scale diaspora investors. In terms of highlighting specific investment opportunities, it is recommended to limit this to 'institutional' investment opportunities (such as treasury bonds through the Central Bank of Kenya).
- The profile and needs of Kenyans in the diaspora vary. The booklet should be clear in terms of which audience is being targeted. Based on needs, it is recommended to target small scale investors in the diaspora, as they are the ones who are most in need of reliable information and guidance on investment opportunities and new, innovative and affordable remittance channels, contrary to Kenyans in the diaspora who are looking for more large-scale, substantial investments.
- If the booklet contains a cross-section of examples and is not exhaustive with regard to investment opportunities and remittance channels, this entails a risk in terms of neutrality/objectivity. On the other hand, it is almost impossible to be exhaustive. When particular examples are included in the booklet, it should be made very clear to the diaspora that the booklet is not exhaustive, that these are just illustrative examples and what were the criteria to include these.
- Unless the booklet is regularly updated, there is a risk it will lose its value rather quickly, which limits the sustainability of the intervention. Before developing the booklet, it should be carefully explored to ensure some mechanism for regular updates (such as referrals to other information sources, or publication of update briefs).
- Although publication of hard-copy booklets could be considered, digital dissemination of the booklet, particularly through diaspora association websites and social media will be most important to reach the diaspora. Moreover, the booklet could be launched during diaspora events.

Annexes

Annex 1 – List of literature reviewed

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Annex 2 – Questionnaire

Introduction about proposed intervention and present baseline assessment

- *Intervention that seeks to systematically identify, explain and collate a cross section of affordable remittance channels, as well as remittance savings, and investments opportunities in an informative and user-friendly booklet.*
- *Improve access to reliable information on affordable and safe channels, as well as savings, credit and investments opportunities that remittances can be channeled towards.*
- *Baseline assessment: to describe current state of affairs, major stakeholders, suggest indicators; serves as a reference to compare results achieved through the intervention with the initial situation. Based on desk research and meetings during 1 week in Nairobi*

Current state of affairs and stakeholders

- Where do Kenyans in the diaspora currently go for information on remittances, investments, etc?
- What are the current challenges for the Kenyan diaspora in sending remittances and investing in Kenya?
- To what extent are Kenyans in the diaspora interested in channelling remittances towards productive activities (e.g. investments) in Kenya?
- Who are the major stakeholders in the area of remittances in Kenya and in the diaspora?
- Which Non State Actors could be involved in the intervention?
- Are there similar ongoing initiatives already, in Kenya, or by other countries?

Data and indicators

- Which baseline data is currently available to assess the current state of affairs with regard to diaspora remittances to Kenya?
- What could be available and appropriate baseline indicators? (to serve as a reference to compare the results achieved through the intervention)
- Which data is missing / not available?
- Is there reliable data available on the proportion of remittances channelled towards productive activities versus private money transfers to relatives?
- To what extent will proposed indicators allow to establish the impact of the intervention (causality, attribution).
- What could be the possible (realistic) and desired impact of the intervention?

Feedback regarding the intervention and additional issues

- Through which platforms, media, etc. could the booklet be disseminated?
- Which countries should be the focus countries for dissemination and distribution of the booklet?
- How could the information in the booklet be balanced between acknowledging remittances are private funds and the aim to channel diaspora remittances towards productive activities?
- How could the information in the booklet be balanced between needs for information of 1) potential investors from the diaspora 2) diaspora members who only want to send money back home to fulfil the daily needs of their relatives?
- How to ensure objectivity / neutrality regarding information in the booklet on remittance channels and investment opportunities, when information in the booklet is not exhaustive but a cross-section of opportunities?
- How to ensure regular updates of the information in the booklet? Which mechanisms could be used for updating the information? Who should be responsible?
- Do you have suggestions for the lay-out of the booklet (envisaged is a PDF).
- Do you have any other suggestions/recommendations for fine-tuning the intervention?

Annex 3 – List of key informants

Name	Position	Organisation	Contact details	Date of the meeting call held	Comments on contacts made ³⁷
Washington Oloo	Director Diaspora & Consular Affairs	Ministry of Foreign Affairs & International Trade (MFAIT)	waoloo@mfa.go.ke	18 th January, 09:00	Focal person for the TA request; general introduction on the proposed intervention
Victoria Rotich	Second Secretary	Trade (MFAIT)	victoria.rotich@gmail.com		
Jamal	Marketing	Dahabshiiil	ken.marketofficer@dahabs	18 th	Insight in

³⁷ Most discussions followed the basic structure of questionnaire provided in Annex 2, with a focus on the issues flagged in section 3.4 of the present report. The information in this column is to just highlight the organization/respondent specific focus of each of the meetings, and to highlight how the focus of the discussion during the particular meeting differed from the other meetings.

Kongo	Department	Money Transfer Company Ltd	hiil.co.ke	January, 14:15	Dahabshil and the use of MTOs by Kenyans in the diaspora
Bethuel Kinyanjui	Lecturer & consultant	University of Nairobi	bkimuthia@uonbi.ac.ke	19 th January, 10:00	Author of a study on the contribution of Kenya's diaspora in the South
Emmanuel Mutisya	Chairman	Kenyans in Japan Association (KIJA)	mutisya.emmanuel@gmail.com	19 th January, 14:00	Discussion on specific challenges for the Kenya diaspora in Japan
Amadou Cisse	Interim Executive Director	African Institute for Remittances (AIR)	CisseA@africa-union.org	19 th January, 16:00	General discussion about diaspora remittances and investments and the workings of the AIR
Sunday Udoh	Program Manager		UDOHAS@africa-union.org		
Richard Meseko	Country Director Canada	World Remit	rmeseko@worldremit.com	19 th January, 19:00	Insight in the World Remit model and the use of World Remit by Kenyans in the diaspora
Martin Schmidbauer	Marketing & Communications		mschmidbauer@worldremit.com ;		
Peter Nzalu	Head of Market Intelligence-Forex	Central Bank of Kenya	NzaluPM@centralbank.go.ke	20 th January, 10:00	Discussion about available data on remittances and diaspora investments
Pauline Kieme	Manager-Diaspora Banking	Family Bank	pkieme@familybank.co.ke	20 th January, 12:30	Discussion on diaspora banking and challenges for Kenyans in the diaspora
Nyasinga Onyancha	Co-founder & CEO	Simba Pay	nyasinga@simbapay.com	20 th January, 15:00	Insight in Simba Pay model and the use of Simba Pay by Kenyans
Ruth Kagia	Senior Advisor, International Relations and Social Sectors Executive Office of the President	Office of the President	ruth.kagia@president.go.ke	21 st January, 09:30	General discussion on challenges for Kenyans in diaspora in sending remittances and investing in Kenya
Mehnaz Safavian	Lead Financial Sector Specialist	World Bank Group	msafavian@worldbank.org	21 st January, 14:00	Brief discussion during which respondent

					could provide opinion on proposed intervention
Michael Newson	Senior Labour Mobility & Human Development Specialist	IOM MENA Regional Office	mnewson@iom.int	21 st January, 16:00	Brief discussion on the main outcomes of the baseline assessment and major issues regarding the intervention, and to learn from IOM experiences in another region
Shem Ochuodho	KDA Global Chairperson	Kenya Diaspora Alliance	shemochuodho@yahoo.com	21 st January 20:00	Discussion on current diaspora involvement and challenges for Kenyans in diaspora, particularly in the South
Julien Bouzon	Head of Macroeconomics, Governance and Private Sector Development Section	EU Delegation Kenya	Julien.BOUZON@eeas.europa.eu	22 nd January, 09:00	Discussion on preliminary outcomes of the baseline assessment, general conclusions and recommendations
John Mungai	Project Manager Macroeconomics, Governance & Private Sector		John.MUNGAI@ext.eeas.europa.eu		

Annex 4 – Data on key Non-State Actors³⁸

Organization	Contacts	Background, mandate and activities
Kenya Diaspora Alliance (KDA)	Shem Ochuodho shemochuodho@yahoo.com	KDA is a federation of 34 of some of the largest diaspora organizations. The KDA aims to demonstrate the potential for return and investment, to create awareness on domestic policies for those abroad, to review the impact of diaspora remittances and investments, to advocate for reduced costs of remittances, and to

³⁸ Given the very limited time available to carry out this Baseline Assessment, it was neither feasible to provide an exhaustive list of NSAs here nor to identify them along a broad set of parameters. Moreover, as explained in section 3.3 not many NGOs or CSOs in Kenya are active in the field of remittances. The information on diaspora organizations is based on lists provided by the MFAIT, while additional information on contacts and mandate was added.

		engage in activities that facilitate diaspora reintegration into their communities and societies upon their return.
African Migration and Development Policy Centre (AMADPOC)	contact@amadpoc.org +254-20-2640625 http://www.amadpoc.org/index.html	Nairobi-based organization, conducting policy-oriented research, training and technical assistance in the area of migration and development
University of Nairobi (UoN)	Bethuel Kinyanjui bkinuthia@uonbi.ac.ke	The University of Nairobi publishes research papers on remittances and diaspora affairs on a regular basis. The contact listed here, participated in the Baseline Assessment and authored a report on the contribution of Kenyans in the South to development in Kenya.
Diaspora Investment Club (DICL)	http://diasporainvestmentclub.com/ Nairobi office: +254 725 615 258	The DICL started as an offshoot and initiative of the Kenya Diaspora Alliance (KDA). It aims to assist Kenyans abroad with investing in Kenya and has offices in South Sudan, the USA and Kenya.
Association of the Kenyan Diaspora in Belgium and Luxembourg (AKDBL)	Doreen Walsweersore, President akdbl.info@gmail.com	Diaspora organization based in Brussels, Belgium.
KESOLAND	Mr. Oscar Samwel Kajimba, Chairman of KESOLAND Cell Phone: +252633517314 https://kesoland.wordpress.com/	Diaspora organization based in Hargeisa, Somaliland.
Kenya Community in Korea (KCK)	Mr. Raphael Mbondo Omala Chairman https://kenyansinsouthkorea.wordpress.com/	Diaspora organization based in South Korea.
Kenya-Korea Professional and Business Association (KPBA)	Mr. Wilfred Onyango Odoyo Chairman https://kckprobiz.wordpress.com/	Diaspora organization based in South Korea.
Business Progress Sweden	Mrs. Fatima Mohamud Higander	Not available
Kenya Finish Society (KEFISO)	Dr. Pascal Ojwaka http://www.kefiso.fi/en/yurityksemme/ info@kefiso.fi	Kefiso Ry is an diaspora association, based in Helsinki, for Kenyans living in Finland and Finns and others with an interest in Kenya who seek to enrich and strengthen their relationship with Kenya.
Pamoja Kenya Organisation	Mr. John Limo	Diaspora organization based in

in Denmark	http://pamojakenya.org/tag/kenyans-in-denmark/	Denmark.
AKIN(Associations of Kenyans in Norway)	Mr. Fredrik Makosir http://kenyansinnorway.no/	Diaspora organization based in Norway.
KEFA(Kenyans and Friend in Austria)	Mr. James Gatundu Chairperson	Not available
Kenyans in Diaspora Austria(KIDA)	Louise Deninger, Chairperson http://www.kida.at/	KIDA, based in Austria, aims to provide a forum through which the Kenyans Diaspora in Austria shall maintain and enhance a sense of identity, promote and advance their individual and collective interests.
Organization of Kenyan Students in Slovakia (OKSS)	John Muli Mutuku Chairman	Not available
Kenyans in the United Arab Emirates (KUDIMA)	http://kudimauae.wix.com/kenyansinuea	Diaspora organization based in Dubai, United Arab Emirates.
Ushurika Kenya,Inc	Dr. Jane Weru, president president@ushirika.org http://www.usirikakenya.org/	Diaspora organization, based in Sacramento, California, dedicated to providing and promoting charity,literacy and education to Kenyan and local community in Northern california through mobilization of resources in our communities.
Association of Kenyan Professionals in Atlanta	akpa.org@gmail.com http://www.akpa-atlanta.org/	AKPA (based in Atlanta) aims to promote the well being, advancement and wealth of its members in both Atlanta and Kenya through the mobilization of resources and talents available locally, nationally, and internationally.
Kenya Scholars and Studies Association (KESSA)	President: Dr. Kefa M. Otiso kmotiso@bgsu.edu fkoti@una.edu http://kessa.org/	Scholarly association in Bowling Green (Ohio), founded to to bring together scholars and researchers with interest in Kenya.
Kenya Diaspora Development Forum(Minnesota)	n/a	Not available
Kenya Community Abroad (KCA)	http://www.kenyansabroad.org/	The Kenyan Community Abroad (KCA) is a socio-political, non-partisan organization which is registered in Washington, D.C. and Rhode Island state in the USA. It is composed primarily of Kenyans living outside Kenya. KCA was founded in March 1997 with a view to giving Kenyans abroad a platform on which to

		exchange views and help bring change back home. KCA seeks to facilitate the establishment of Chapters in locations around the world where there is a significant Kenyan presence.
Kenya Christian Fellowships in America (KCFA)	kcfanational@gmail.com http://www.kcfa.net/	Not available
Start Up Africa	info@startupafrica.org http://startupafrica.org/	Based in Wilmington, Delaware Startup Africa's mission is to support young adults in the building of business skills and in endeavors that foster financial independence, create jobs, and grow African economies.
Kenya Welfare Association (KWA)	http://kenyacommunity.org/history/	Based in Missouri, the Kenya Welfare Association aims to promote a Kenyan community where members support each other to achieve common goals that will benefit the entire community whilst attaining individual goals. KWA also endeavors to integrate members of the Kenyan community with the wider American community.
Kenya Community in Colorado	info@kenyacommunityincolorado.org http://kenyacommunityincolorado.org/	Not available
Kenyan Americans Community Org. Inc	kacoinc@yahoo.com	Based in Georgia
Kenyan American Community Church	kacc_info@kacc.net	Based in Georgia
Association of Kenyans in Utah (AKU)	Ben Kavila, President benkavila@yahoo.com http://aku-09.blogspot.co.ke/	Diaspora organization based in Utah
Association of Kenyans in Italy	Mrs. Tabitha Ngetich President	Not available
Pamoja Kenya Solidarity Culture Association	Lucy Wachira President	Not available
Kenya Community Torino	Mr. Martin Saida President kodundomsadia@yahoo.com	The association, based in Torino (Italy) promotes human and cultural development of members through direct schemes of social solidarity and all possible ways of sustaining entrepreneurial initiatives meant for the development of Kenya and other East African states.

Kenya Polish Forum	James Ofwona President James.Ofwona@kenya.com.pl http://www.kenya.com.pl/en/	Based in Warsaw (Poland) the Forum aims to develop and promote contacts, trade as well as social and economic issues and mutual understanding between Poland and Kenya
Kenya Community in Greece	Angeline Dali President	Not available
Kenya Diaspora Community in the Netherlands (KDCN)	Mr. Godfrey Nengo, Chairman Chairman@kdcn.org http://www.kdcn.org/	KDCN's mission is to bring together members (individual and collective) of the Kenya community residing (permanently or temporarily) in the Netherlands and friends of Kenya to work together in strengthening networks among themselves, other diaspora communities, governments, civil society groups, public and private entities to realize the stated objectives.
KEDASA- This is the Umbrella body of all Kenyan's living in South Africa	Chomba Chuma	Not available
Upendo Women Investments	Beatrice Akala	Based in South Africa
FFK (Fellowship of Kenyans)	Joseph Mbachii	Not available
Cape Town SAKU	Monicah Ngathaiya	Not available
Nyiram Women's Group	Judy Odera	Not available
Mwangaza Youth	Samuel Kimani	Not available
Kenya Community Rebuild	Pastor Jane Kigune	Not available
Kenya UK Sacco (Kenuks)	Steven Mburu http://www.kenuks.net/	The Kenya UK Sacco is a member driven Sacco that promotes savings and investment activities among Kenyans who reside in the UK
Heart City Foundation	Rev. Lucas Njenga	n/a
UKENTV Multimedia Services	Janet Wainaina http://www.ukentv.com/	Ukentv is a media network serving Kenyans in the diaspora
Kenya Pamoja Community in Oxford	Pastor Francis Maina	Not available
Association of Kenya Community Coventry	Jane Muita	Not available
Kenya Nottinghamshire Welfare Association	Joseph Moseti	Not available
Kenya Association Bristol	Robert Owino	Not available

Kenya Community in Bedford	Jacj Waiyaki kenyancommunitybedford@yahoo.co.uk	Not available
SACOMA(Sahara Community Abroad)	Mrs. Perez Ochieng http://www.sacomauk.com/	Not available
Youth League UK	John Wainaina	Not available
London African Media Network	Agnes Gitau	Not available
Kenya Women Association	Salina P. Obane	Not available
West Kenya Nursing Association	Judith A. Hezron	Not available
Anne Olipia Wafula Foundation	Anne Wafula	Not available
Kenyans in China (KENSICA)	Not available	Not available
Kenya Community in Western Australia (KCWA)	Mr. Bobby Mwakichako www.kenyawa.org kcwa-contact@kenyawa.org	KCWA aims to promote a Kenyan community where members support each other to achieve common goals that will benefit the entire community whilst attaining individual goals.
Kenyans in New South Wales (KENSU)	Mr. Paul Ogunah pogunah@optusnet.com.au club50-ke@googlegroups.com kenyansinaustralia@yahoo.com	Not available
Kenyans in Queensland (KIQ)	Mr. Victor Asoyo kenyansinqueensland.org kenyansinqld@gmail.com	Not available
Kenya Association of South Australia (KASA)	Dr. Shadrack Ang'wenyi http://kasa.org.au/index.php kasaadelaide@yahoo.com.au	Aims to promote the welfare and wellbeing of Kenyans living in South Australia.
East African Community of Canberra (EACA)	Mr. David Kinyua eaca2007@gmail.com	Not available
Kenya Community in Victoria	Mr. Milton Njanja njanja1@gmail.com rnyamori@yahoo.com	Not available
Kenya Community in Newcastle	Mr. Herbert Gatamah wananchi.newcastle@gmail.com	Not available
Kenya Community in Wagga Wagga	Andrew Kiprono Langat alkiprono@yahoo.com	Not available
Kenya Association in Australia	Not available	Not available
Kenya Australian Alumni Association	info@kaaa.or.ke https://www.kaaa.or.ke/	An association of graduates and former students of Kenyan origin who studied in Australia
Kenya Australian Trade Association		Not available
Kenya Community in New Zealand	Mr. Steven Okach kcnz.1963@gmail.com	Not available
Association of Kenyans living	akb-mail@googlegroups.com	Not available

in Burundi (AKB)		
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