

**Kenya Diaspora Investment Strategy**

# **KENYA DIASPORA INVESTMENT STRATEGY**

**2025–2030**





## **Kenya Diaspora Investment Strategy**

### **FOREWORD**



It is my pleasure and a deep sense of responsibility that I present the Diaspora Investment Strategy for the State Department for Diaspora Affairs (SDDA). In an increasingly interconnected world, the Kenyan diaspora represents a powerful force for national growth and economic transformation.

This strategy embodies our Department's commitment to creating an inclusive and effective framework for engaging the Kenyan diaspora in development matters. By leveraging on the skills, expertise, and resources of our global Kenyan community, we aim to enhance investment flows and foster sustainable development.

Preparation of this strategy was guided by the Constitution of Kenya, Kenya Vision 2030, the Fourth Medium Term Plan, and the Bottom-Up Economic Transformation Agenda (BETA), thereby aligning with our broader national objectives. It focuses on attracting diaspora investments, facilitating their engagement in Kenya's economic activities, and ensuring that their contributions are effectively integrated into our development plans.

The preparation process entailed engaging stakeholders and partners whose insights, expertise and constructive feedback have been instrumental in shaping this comprehensive strategy.





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As we embark on the implementation of the Diaspora Investment Strategy, we shall remain committed to building an inclusive, dynamic, and sustainable investment environment. Together, we can unlock the full potential of the Kenyan diaspora, driving innovative investment and sustainable development towards a brighter and more prosperous Kenya.



**H.E. DR. MUSALIA MUDAVADI, E.G.H.**

*Prime Cabinet Secretary and Cabinet Secretary for Foreign and Diaspora Affairs.*

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### **ACKNOWLEDGMENT**

The Kenya Diaspora Investment Strategy (DIS), 2025-2030 is the first of its kind in the Republic of Kenya. The Strategy is prepared against a backdrop of a growing contribution of the Kenyan Diaspora in the country's economic development. Notably, the Diaspora remittances have been Kenya's largest source of foreign exchange since 2015, surpassing earnings from traditional exports such as tea and horticulture. However, it is estimated that 80 percent of these remittances are used for consumption purposes with only 20 percent being directed towards savings and investments.



The Kenya Diaspora Investment Strategy is aimed at bridging the gap between remittances and investment by creating a framework that will promote diaspora investment in Kenya. To achieve this, the Strategy seeks to create a more inclusive and supportive environment for diaspora investors and by addressing the challenges that hinder diaspora investment. The Strategy was developed by a Multi-Agency Technical Working Group (TWG) led by the State Department for Diaspora Affairs. The TWG membership was drawn from relevant Government Ministries, Departments and Agencies (MDAs), diaspora representatives, private sector institutions and international organisations.

I wish to acknowledge with utmost appreciation the critical role played by the Commonwealth Secretariat in providing technical support and input for this strategy. We also acknowledge the contributions at individual levels as well as institutionally by those involved, particularly the Savings, Investment and Remittance Division of the SDDA for its seamless coordination of the preparation and the proficient consolidation of this document. The Department is deeply

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indebted to the resourceful contributions and deliberations of the Members of the Technical Working Group. My gratitude also extends to the international organisations, these include, German Agency for International Cooperation (GIZ), International Organizations for Migration (IOM), African Institute for Remittances (AIR), and the International Fund for Agricultural Development (IFAD) that provided valuable input and supported the development of this Strategy.

Lastly, my sincere gratitude goes to the members of the Diaspora, for their constructive feedback that helped enrich the Strategy. We strongly believe that this Strategy will serve its intended purpose of empowering the Kenyan Diaspora community to transform national economy.



**ROSELINE KATHURE NJOGU, C.B.S.**

*Principal Secretary.*



## **Kenya Diaspora Investment Strategy**

### **ABBREVIATION AND ACRONYMS**

BETA	- Bottom-Up Economic Transformation Agenda
BPO	- Business Process Outsourcing
CBK	- Central Bank of Kenya
CMA	- Capital Markets Authority
DDI	- Direct Diaspora Investment
DIS	- Diaspora Investment Strategy
DIC	- Diaspora Investment Conference
D-REIT	- Development Real Estate Investment Trusts
FDI	- Foreign Direct Investment
GDN	- Global Depositary Notes
GDP	- Gross Domestic Product
GDR	- Global Depositary Receipts
GoK	- Government of Kenya
IFAD	- International Fund for Agricultural Development
IOM	- International Organization for Migration
KNBS	- Kenya National Bureau of Statistics
MFDA	- Ministry of Foreign and Diaspora Affairs
MTO	- Money Transfer Operators
MTP	- Medium Term Plan
ODA	- Official Development Assistance
PESTELE	- Political, Economic, Social, Technological, Environmental, Legal and Ethical
REIT	- Real Estate Investment Trusts
SDDA	- State Department for Diaspora Affairs
SDG	- Sustainable Development Goals
SEZA	- Special Economic Zone Authority
SME	- Small Medium Enterprises
SWOT	- Strengths, Weaknesses, Opportunities and Threats
USD	- United States Dollar

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### **EXECUTIVE SUMMARY**

The Kenya Diaspora Investment Strategy (DIS) is a five-year policy framework developed by the State Department for Diaspora Affairs (SDDA) under the Ministry of Foreign and Diaspora Affairs. It aims to harness the financial, intellectual, and entrepreneurial potential of the Kenyan diaspora as a catalyst for inclusive national development. Rooted in the vision of a globally engaged and empowered diaspora, the strategy seeks to transform remittance flows—currently dominated by household consumption—into structured, productive investments aligned with Kenya’s development priorities.

Formulated through an extensive multi-agency and stakeholder engagement process, the strategy responds to key challenges affecting diaspora investment, such as trust deficits, information asymmetry, limited investment options, and regulatory bottlenecks. It proposes actionable solutions based on international best practices, such as diaspora bonds, pooled investment funds, digital platforms, and legal safeguards. The DIS is anchored on five strategic pillars: Building trust and enhancing diaspora investments, Expanding investment alternatives, Increasing awareness of opportunities, Improving the business environment, and Establishing a diaspora investment protection framework.

The strategy outlines priority sectors for diaspora investment, including technology, agriculture, manufacturing, healthcare, infrastructure, the creative economy, and renewable energy. It also integrates cross-cutting themes such as gender inclusivity, youth engagement, climate action, and second/third-generation diaspora inclusion. Implementation will be led by SDDA in collaboration with public institutions, private sector actors, diaspora organizations, and development partners. A robust monitoring and evaluation framework will track progress, supported by a proposed Diaspora Investment Agency to coordinate implementation and provide investment support services. Ultimately, the DIS aspires to create an enabling, transparent, and inclusive environment that mobilizes diaspora resources toward Kenya’s long-term socio-economic transformation.

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## **CHAPTER I: INTRODUCTION**

### **1.1 Background**

Kenya's diaspora engagement strategy is a policy framework aimed at fostering mutual cooperation between the government and its citizens abroad. The strategy is anchored on the pillars of empowerment and shared prosperity, emphasizing structure and engagement that challenges negative migration narratives. It aligns with international best practices promoted by organizations like the IOM, recognizing diaspora communities as critical to national development, governance, and economic growth. Despite growing interest and the diaspora's willingness to contribute, longstanding trust issues and limited capacity still hinder full realization of engagement goals, especially in Africa where strategic diaspora policies are still emerging. The COVID-19 pandemic revealed the untapped potential of diaspora resources, with remittances proving vital for Kenya's economic resilience during global disruptions.

In response, the Kenyan government established the State Department for Diaspora Affairs through Executive Order No. 1 of 2022 to deepen engagement and support diaspora welfare. Key among its initiatives is the formation of the Savings, Investment and Remittances (SIR) Division, which led the development of the Kenya Diaspora Investment Strategy. This strategy shifts the focus from remittances for household consumption to long-term, productive investments. It provides a structured roadmap for mobilizing diaspora resources into national development by addressing investment barriers, promoting financial inclusion, and creating a conducive business environment. Ultimately, the strategy aims to transform the diaspora into an active development partner and expand Kenya's economic resilience through sustainable diaspora investment channels.

### **1.2. Legal and Policy Foundation of the Strategy**

The Strategy was founded on a robust platform of both national and international development approaches, appropriately aligned to universally accepted standards, and

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well guided by national legal and policy provisions. It was designed in consideration of the relevant principles outlined in international instruments such as; United Nations Sustainable Development Goals (SDGs), and Africa Union Agenda 2063, and at the national level, it is aligned to Vision 2030 (MTP IV), the Bottom-Up Economic Transformation Agenda (BETA); steered on the departmental strategic plan and the Kenya Diaspora Policy 2024.

### **1.3 The Mandates of the Department**

The provisions of the Kenya Diaspora investment strategy were formulated within the realm of the core mandates, vision, mission and values of the State Department for Diaspora Affairs.

- (i) Champion the protection of rights and promotion of the welfare and interests of Kenyans overseas;
- (ii) Promote of continuous dialogue with Kenyans abroad;
- (iii) Support Kenyans in the diaspora in harnessing more opportunities for employment and enterprise development;
- (iv) In liaison with stakeholders, promote the participation of Kenya's diaspora in democratic process in the country;
- (v) Develop an incentive framework for diaspora remittances;
- (vi) Harness diaspora savings, facilitate Direct Diaspora Investments (DDI), skills and technology transfer;
- (vii) In liaison with the Ministry of Labour, lead in the negotiation of Bilateral Labour Agreements as part of the nation's Labour Mobility Policy and Global Labour Strategy;
- (viii) In conjunction with the Ministry of Labour support the placement of Kenyans abroad;
- (ix) Mainstreaming the Kenyan diaspora into national development; and

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- (x) In liaison with relevant stakeholders, support and aid diaspora investments by providing information on investment opportunities in Kenya.

### **1.3.1. The Vision Statement**

An engaged and empowered Diaspora for a competitive and prosperous Kenya.

### **1.3.2. The Mission Statement**

To champion the protection of Kenya's diaspora rights and welfare and to mainstream them into National Development.

### **1.3.3. The Core Values and Principles**

The implementation of the Kenya Diaspora Investment Strategy will be guided by the following principles:

1. **Diaspora-centric:** The State Department shall endeavour to understand the needs and concerns of the diaspora and develop programs or initiatives that effectively address those needs.
2. **Patriotism:** The State Department shall foster a sense of national pride among the diaspora, encouraging active participation in nation building and promoting Kenya's interests abroad.
3. **Reliable:** The State Department shall strive to be available and trustworthy in-service delivery to the diaspora; and
4. **Inclusivity:** The Department guarantees that the diaspora and other stakeholders are treated equitably and fairly in the development and implementation of programs and initiatives.

### **1.4. The Rationale behind the Strategy**

Diaspora investment plays a critical role in national development by supporting the balance of payments, stabilizing the exchange rate, and providing a reliable source of capital through remittances. Unlike Foreign Direct Investments or official development assistance, diaspora inflows are more stable due to the strong





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emotional and familial ties to the home country. When diaspora entrepreneurs invest in their countries of origin, they drive economic expansion, foster innovation, and contribute to the growth of emerging sectors. Recognizing this, governments have increasingly prioritized engagement with diaspora communities, not only to address their welfare concerns but also to unlock their investment potential and support initiatives such as international job placement.

Despite progress in diaspora engagement, several challenges still hinder the full realization of diaspora investment opportunities. Key barriers include limited access to information, complex regulatory environments, and lingering trust deficits. In Kenya, much of the diaspora's financial contribution remains focused on household consumption rather than broader economic ventures. To address these limitations, a comprehensive diaspora investment strategy is needed—one that expands investment opportunities, removes regulatory bottlenecks, and builds investor confidence. Such a strategy would create an enabling environment for inclusive and sustainable diaspora investment, positioning it as a transformative force in national development.

### **1.5. The Scope of the Strategy**

The strategy adopts an inclusive definition of the Kenyan diaspora, drawing from the International Organization for Migration and the African Union (AU), recognizing both recent migrants and people of African descent living abroad who maintain ties with their homeland and are willing to contribute to development. The focus of the strategy is to engage all Kenyan diaspora communities globally by ensuring equal access to investment opportunities aligned with national priorities such as the BETA plan. The strategy emphasizes tailored engagement with the diaspora as a specialized group with distinct needs, proposing the creation of a legal and policy framework to support targeted interventions. These include capacity building, improved outreach, and mechanisms to foster trust and monitor the impact of



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diaspora investments across key sectors such as agriculture, MSMEs, housing, healthcare, and the digital economy.

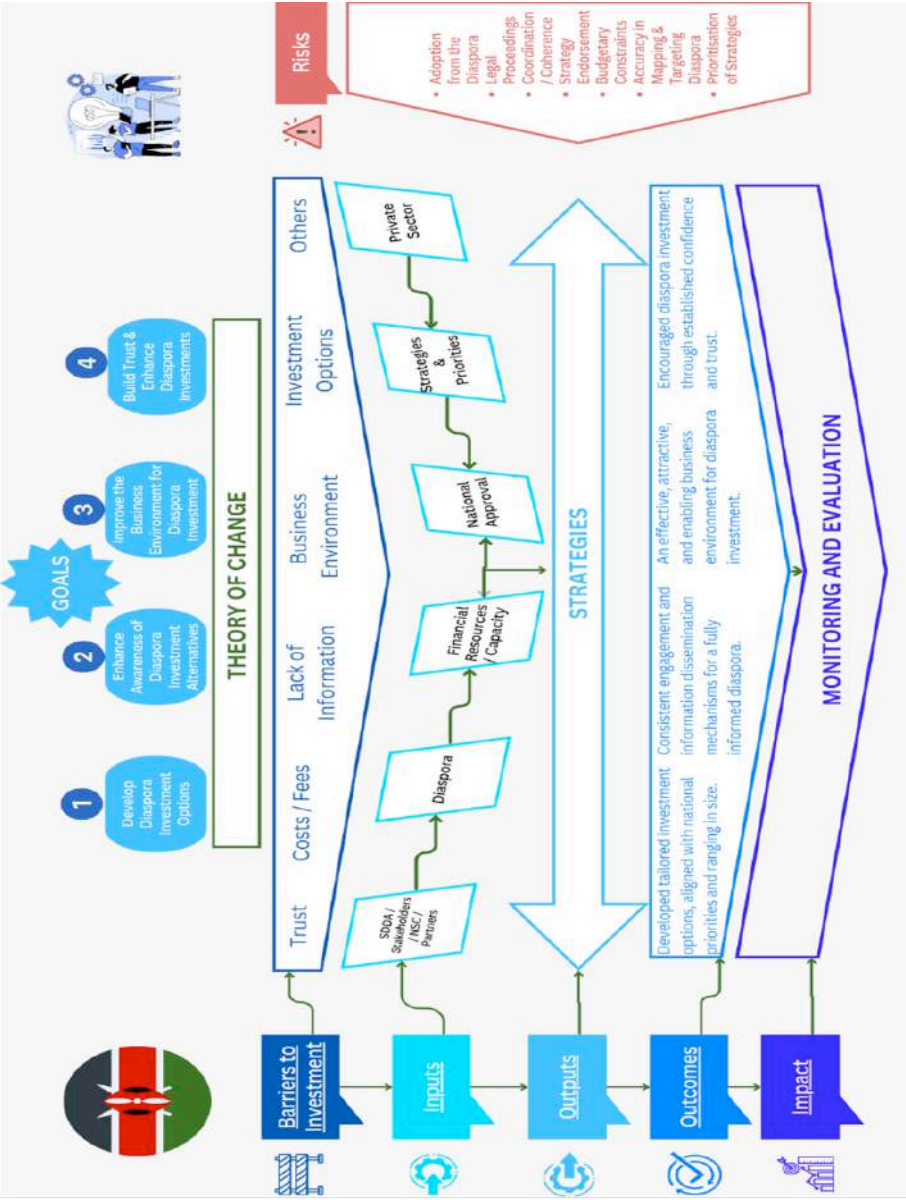
### **1.6. Conceptual Framework**

The Strategy underpins an illustrative *Theory of Change* that provides a framework that expounds on the interplay between activities, outcomes and overarching goals. It identifies critical bottlenecks and challenges to investment, as outlined in the document.

Subsequently, it maps the flow of stakeholder engagement and resource inputs into the outputs, which encompasses a blend of strategies aimed at surmounting barriers. These efforts ultimately lead to the desired outcomes, crucial for achieving the overarching goals.

Additionally, the Theory of Change incorporates risk factors, necessitating consideration throughout various stages of the investment strategy to safeguard progress.

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### **CHAPTER II: SITUATIONAL ANALYSIS**

#### **2.0. SITUATIONAL ANALYSIS**

As diaspora integration grows, so does the demand for more structured systems and services to support remittance inflows and encourage investment. However, persistent issues such as trust deficits, information gaps, and lack of reliable data have limited diaspora investments, with most remittances directed toward household consumption rather than productive ventures. The absence of a well-defined diaspora investment framework has hindered the systematic integration of diaspora resources into national development. To address this, a comprehensive situational analysis will be conducted to assess the current landscape, identify barriers to investment, and inform strategy development. This analysis will incorporate migration and remittance trends, case studies, stakeholder and risk assessments, and analytical tools such as SWOT and PESTELE to lay the foundation for a robust Kenya Diaspora Investment Strategy.

##### **2.1. Global Level Analysis of Migration Trend and Remittances**

Global migration remains a dynamic and evolving aspect of human mobility, driven by economic opportunity, conflict, climate change, and education. With an estimated 281 million international migrants in 2020, about 3.6% of the global population, migration reflects the growing interconnection of economies and labour markets. While traditional South-North migration patterns remain dominant, there has been a significant rise in South-South migration, particularly within Africa and Asia, influenced by technological advancements and growing opportunities in emerging economies. Developed regions like the U.S., Europe, and the Gulf Cooperation Council (GCC) continue to attract labour, especially in sectors such as IT, healthcare, engineering, construction, and domestic work. However, challenges like human trafficking, job scams, and exploitative systems pose risks to migrant's welfare.

Global remittance flows have remained resilient despite shocks such as the COVID-19 pandemic and geopolitical

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crises. In 2023, remittances to low- and middle-income countries reached approximately \$656 billion, surpassing foreign direct investments (FDIs) and official development assistance (ODAs) in many regions. These remittances are crucial for household consumption, healthcare, education, and housing. The digitalization of remittance services through fintech and mobile platforms has enhanced affordability and access, especially in underserved regions. However, remittance costs remain high, averaging 6% globally in 2023, with Sub-Saharan Africa experiencing the highest rates at 7.9%. Despite ongoing reforms and global initiatives, including those by the World Bank and IFAD, the costs remain above the Sustainable Development Goal (SDG) target of reducing average global remittance costs to 3% by 2030.

### **2.2. Regional Level Analysis of Migration Trend and Remittances**

Migration within Africa and from Africa to other parts of the world has been a significant trend over the past decade driven by the desire for better economic opportunities, political stability, and safety from conflicts. As of 2020, the African diaspora was estimated to consist of approximately 40 million people, with Sub-Saharan Africa being the largest source of international migrants from the continent. While a substantial number of African migrants' head to Europe, the Gulf States, and North America, significant migration occurs within the continent.

In 2022, remittances to Sub-Saharan Africa reached a record USD 53 billion. Nigeria remains the largest recipient of remittances in Africa, receiving over USD20 billion annually, followed by Ghana, Kenya, and South Africa. This constitutes a significant share of GDP for several countries, with economies such as Lesotho and The Gambia being heavily reliant on these flows, where remittances accounts for up to 20% or more of GDP. This growth is attributed to digitization of remittances across borders particularly through mobile money platforms, in some countries including Kenya, Senegal, and Uganda. African Governments are increasingly recognizing the vital role of migration and



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remittances in economic development. Several countries, including Nigeria, Ghana, and Kenya, have established dedicated Diaspora Offices to engage their diaspora more effectively and facilitate investment and remittances. However, significant challenges remain in harnessing the full potential of remittances due to high costs, the use of informal channels, and a lack of financial inclusion for many migrants and their families.

### **2.3 National Level analysis of the Migration trend and Remittances**

The trends in Kenyan emigration indicates that a large portion of the diaspora (over 75 percent) is located in developed countries, including the United States of America, the United Kingdom and Canada, with many of these migrants being professionals. According to a survey conducted in developed countries by the Commonwealth Secretariat, over 50 percent of the Kenyan diaspora in these countries reported having a high school or college education. With significant migration to countries such as the United States, and substantial portion of remittances to Kenya also originates from the U.S., which is primarily used to support family and friends. In 2024, the United States remained the leading source of remittances, accounting for 51% of total inflows. However, there has recently been a sharp increase in immigration to Gulf States such as Qatar, Saud Arabia and the United Arab Emirates.

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*Table 1.1: Intercontinental and Intracontinental Remittance Flows to Kenya 2024*

<b>Highest Contributing Country</b>	<b>Region</b>	<b>Country Total Remittance (USD)</b>	<b>Overall Region Remittance Total (USD)</b>
United States of America	Americas	2.63 Billion	2.78 Billion
United Kingdom	Europe	357.6 Million	852 Million
Tanzania	Africa	75.6 Million	373.5 Million
Kingdom of Saudi Arabia	Asia and Middle East	403.1 Million	728.1 Million
Australia	Australia and Oceania	184.1 Million	188.2 Million

**Source: CBK 2024**

Remittances inflow to Kenya has shown particular resilience and growth, rising consistently in the last decade through multiple shocks. According to the Kenya National Bureau of Statistics (KNBS), Kenya received over \$4.94 billion (Ksh. 674.1 billion) inflows to the country in 2024 marking a 14 % increase compared to the \$4.19 billion (Ksh. 591.2 billion) received in 2023.

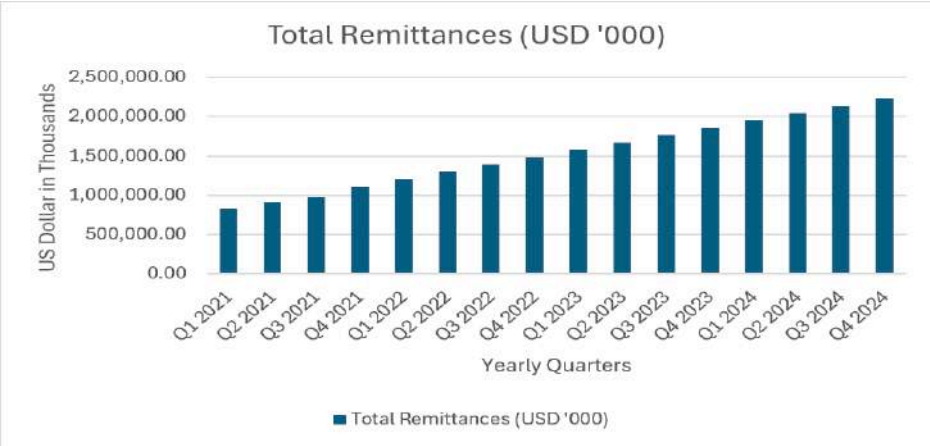
The remittances, predominantly channelled through formal avenues such as Money Transfer Operators (MTOs), banks, and mobile money operators, are vital financial flows for many vulnerable households. They are also an important source of foreign exchange to the country, accounting for 4.15% of GDP in 2024. Despite these advancements, the average cost of remitting money to Kenya remains above the Sustainable Development Goals' global target of 3 percent. The Diaspora Remittance Survey 2021 by the CBK indicated



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that popular corridors, such as Europe-Kenya, had relatively high costs of around 6 percent.

**Figure 1: A chart showing increasing trend of remittance flows in 2021 and 2024**



*Source: Central Bank of Kenya*

The chart indicates that remittance flow substantially grew from 2021 to 2024 and these changes were attributed to the following conditions:

- (i) Global restrictions on labour market eased, especially developed countries opened market and rise in labour migration to Gulf region, which absorbed more Kenyan migrants;
- (ii) Increased liberalization of international money transfers systems; for instance, the increased licensing of indigenous MTOs by the Central Bank of Kenya;
- (iii) Increased use of technology, internet-based channels of remittance and a robust competitive environment in the transfers of remittances to Kenya.
- (iv) Government intervention; for instance, reduction of remittance costs through a multi-stakeholder approach.

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Over the last decade, the Kenyan Diaspora has grown significantly, partly driven by internal facilitation mechanisms under the Global Labour Markets Strategy (GLMS) that enabled Kenyans to harness opportunities abroad. Bilateral labour agreements have led to a notable increase in the Kenyan population working in Middle Eastern countries such as Qatar and Saudi Arabia, highlighting a shift towards short-term employment opportunities. This change underscores the need for comprehensive mapping of the Kenyan Diaspora to provide tailored investment opportunities that address their diverse and changing needs.

### **2.4. Review of National Macro-economic Perspective**

In Kenya, economic conditions have seen a mixed trajectory in recent years. While GDP growth has displayed resilience at an estimated 5% for the past three years (Economic Outlook, 2023), driven by diversified sectors such as agriculture, manufacturing, and services, the pace has been somewhat variable due to factors like erratic weather patterns affecting agricultural output and periodic disruptions in global trade. Inflation rates have generally remained within the Central Bank of Kenya's target range of 5% +/-2.5%, bolstered by prudent monetary policy measures and stable food prices.

According to the 2025 Economic Survey by the Kenya National Bureau of Statistics (KNBS), remittance inflows rose by 14%, reaching Ksh 674.1 billion in 2024, up from the same period in 2023 showing how diaspora remittances have become a key pillar of Kenya's economy. In comparison, the agriculture sector—which includes tea, coffee, and horticulture—recorded mixed outcomes. The sector's overall growth slowed to 4.6% in 2024, down from 6.6% in 2023. On the other hand, coffee exports posted gains in both volume and revenue, while horticultural exports were affected by a drop-in flower export. The manufacturing sector showed signs of recovery, growing by 3.2% in Q2 2024, compared to 1.5% during the same period in 2023. Collectively, these trends highlight the increasingly critical role of diaspora remittances as a reliable and growing source of foreign

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exchange, complementing the performance of key traditional sectors such as agriculture, manufacturing, and tourism.

However, challenges persist in addressing structural issues like high unemployment and underemployment, particularly among the youth, despite the country's robust demographic dividend. Currency stability has been a focal point of concern, with occasional pressures stemming from external factors such as global commodity prices and shifts in investor sentiment. Nonetheless, efforts by the Central Bank of Kenya to maintain exchange rate stability through prudent foreign exchange reserves management and market interventions have provided some degree of stability to the Kenyan shilling. Overall, while the economy exhibits strengths in various sectors, concerted efforts are needed to address persistent challenges and foster sustained and inclusive economic growth.

### **2.5 Strong Investment Economic Sectors**

Several industries and other economic sectors offer strong investment potential, both domestically and within the diaspora's host countries. These include:

(a) **Technology and innovation:** Kenya have made significant advancements in e-commerce and mobile money, anchored on hubs like Konza Technopolis, which have been at the forefront in tapping into the diaspora, inviting partnerships and technology transfer. Technology and digital space are key aspects of Kenya's digital economy and the Kenyan diaspora's technology exposure, expertise, knowledge, and skills can be leveraged in various economic sectors, specifically manufacturing, housing and agriculture.

(b) **Agriculture and Agribusiness:** Given that a large portion of the population is engaged in agriculture, there is substantial potential for investment in Agricultural value chains such as leather, milk, and red meat, all of which enjoy significant global demand. Value chains eliminate the silo mentality and help build competitive advantage. The diaspora can leverage their networks and expertise to support sustainable agricultural practices, increase productivity, and enhance value chain efficiencies.

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(c) **Renewable Energy:** Kenya has made strides in renewable energy development, particularly in geothermal, wind, and solar power. The government's commitment to increasing energy access and reducing reliance on fossil fuels creates opportunities for investment in renewable energy projects, including off-grid solutions for rural communities and utility-scale developments.

(d) **Tourism and Hospitality:** Kenya's diverse landscapes, wildlife, and cultural heritage make it a popular tourist destination. Investment opportunities exist in eco-tourism, hospitality infrastructure, safari lodges, and experiential tourism offerings. The diaspora can promote tourism initiatives, facilitate international partnerships, and enhance the sector's competitiveness through innovation and sustainable practices.

(e) **Manufacturing and Industrialization:** The Kenyan government's focus on industrialization and manufacturing presents opportunities for investment in sectors such as automotive assembly, textiles and apparel, construction materials, and pharmaceuticals. The diaspora can contribute expertise, technology transfer, and market linkages to support the growth of domestic industries and export-oriented manufacturing.

(f) **Healthcare and Pharmaceuticals:** With increasing demand for quality healthcare services and pharmaceutical products, there are investment opportunities in hospitals, clinics, medical equipment, and pharmaceutical manufacturing. The diaspora can play a role in improving healthcare delivery, promoting medical tourism, and addressing healthcare disparities through innovative solutions and partnerships.

(g) **Infrastructure Development:** Kenya's infrastructure needs, including transportation, water and sanitation, and urban development, offer opportunities for investment in public-private partnerships (PPPs) and infrastructure projects. The diaspora can participate in infrastructure financing, project management, and technology transfer to support sustainable development and enhance connectivity within the country.



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(h) **Digital Superhighway:** Kenya's digital superhighway has made significant strides in ICT infrastructure over the past two decades, beginning with investments in fibre-optic cables and mobile broadband connectivity, transforming Kenya into a tech leader in Africa with over 80% mobile penetration and robust internet access. This development has paved the way for innovations in mobile payments, e-commerce, and digital services, which now form the backbone of Kenya's economy. By leveraging this infrastructure, the diaspora community can link with local businesses, participate in investment opportunities, and mentor Kenyan start-ups in real-time. Enhanced digital connectivity also enables the diaspora to engage in virtual collaborations and access local markets. Promoting Kenyan Tech Solutions Abroad: acting as ambassadors for Kenya's tech services and digital, creating a unified network that drives mutual growth and innovation across borders, investing in Digital and Business Process Outsourcing (BPO) Ventures: Supporting and investing in BPO and tech start-ups and skills transfers, among others.

(i) **Creative Economy:** Kenya's creative economy is fueled by highly talented youth in diverse fields such as music, theatre and film, graphic design, digital animation, arts and crafts, and fashion. With robust digital connectivity, the sector holds immense potential to become a key economic player. The creative industry has significant potential to increase the value of Kenya's exports, especially in sectors like fashion, leather goods, and crafts, which are widely recognized in venues like the Maasai markets. By establishing strategic diaspora investment platforms, fostering collaborative networks for skill sharing, and implementing export promotion initiatives, Kenya can harness the power of its diaspora community as brand ambassadors. Through these efforts, the diaspora can play a key role in promoting and showcasing Kenyan culture and creative products globally. Organizing expos/exhibitions, pop-up shops, and forming partnerships abroad can broaden the sector's global reach, facilitate the export of uniquely Kenyan products while drawing on the creative talents of both local and diaspora communities.

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**2.6 International Best Practises**

This is a comparative analysis of selected scenarios of diaspora investment strategies that can be considered as a source of best practices and lessons in some selected countries.

S/NO.	MODEL AND COUNTRY	DESCRIPTION	LESSONS
1.	<b>Remittance Driven Investment (Philippines)</b>	Transformed Overseas Filipino Workers (OFW) remittances into investments through dedicated banks (e.g., Overseas Filipino Bank) and educational seminars on investment opportunities	Create diaspora-focused banks and hold seminars to educate Kenyans abroad on local business and real estate investments
2.	<b>Diaspora Bonds (India)</b>	Raised infrastructure funds through diaspora bonds (India Development Bond 1991 and Resurgent India Bonds 1998), targeted at Non-Resident Indians and marketed on patriotism and Return on Investments (ROI). Offered tax incentives and	Issue diaspora bonds for infrastructure development; incentivize investments in a diaspora bond with tax exemptions; simplify access via digital platforms



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S/NO.	MODEL AND COUNTRY	DESCRIPTION	LESSONS
		user- friendly on-line platforms for diaspora investments	
3.	<b>Innovation and Strategic Alliance (Israel)</b>	Tapped diaspora for Research and Development (R&D), tech collaboration and global advocacy, structured partnerships with universities, start-ups and philanthropic networks. Emphasized soft diplomacy and global ambassadorship	Create programmes linking diaspora experts with R&D institutions, involve diaspora in strategic partnerships and tech diplomacy
4.	<b>Entrepreneurial Networks and Incentives (Nigeria)</b>	Connected diaspora to local entrepreneurs via hubs (e.g., Co-Creation Hub), NIDCOM, and digital platforms. Introduced the 'Naira 4 Dollar' scheme to incentivize remittances and formal currency flows	Build startup incubators and diaspora platforms; consider foreign exchange incentives to encourage the use of formal remittance channels.
5.	<b>Diaspora Housing and</b>	Issued bonds for national projects	Issuance diaspora

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S/NO.	MODEL AND COUNTRY	DESCRIPTION	LESSONS
	<b>Infrastructure Bonds (Ethiopia)</b>	(e.g., Diaspora Housing Program and Grand Ethiopian Renaissance Dam- GERD) offered housing schemes to diaspora and placed Diaspora Affairs offices in embassies. Promoted remittance via official channels with favourable rates and annual awards to recognise key diaspora contributors.	housing/ infrastructure bonds. Strengthen diaspora desks at embassies. Reward formal remittance contributions.
6.	<b>Reintegration and Investment (Portugal)</b>	Offered returning expatriates up to 50% tax breaks for 5 years and streamlined business set up and tailored support for those abroad for 3 +years.	Introduce tax incentives for returnees and provide a simplified process for launching businesses.
7.	<b>Technological leadership Group (Ireland)</b>	Linked Irish tech professionals abroad with domestic innovation via networking	Establish a Kenyan Tech leadership Group to foster diaspora- local

**Kenya Diaspora Investment Strategy**

<b>S/NO.</b>	<b>MODEL AND COUNTRY</b>	<b>DESCRIPTION</b>	<b>LESSONS</b>
		events and digital knowledge transfer platforms	tech collaboration.
<b>8.</b>	<b>Beyond the Return Campaign (Ghana)</b>	Promoted cultural reconnection and economic engagement with the diaspora of African descent, especially in tourism and agriculture	Run a cultural and economic campaign showcasing investment opportunities in Kenya's heritage, tourism and agricultural sectors.
<b>9.</b>	<b>El Cucuyo Initiative (Ecuador)</b>	Mobilized diaspora investments through crowdfunding platforms and community engagement for local development projects.	Establish community-driven crowdfunding platforms focused on relatable causes for the Kenyan diaspora.

Drawing insights from the experiences of other countries reveals unique opportunities that exist in Kenya, which the diaspora can take advantage of. The Strategy will guide on adoption of a hybrid of broad-based innovative approaches and foster a supportive and conducive environment for investment, to fully harness the capabilities of the diaspora, thereby spurring economic growth and development.



## **Kenya Diaspora Investment Strategy**

### **2.7. Bottlenecks to Investment (Challenges)**

Barriers to the Kenya Diaspora Investment Strategy include:

- Information Asymmetry
- Limited Investment Options
- Cost of remittances
- Mistrust
- Business Environment

### **2.8. PESTELE, SWOT AND RISK ANALYSIS**

This subsection utilises tools of analysis, which includes PESTELE, SWOT, Risk Analysis, and Stakeholder Analysis, to enhance clarity in understanding the conditions affecting investment environment in Kenya.

#### **2.8.1. PESTELE**

The PESTELE analysis will consider how some critical elements interact within investment space, and narrowly focus on effects on Diaspora investors. These elements include; political, economic, social, technological, environmental, legal and ethical conditions.

**Kenya Diaspora Investment Strategy**

**Table 1: PESTELE Matrix**

**POLITICAL ISSUES**

<b>Issue</b>	<b>Effect</b>	<b>Status</b>
Trust in government agencies	Mistrust: widened gap between government and diaspora.  Apathy and lack of motivation to register as Kenyans abroad.	<ul style="list-style-type: none"><li>▪ Streamlined government procedures and services. Institutionalized Diaspora engagements (MFDA).</li><li>▪ Strong governance structures; CBK, CMA, Judiciary</li></ul>
Instability in host countries	Panic and fear, raising security concerns.	<ul style="list-style-type: none"><li>▪ Framework guiding Safe evacuation by GOK.</li></ul>
Acknowledgement of the diaspora political rights	Reduced participation in national affairs.	<ul style="list-style-type: none"><li>▪ Constitution of Kenya (2010) voting and participation in the democratic processes.</li><li>▪ Kenya Diaspora Policy 2024 developed.</li></ul>
Migration policies in host countries	<ul style="list-style-type: none"><li>- Fears of uncertainty and insecurity.</li><li>- Widespread illegal migrants (Kembois).</li></ul>	<ul style="list-style-type: none"><li>▪ Signed collaboration framework with Germany and Austria.</li><li>▪ Provision of consular services through Kenya Missions and MCS.</li></ul>

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Issue	Effect	Status
Transparency in Governance	<ul style="list-style-type: none"> <li>- Trust deficit</li> <li>- Reduced diaspora participation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ethics and Anti-Corruption Commission (EACC).</li> </ul>
Political will to support the Diaspora	<ul style="list-style-type: none"> <li>- Sense of belonging and acknowledgment of the diaspora.</li> <li>- Limited resource allocation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establishment of the State Department for Diaspora Affairs.</li> <li>▪ Establishment of the Diaspora Placement Agency (DPA)</li> </ul>
Geo-Political tension	Savings shifts from investment purposes to precautionary motives.	<ul style="list-style-type: none"> <li>▪ Pre-departure training.</li> <li>▪ Establishment of safe houses.</li> <li>▪ Existence policy on evacuation.</li> </ul>

## Economic Issues

Issue	Effect	Status
Unfavourable business environment compared to host countries	<ul style="list-style-type: none"> <li>- Limited diaspora investment in Kenya.</li> <li>- High cost of doing business (taxation, raw material importation, transport etc.)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Established Dhow CSD.</li> <li>▪ Pending policy implementation geared towards improving the business environment.</li> </ul>
Budget limitation to implement programmes affecting diaspora	Delayed or limited diaspora-focused initiatives.	<ul style="list-style-type: none"> <li>▪ SDDA's Liaison and Partnerships Division</li> </ul>



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Issue	Effect	Status
		working with partners to bridge budgetary gaps.
High cost of remittances	<ul style="list-style-type: none"> <li>- Reduced remittances.</li> <li>- Increased use of informal channels, making it difficult to track remittance trends.</li> <li>- Foreign exchange losses.</li> </ul>	<ul style="list-style-type: none"> <li>▪ More remittance channels established.</li> <li>▪ Existence of diverse digital platforms.</li> <li>▪ Cost of remittance is still higher than the SDG target.</li> </ul>
Bureaucracy and red tape in business registration	Diaspora discouraged from investing.	<ul style="list-style-type: none"> <li>▪ KenInvest's 'One Stop Centre' offering convenience for investment setup.</li> <li>▪ Incentivised investment opportunities</li> <li>▪ SEZA, EPZ and Konza offering packaged investment projects.</li> </ul>
High cost of acquiring legal, business, or tax advice	Discourages formal investment.	<ul style="list-style-type: none"> <li>▪ SDDA engagements with key stakeholders and strategic partners.</li> <li>▪ Diaspora specific dispute resolution</li> </ul>

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Issue	Effect	Status
		mechanism is a work in progress.
Disaggregated data on Kenyan diaspora	Limited policy, planning and structured diaspora engagement.	<ul style="list-style-type: none"> <li>▪ Diaspora mapping and survey is a work in progress.</li> <li>▪ Diaspora Integrated Information Management System (DIIMS) has been developed.</li> </ul>
Existing incentives not tailored to the diaspora needs and interests.	Reduced diaspora investments.	<ul style="list-style-type: none"> <li>▪ Investment incentives developed through SEZA and KenInvest.</li> </ul>
Insufficient awareness on investment options	Reduced diaspora investments.	<ul style="list-style-type: none"> <li>▪ Promotional activities by SDDA thro' diaspora investment conference, webinars, website and socials media.</li> <li>▪ Structured engagement is limited.</li> </ul>
Inconsistent mechanisms and insufficient channels to vet investment schemes or credible business partners	Disputes arising from fraudulent schemes.	<ul style="list-style-type: none"> <li>▪ Environmental consciousness and legislative initiatives promoting sustainable business practices.</li> </ul>

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Issue	Effect	Status
Portability of social benefits	Loss of social benefits from host countries upon return.	<ul style="list-style-type: none"><li>▪ The government is exploring options on the portability of social benefits.</li></ul>

### SOCIAL ISSUES

Issue	Effect	Status
Misinformation on national affairs	Information asymmetry.	<ul style="list-style-type: none"><li>▪ Sensitization on investment awareness through webinars and social media.</li></ul>
Uncoordinated information sharing from different entities	Contradiction and misinformation.	<ul style="list-style-type: none"><li>▪ Government online platforms providing investment information and services.</li><li>▪ Ongoing information streamlining programs.</li></ul>
Over reliance on informal channels (friends, family and agents) on investments	<ul style="list-style-type: none"><li>- Risk of financial mismanagement.</li><li>- Uptake of low-risk investments.</li></ul>	<ul style="list-style-type: none"><li>▪ Government working on mechanisms to address diaspora investment protection.</li></ul>

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### TECHNOLOGICAL ISSUES

Issue	Effect	Status
Inadequate pooling mechanisms for small-ticket investors to invest in large-scale projects	<ul style="list-style-type: none"><li>- Reduced investments.</li><li>- Difficulty ensuring a targeted approach to investment offerings.</li></ul>	<ul style="list-style-type: none"><li>▪ Technological advancements to open avenues for innovation and efficiency.</li></ul>
Limited interoperability of mobile money systems between remittance agencies	<ul style="list-style-type: none"><li>- Inefficiency in remittance transactions.</li></ul>	<ul style="list-style-type: none"><li>▪ Government exploring interoperability frameworks to streamline remittances.</li></ul>
Awareness of existing Digital Investment Platforms	Limited investments through digital platforms.	<ul style="list-style-type: none"><li>▪ Stakeholder sensitization workshops (CBK and KRA) on available digital investment platforms such as Dhow CSD.</li><li>▪ Private sector - diaspora engagement enhanced.</li></ul>

### ENVIRONMENTAL ISSUES

Issue	Effect	Status
Inadequate investment options aligned with national development or appealing to	<ul style="list-style-type: none"><li>- Reduced corporate social responsibility.</li></ul>	Limited engagement in this sector.

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Issue	Effect	Status
philanthropic investors		
Climate Shocks	<ul style="list-style-type: none"> <li>- Displacement and destabilization of the diaspora.</li> <li>- Diaspora shifts funds from investment to savings in their country of residence.</li> <li>- Redirection of investments from high-risk areas in their home country.</li> <li>- Damage of critical infrastructure, agricultural land and housing (Common sector for diaspora investment).</li> </ul>	<ul style="list-style-type: none"> <li>▪ Government tree planting initiatives to combat the issue of climate shocks.</li> <li>▪ Established National Disaster Management Unit.</li> <li>▪ Diversification of investment options by the Government i.e. Carbon trading.</li> </ul>

### LEGAL ISSUES

Issue	Effect	Status
Uncoordinated regulatory and enforcement systems	Emergence of bureaucratic red tape.	Government institutions working in silos
Overlap of mandates in some government agencies.	Inefficiency and duplication of efforts.	Inter-agency coordination and integration of diaspora services.
Inadequate	Limited investor	<ul style="list-style-type: none"> <li>▪ Proposed</li> </ul>



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Issue	Effect	Status
support networks or legal frameworks to manage risks or settle disputes	confidence.	establishment of dispute resolution mechanisms for diaspora investors. <ul style="list-style-type: none"> <li>▪ Work in progress</li> </ul>
Inadequate policy support on diaspora investment	Missed investment opportunities from diaspora funds.	<ul style="list-style-type: none"> <li>▪ Proposed development of diaspora-focused investment policies and incentives.</li> <li>▪ Work in progress (DIS)</li> </ul>
Ethical Issues		
Issue	Effect	Status
High perception of corruption in government	Reduced diaspora investments due to trust deficit	<ul style="list-style-type: none"> <li>▪ Government - diaspora</li> <li>▪ engagement to build trust.</li> <li>▪ EACC</li> </ul>
Conflict of interest and interference with judicial processes	Loss of trust in existing protection mechanisms.	Ongoing legal reforms and anti-corruption measures by EACC

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**2.8.2. SWOT Analysis of Diaspora Investment Space**

The SWOT analysis outlines the strengths, weaknesses, opportunities and threats that exist in the Diaspora investment space.

<b>STRENGTH</b>	<b>OPPORTUNITIES</b>
<ul style="list-style-type: none"><li>• The establishment of the State Department for Diaspora Affairs has provided a structured institutional framework to engage the Diaspora as well as coordinate various programs and implement policies and strategies.</li><li>• Expanded 9-point mandate. SDDA expanded from a 6-point mandate to a 9-point mandate that focuses on implementing labour migration policy and the job placements of Kenyans abroad.</li><li>• Strengthened policy and institutional framework</li><li>• Steadfast growth of diaspora remittances and investments is likely to continue on an upward trajectory. The diaspora continues to send funds back home for various purposes, including investment or consumption. Cumulative inflows for the year 2023 totalled</li></ul>	<ul style="list-style-type: none"><li>• Significant goodwill generated by the SDDA, following its continuous engagements with the diaspora through the mobile consular service exercises, high-level diaspora engagements and the DIC 2023.</li><li>▪ Opportunity to have or regain dual citizenship</li><li>▪ Existence of wide coverage of Government representation in Kenya Missions abroad</li><li>▪ Existence of a variety of investment options</li><li>▪ Proposal to issue a dollar Diaspora bond. The diaspora bond will be structured by the World Bank’s Multilateral Investment Guarantee Agency (MIGA) and the National Treasury. This provides a new and legitimate investment venture for the diaspora.</li><li>▪ Legislation and Policies: Proposed Labour Migration Bill, Proposed Diaspora Bill and the Global Labour</li></ul>

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STRENGTH	OPPORTUNITIES
<p>close to 500 billion shillings, more than traditional exports combined.</p> <ul style="list-style-type: none"> <li>• The strong remittance inflows continue to support the current investment environment and the stability of the country's exchange rate.</li> <li>• Trading in financial derivatives.</li> </ul>	<p>Strategy (GLS). These will mainstream and institutionalize diaspora matters. The GLS will further ensure seamless and strategic migration of labour in a safe, coordinated and regulated space to tap into diaspora networks</p> <ul style="list-style-type: none"> <li>▪ Partnership and collaboration of remittance stakeholders e.g. banks and fintech companies, Continental Agencies</li> <li>▪ Existence of Digital investment platforms e.g. ZIDII, Dosikaa, Dhow CSD</li> <li>▪ Ability to tailor make pre-departure trainings and handbooks to include financial literacy</li> <li>▪ Incentives of Diaspora to invest e.g. WIDU matching up funding</li> <li>▪ Sustainable diaspora programs and projects undertaken by WIDU</li> <li>▪ Existence of vibrant diaspora associations that can be engaged for outreach to the Diaspora</li> <li>▪ Capacity building of the recipients of the remittances to encourage increased investments.</li> </ul>

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<b>STRENGTH</b>	<b>OPPORTUNITIES</b>
	<ul style="list-style-type: none"><li>▪ Operationalize Global Depository Receipts (GDRs) for investing in Kenyan companies.</li></ul>

<b>WEAKNESSES</b>	<b>THREATS</b>
<ul style="list-style-type: none"><li>▪ No comprehensive diaspora mapping has been undertaken to determine the number of Kenyans in various countries.</li><li>▪ Limited resources to undertake diaspora related activities by the Government</li><li>▪ Insufficient dissemination of information creates limited awareness on investment options.</li><li>▪ Disorganized and scattered information</li><li>▪ Government agencies working in silos.</li></ul>	<ul style="list-style-type: none"><li>• Trafficking in persons, fraudulent job offers, international crimes and modern-day slavery.</li><li>• Diverse nature of the diaspora, some with illegal status in their host countries or criminal records thus unwilling to disclose their information</li><li>• Discontent from the domestic population if the strategy grants biased terms for example investment and tax incentives for the diaspora.</li><li>• Risk of being responsible for investment decisions in negative experiences.</li><li>• Trust issues in the Government by the Kenyan diaspora.</li><li>• Red-tape bureaucratic hurdles in business processes.</li><li>• Lack of political goodwill</li></ul>

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### 2.8.3 Risk Analysis Framework

Identified risk factors that may hinder implementation of the Kenya Diaspora Investment Strategy as indicated below.

**Table 2: Risk Analysis**

S/N	Risk Class /category	Risk Description	Likelihood (Low/Medium/High)	Potential Impact	Risk Level (L/M/H)	Mitigation Measures(s)	Actors
1.	Political	Policy inconsistency or regulatory changes affecting diaspora investment frameworks	M	Erosion of investor confidence; disruption of ongoing investment	H	Engage in continuous policy dialogue with diaspora stakeholders.  Develop and publicize clear, long-term regulatory frameworks.	SDDA
		Bureaucratic inefficiencies in investment processes	H	Delays in projects approvals and service delivery	M	Streamline investment registration processes through one-stop shops.  Digitize key processes for diaspora access	



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2.	Economic	Limited access to affordable investment financing	M	Reduced participation from small and medium diaspora investors		Diaspora-specific financing solutions.  Establish a government-backed diaspora investment guarantee fund	KenInvest, Private Sector, Relevant Government Agencies
		Budgetary Constraints/inadequate funding	M	Delayed or limited diaspora-focused initiatives	M	Prioritization of funding of planned programs	SDDA, Treasury
3.		High cost of remittance	H	Reduced remittance flows	H	Partnership with financial institutions & money transfers operators.  Incentive framework for remittance	SDDA, CBK, Banks

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4.	Social	Low trust in government-led initiatives due to historical mismanagement	H	Reluctance to participate in official investment schemes	H	Ensure transparency through independent audits and regular reporting. Engage trusted diaspora community leaders and organizations.	SDDA
5.	Technological	Cyber security and Threats targeting online investment platforms	H	Data breaches; Loss of investors trust	H	Develop internal and stakeholder capacity and effective coordination mechanism to effectively respond to cyber/ online risks.	Ministry of ICT, MFDA, Ministry of Interior and National Administration
		Rapid technological changes	H	Inability to reach out or engage certain	M	Capacity building and developing innovative interventions.	SDDA, Ministry of ICT

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6.			Lack of diaspora database	H		groups effectively	H	Develop & implement Diaspora Integrated Information Management System {DIIMS}.  Conduct Diaspora Mapping surveys.	SDDA, Private Sector, Kenya Missions abroad.
7.	Environmental		Climate change/shocks	H		Reduced remittances and investments	H	Support and implementation of multilateral agreements (Climate Actions and COP).  Investing in green energy and renewable resources.	SDDA, Partners , International Organisations, Ministry of Environment and Forestry, Development

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8.	Legal	Inadequate legislation and policy framework on diaspora	H		Regulatory complexities hinder diaspora investing	M	Develop relevant diaspora policies and legislation	SDDA	Partners
9.	Ethical	Transparency and Accountability.	H		Decreased investors' willingness to invest.  Trust deficit.	H	Implementati on and enforcement of codes of conduct, and policies that outline acceptable and unacceptable behaviour.  The State Department is keen to establish framework mechanisms to protect diaspora investments	SDDA, Private Sector (Insurance companies)	

**CHAPTER III: INVESTMENT STRATEGIES**

**3.0. The Strategy**

The situational analysis supporting this strategy highlights critical systemic gaps and trust deficits that have hindered effective diaspora investment. It reveals that the absence of structured engagement systems and the complex, often vulnerable circumstances faced by diaspora communities have limited their ability to participate fully in national development. Many diaspora individuals, operating under challenging conditions abroad and supporting dependents at home, require a more holistic and inclusive approach. Existing frameworks have largely focused on remittance inflows without adequately addressing the needs and conditions of both senders and recipients. In response, the strategy positions diaspora empowerment as the foundation for all structured engagements, emphasizing welfare-based, diaspora-centric policies aligned with national values. By proposing a robust legal framework, the strategy aims to protect diaspora interests, foster trust, and redirect remittances toward sustainable investment for mutual prosperity.

**3.1 Strategic Goals**

The core-strategic goals are choreographed in a systematic sequence complementing each other and consolidates an outline of a roadmap that will guide the progressive actualization of the needful partnership for development between Government and diaspora. Under each core strategic goal, corresponding interventions are generated and beamed out into a network of activities, which will be coordinatively actualised to facilitate mobilization of the diaspora investment resources. The Strategy is further cascaded down into a set of targeted programmes and actions as the working variables for the outlined interventions. The proposed interventions will further enable addressing of the major challenges identified in Chapter II, which are the main inhibitors of diaspora investment inter alia; information asymmetry, trust deficit, among others as a way to improve business environment.



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Diaspora remittances inflows through investment can be enhanced, by putting in place remittance-leveraged strategies based on diaspora savings and investments as key variables. This is to optimize the full potential of the diaspora investments and support inclusive development. The strategy is therefore driven by five overarching pillars (goals).

### **Strategic Goal 1: Build trust and enhance diaspora investments.**

#### **Objective:**

To build diaspora trust to enhance diaspora investments.

#### **Strategies:**

- Fostering and maintaining regular and transparent dialogue with the diaspora
- The State Department intends to cultivate and build action-oriented relationships with the diaspora that enhance credibility and foster lasting trust.
- Linking the diaspora with vetted business partners locally

#### **Activities:**

- (i) Hold diaspora engagements and undertake consular visits in various countries (MCS).
- (ii) Update the diaspora on the government's national strategic direction and priorities.
- (iii) Enhance transparency on government initiatives, projects, and policy orientation.
- (iv) Identify and conduct due diligence on potential business partnerships for the diaspora.
- (v) Include the diaspora in policy dialogue.
- (vi) Publish information on costs of remittances and transaction fees for different MTOs regularly.
- (vii) Collaborate with regulated FinTech's that offer business opportunities to the diaspora.

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- (viii) Encourage competitive practices among money transfer agencies and mobile money providers to drive down margins and costs.
- (ix) Support easier repatriation of funds for diaspora investment.
- (x) Encourage innovative modes of remittances and investment such as Fintech.
- (xi) Leverage sports and cultural events to build trust with diaspora communities.
- (xii) Initiate social engagement platforms such as WhatsApp groups for effective interaction.
- (xiii) Build capacity among envoys and foreign service officers by sensitizing them on Kenya's national interests and diaspora dynamics.
- (xiv) Put in place a framework that encourages the repatriation of funds by easing AML and KYC requirements.
- (xv) Develop an incentive programme for third-generation Kenyans abroad.
- (xvi) Create a philanthropy framework to support long-term diaspora investment initiatives.
- (xvii) Develop a segmented communication strategy tailored to the specific needs of different diaspora associations
- (xviii) Strengthen linkages between diaspora communities and county governments to encourage localized investment.
- (xix) Establish post-return integration mechanisms for returning diaspora members.
- (xx) Promote success stories of diaspora investment to build confidence and inspire others.
- (xxi) Take action against entities that contribute to mistrust, such as real estate companies that fail to deliver on their promises.

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- (xxii) Include students in diaspora engagement strategies, recognizing that many settle and build lives in their countries of study

### **Strategic Goal 2: Expand Diaspora Investment Alternatives**

**Objective:** To identify and develop diaspora investment options.

#### **Strategies:**

- Identify potential credible diaspora investment alternatives, from small to large scale, aligned to national and county-level development priorities.
- Providing mechanisms for pooling investments for large-scale projects.
- Establish a robust mechanism for issuing the Diaspora Bond, ensuring it is tailored to meet the needs of diaspora investors.

#### **Activities:**

- (i) Promote regular dialogue with the diaspora to identify areas of interest for investment.
- (ii) Engage with national and county government stakeholders to identify gaps in development finance for diaspora investment.
- (iii) Engage with private sector organizations to identify and develop investment tools and identify business opportunities for the diaspora.
- (iv) Pilot smaller investment opportunities using business platforms.
- (v) Encourage the establishment of SMEs and promote establishment of a platform to provide funds for small businesses.
- (vi) Fastrack the issuance of the diaspora bond, making it accessible and attractive for potential diaspora investors.

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- (vii) Conduct comprehensive diaspora mapping to better understand the community's composition and potential.
- (viii) Leverage the Capital Markets Authority's alternative investment options to diversify diaspora investment opportunities.
- (ix) Lobby for the expansion of digital trading platforms to facilitate diaspora engagement in capital markets.
- (x) Support diaspora entrepreneurs in raising capital by utilizing the CMA's listing framework in Nairobi.
- (xi) Create structured linkages between diaspora-owned businesses abroad and local entrepreneurs in Kenya.
- (xii) Develop a database of individuals with promising business ideas and connect them with potential diaspora investors.
- (xiii) Engage SASRA to formally accommodate diaspora SACCOs and work with financial institutions to offer better interest rates for diaspora investors.
- (xiv) Collaborate with capital market actors to develop more investment products specifically tailored to diaspora needs.
- (xv) Establish a Diaspora Investment Fund to consolidate and manage diaspora capital for impactful projects.
- (xvi) Incentivize already existing investment opportunities to increase their appeal to diaspora investors.

### **Strategic Goal 3: Enhance Awareness on Investment Opportunities**

**Objective:** To disseminate information on diaspora investment alternatives

**Strategies:**

- Convene investment forums in various countries with high populations of diaspora that bring

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together Kenyan diaspora experts to present papers, contribute insights, and drive intellectual discussions on investment

- Developing platforms for disseminating diaspora investment alternatives such as webinars
- Publishing regular information on diaspora investment on SDDA's newsletter.

### **Activities:**

- (i) Partner with the State Department for Investment Promotion and KenInvest to develop and highlight diaspora-specific alternatives on the One Stop One Go platform.
- (ii) Increase diaspora awareness and engagement in Kenyan investment opportunities through continuous information dissemination, supported by the planned establishment of a Diaspora Investment Agency.
- (iii) Develop a web portal platform that provides information on diaspora investment alternatives as well as business processes and regulations.
- (iv) Collaborate with Kenya Missions abroad to disseminate information on investment alternatives.
- (v) Conduct regular engagements with the diaspora to update them on investment alternatives.
- (vi) The Department will work towards integrating diaspora engagement and investment education into the national school curriculum.
- (vii) Introduce pre-departure training supported by diaspora investment handbooks tailored for short-term workers, long-term residents, and students.
- (viii) Enhance financial literacy efforts in alignment with the National Financial Inclusion Strategy (NFIS) by the World Bank.
- (ix) Create multiple avenues for effective information dissemination to reach diaspora communities.



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- (x) Develop tailor-made diaspora investment strategies for different jurisdictions to reflect unique legal and market environments.
- (xi) Establish a diaspora-led engagement framework where diaspora communities take the lead in shaping their own strategies.
- (xii) Create awareness through robust campaigns, trade fairs, and investment expos.

### **Strategic Goal 4: Improve the Business Environment for Diaspora Investment**

**Objective:** To improve the business environment for diaspora investment.

#### **Strategies:**

- Explore the possibility of providing adequate tax and non-tax incentives for diaspora investment
- Partner with relevant agencies in removing bottlenecks to diaspora investment and reducing red tape for setting up a business
- Identify gaps in financing both at the national and county levels that would require diaspora support.
- Providing adequate financial sources for diaspora investment
- Providing adequate information on available funding options for diaspora investments.

#### **Activities:**

- (i) Collaborate with relevant agencies to develop incentives targeted at diaspora investment.
- (ii) Fast-track and implement the Diaspora Bill to provide a strong legal foundation for diaspora engagement.
- (iii) Simplify and streamline business processes and regulations.

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- (iv) Review, assess and update business regulations through inter-agency collaboration.
- (v) Provide adequate information on business registration processes and tax regulations and regimes.
- (vi) Simplify information on tax regulations and other compliance requirements.
- (vii) Establish a Pool Fund framework to allow collective capital-raising for diaspora investment.
- (viii) Review and update double taxation requirements.
- (ix) Establish Diaspora Investment Fund
- (x) Identify agencies to provide support for diaspora investors including matching grants and loans.
- (xi) Engage the CBK and other regulators to formalize informal remittance channels, ensuring security and accessibility.
- (xii) Engage the CBK to onboard more money transfer service providers for improved remittance services.

## **Strategic Goal 5: Establish a Diaspora Investment Protection Framework**

**Objective:** To create a secure environment for diaspora investors.

### **Strategies**

- Create Legal Framework and Policy Support
- Identify key Financial Protection Mechanisms
- Enhancing Transparent and Efficient Regulatory Processes
- Promote Access to Reliable Information
- Guarantee Programs and Incentives
- Encourage Local Partnerships
- Consistent Monitoring and Support
- Provide Dispute Resolution Mechanisms
- Technological Solutions

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### **Activities**

- (i) Creation of Clear Property and Ownership Laws to prevent fraud and disputes.
- (ii) Establish a Diaspora Investment Protection Unit within the SIR Division to serve as a liaison between SDDA and other relevant MDAs.
- (iii) Facilitate Bilateral Investment Agreements (BIAs.)
- (iv) Establishment of a centralized Diaspora Investment Protection Framework
- (v) Create Diaspora-specific Investment Policies
- (vi) Establish regulated investment funds where members of the diaspora can pool their resources into vetted and secure projects.
- (vii) Implement risk management strategies such as investment insurance against political or market instability. The Multilateral Investment Guarantee Agency (MIGA) offers insurance for foreign investors.
- (viii) A dedicated Anti-Fraud Police personnel attached to the SIR division to respond timely to investment fraud challenges encountered by the diaspora.
- (ix) Simplify the process of starting a business, obtaining licenses, and complying with regulatory requirements to make it easier for diaspora investors.
- (x) Establish online platforms that provide up-to-date information about investment opportunities, legal frameworks, and market conditions.
- (xi) Implement strong anti-corruption frameworks and increase transparency in business dealings, especially those involving large sums of diaspora funds.
- (xii) Facilitate tax reliefs, exemptions, or favourable terms to encourage long-term investments from the diaspora.



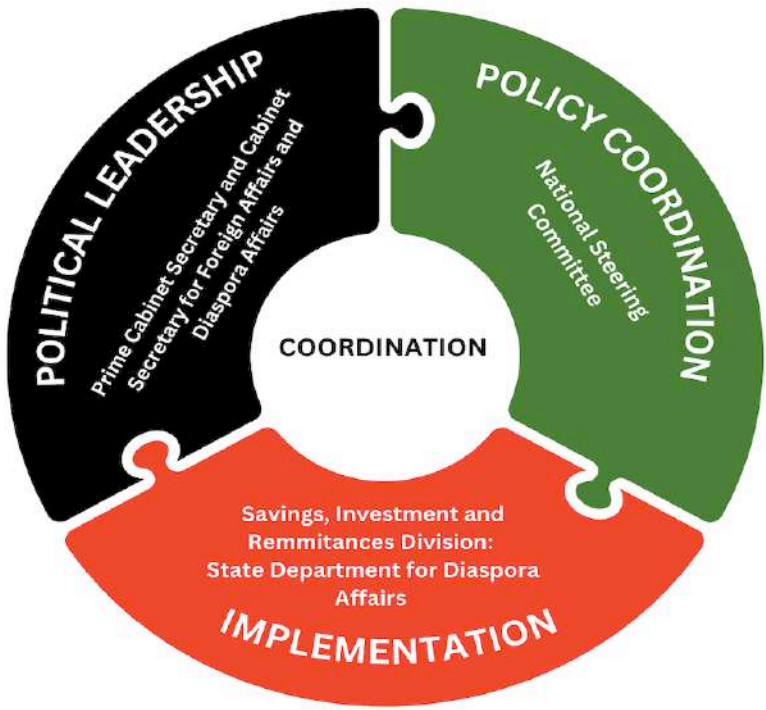
### **Kenya Diaspora Investment Strategy**

- (xiii) Encourage diaspora investors to form joint ventures with local businesses.
- (xiv) Establish independent dispute resolution mechanisms to settle conflicts between diaspora investors and local parties and ensure faster and more effective dispute resolution mechanisms.
- (xv) Facilitate Mobile Banking and Fintech Solutions.

**CHAPTER IV: IMPLEMENTATION**

**4.0. Implementation Framework for the Strategy**

The Kenya Diaspora Investment Strategy will be implemented over 5 years (2025-2030). The final year of implementation coincides with the Vision 2030. The lead implementation agency of the strategy will be the State Department for Diaspora Affairs. This will require adequately capacitated Human Resources within the department. Capacity building will be crucial with staff trained on monitoring and evaluations of the strategy. Regarding the implementation roadmap, the strategy will aim to achieve desired outcomes while making optimal use of resources and fostering cross-stakeholder collaboration using the Implementation framework.

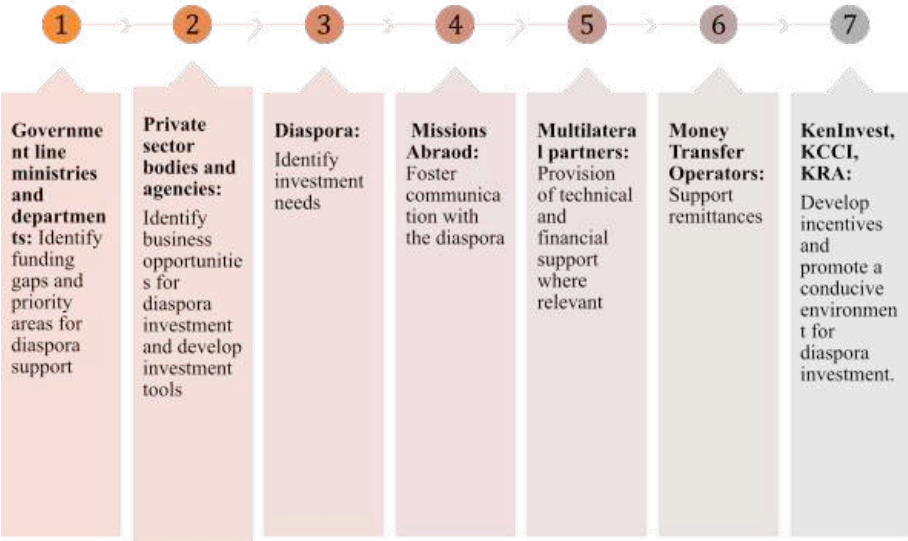




**Kenya Diaspora Investment Strategy**

**4.1. Key Stakeholders**

Successful implementation of the strategy will be contingent on continued collaboration with various stakeholders. These will include stakeholders in various Government departments, counties and agencies that deal with diaspora related issues in any way and others.



**4.2 Stakeholder Mapping**

This section clearly outlines the key stakeholders, their roles, expectations from the State Department, and the mutual responsibilities necessary for successful implementation of the diaspora strategy.

## Kenya Diaspora Investment Strategy

### Mapping of Stakeholders

Stakeholder	Role	Stakeholder expectations from the State Department	State Department's expectations from the Stakeholders
<b>Kenyan Diaspora</b>	<ul style="list-style-type: none"> <li>• Collaboration with Government and other stakeholders on national development.</li> </ul>	<ul style="list-style-type: none"> <li>• Services: MCS, Diaspora engagement, dissemination of credible information on investment opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperation with the State Department and Kenya Missions abroad</li> <li>• Diaspora Direct Investments</li> <li>• Participation in the diaspora engagement</li> </ul>
<b>Ministries, Departments and Agencies (MDAs)</b>	<ul style="list-style-type: none"> <li>• Collaboration in policy formulation and implementation of crosscutting programmes</li> <li>• Creation of diaspora centric investment products</li> </ul>	<ul style="list-style-type: none"> <li>• Co-operation and collaboration in development and implementation of policies, legal frameworks, programs, projects, budgets.</li> <li>• Collaboration with the State Department to sensitize the diaspora on available investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Formulation of diaspora centric policies and products</li> <li>• Provision of reliable and timely Information</li> <li>• Collaboration with the State Department to sensitize the diaspora on available investment opportunities</li> </ul>
<b>Kenyan Missions Abroad</b>	<ul style="list-style-type: none"> <li>• Collaboration in service delivery to Kenyans in the diaspora</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement in planning, policy formulation, budgeting and implementation of programmes</li> <li>• and projects</li> <li>• Provision of skilled human</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in planning, policy formulation, budgeting and implementation of relevant SDDA programs and projects</li> <li>• Networking</li> </ul>

## Kenya Diaspora Investment Strategy

Stakeholder	Role	Stakeholder expectations from the State Department	State Department's expectations from the Stakeholders
		capital	and collaboration with foreign governments <ul style="list-style-type: none"> <li>Provision of consular services</li> </ul>
<b>Parliament</b>	<ul style="list-style-type: none"> <li>Formulation of diaspora responsive legislation</li> <li>Budget approval and</li> <li>Oversight</li> <li>Public participation in legislative process, law reforms that cover the diaspora</li> </ul>	<ul style="list-style-type: none"> <li>Develop appropriate policies and bills</li> <li>Prudence and accountability in utilization of allocated funds</li> <li>Sensitization on issues affecting the Kenyan diaspora</li> <li>Linkage between Parliament and Kenyans in the diaspora</li> </ul>	<ul style="list-style-type: none"> <li>Timely enactment of diaspora responsive bills</li> <li>Timely appropriation of budget</li> </ul> <p>Oversight on the State Department's mandate and budget implementation</p>
<b>Judiciary</b>	<ul style="list-style-type: none"> <li>Dispensation of justice to Kenyans in diaspora</li> </ul>	<ul style="list-style-type: none"> <li>Facilitate negotiation and signing of Bilateral Labour Agreements with host countries</li> <li>Sensitization of the Judiciary on issues affecting the Kenyan diaspora</li> </ul>	<ul style="list-style-type: none"> <li>Offer justice to Kenyans in diaspora in reasonable time</li> <li>Transfer of sentence with Host countries for Kenyan diaspora to be sentenced and serve jail terms at home</li> </ul>

## Kenya Diaspora Investment Strategy

Stakeholder	Role	Stakeholder expectations from the State Department	State Department's expectations from the Stakeholders
		<ul style="list-style-type: none"> <li>• Collaboration in sensitizing Kenyans on rights and welfare</li> </ul>	
<b>Council of Governors</b>	<ul style="list-style-type: none"> <li>• Policy and advocacy</li> </ul>	<ul style="list-style-type: none"> <li>• Sensitize the Diaspora on investment opportunities in counties</li> <li>• Consult the Counties when formulating laws, policies and strategies</li> <li>• Sensitization of counties on opportunities available in foreign countries</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of an enabling environment for Diaspora Direct Investments in counties</li> <li>• Development of diaspora responsive policies, strategies and investment products</li> <li>• Timely response to requests for permits by the diaspora</li> </ul>
<b>International Organisation and Development Partners</b>	<ul style="list-style-type: none"> <li>• Technical and financial assistance</li> <li>• Technology transfer</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency, accountability and value for money</li> <li>• Proactive engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Technical and financial support for implementation of projects and programs</li> <li>• Alignment of development assistance to GoK policies and priorities</li> </ul>
<b>Private Sector</b>	<ul style="list-style-type: none"> <li>• Resource mobilization</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement in policy, legal and institutional</li> </ul>	<ul style="list-style-type: none"> <li>• Efficient delivery of contractual</li> </ul>

**Kenya Diaspora Investment Strategy**

Stakeholder	Role	Stakeholder expectations from the State Department	State Department's expectations from the Stakeholders
	<ul style="list-style-type: none"><li>• Participate in policy formulation</li><li>• Creation of employment opportunities</li></ul>	<p>reforms</p> <ul style="list-style-type: none"><li>• Sensitization on the diaspora Dissemination</li><li>• Develop models for partnership with the private sector</li></ul>	<p>obligations</p> <ul style="list-style-type: none"><li>• Absorption of diaspora skills, expertise and technology</li><li>• Collaborate in implementation of programs and projects</li></ul>
<b>Banks and other Financial Institutions</b>	<ul style="list-style-type: none"><li>• Creation of diaspora responsive products</li><li>• Facilitation of Diaspora remittances and investments</li></ul>	<ul style="list-style-type: none"><li>• Collaboration in Sensitizing the diaspora on diaspora facing products</li><li>• Provision of feedback from the diaspora</li></ul>	<ul style="list-style-type: none"><li>• Respond positively to requests for diaspora facing products</li><li>• Facilitate diaspora investments by reducing bottlenecks to remittances</li><li>• Incentivize the diaspora with competitive savings products</li></ul>

**4.3. Cross-cutting issues**

Throughout the various strategies and initiatives, there will be several themes that will be mainstreamed:

**i. Gender Inclusivity**

The aspect of Gender inclusivity will be highlighted and prioritized, ensuring that initiatives that focus on investment and facilitating remittances will be accessible and targeted at



## **Kenya Diaspora Investment Strategy**

the needs of women particularly, as women make up a large proportion of the growing diaspora population. In addition, investment options should entail elements of being directed towards the needs of women such as women-owned SMEs to support entrepreneurship activities. Utilizing this mainstreaming technique will offer women equal opportunity to participate in investment activities.

### **ii. Youth Engagement and Empowerment**

Recognizing the potential of the Kenyan youth in the diaspora as an important aspect of the strategy will be fundamental to its success and longevity. The Kenyan youth in the diaspora often require a more innovative and technologically driven approach, both in terms of engagement and investment facilitation. Recognizing this within the strategy and having a more targeted approach toward the youth will be key to capturing the current and future investment potential of this group. Furthermore, investment options related to national development projects should include youth-focused initiatives. By doing so, the strategy will not only address one of the most prioritized sectors by the diaspora but will also empower the next generation for future development.

### **iii. Climate Action and Sustainable Investments**

Aligning investment opportunities with national climate priorities—such as climate mitigation, adaptation, and resilience—is essential. The diaspora has shown a strong commitment to supporting green initiatives that address climate change, demonstrating a willingness to invest in projects that reduce environmental impact and protect vulnerable communities from climate shocks. The strategy will seek to integrate sustainability into investment options that offer the diaspora opportunities to contribute to the transition towards renewable energy and other green projects. Examples include investments in solar energy infrastructure and small-scale renewable technologies that enhance household energy efficiency and reduce carbon footprints. These efforts will not only advance climate goals but also reinforce the diaspora's role in fostering a greener future.



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### **iv. Second and Third Generation Engagement**

The second and third generations' inclusivity will be prioritized, recognizing that they can promote innovation and knowledge sharing, in addition to creating jobs by starting their own companies or collaborating with regional and local business owners back home. Platforms that enable diaspora investment, such as venture capital funds and crowdfunding, are becoming more attractive because they allow group investments in potential local businesses. The second and third generation Kenyan diaspora, leveraging their unique backgrounds and resources, can make impactful investments in Kenya, while their remittances significantly bolster the nation's economy. Through these channels, they not only support their families but also contribute to the broader socio-economic development of the country.

In an effort to ensure the involvement and participation of the second and third generations in the diaspora, the SDDA, in liaison with the Ministry of Tourism and Wildlife, will seek to organize a "Know Your Kenya" initiative every year, providing the Kenyan diaspora a bridge to their motherland, exposing them to Kenya's diverse cultural heritage as well as investment opportunities. Going forward, the State Department for Diaspora Affairs will involve the second and third generations in events such as the Diaspora Day celebration, a move aimed at harnessing and empowering Direct Diaspora Investment for future development.

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**CHAPTER V: MONITORING AND EVALUATION**

**5. Monitoring and Evaluation**

The monitoring and evaluation framework will help measure the success of the implementation of the strategy. It will assess the impacts of the interventions outlined in this strategy to determine their effectiveness. Monitoring of the strategy will be conducted regularly, with a mid-term review halfway through its implementation.

**Reporting Format**

<b>Goal/ Objectives/ Activities</b>	<b>Baseline</b>	<b>Actual</b>	<b>Deviation</b>	<b>Remarks/ Action</b>
Build trust and enhance diaspora investments				
Develop Diaspora Investment Options				
Enhance awareness on Diaspora Investment Alternatives				
Improve the business environment for diaspora investment				
Diaspora Investment Protection				



## **Kenya Diaspora Investment Strategy**

### **ANNEX I. Members of the Technical Working Group (TWG)**

The TWG, composed of representatives from various Ministries, Departments, and Agencies (MDAs), played a crucial role in shaping the final document. They include:

1. Ministry of Foreign and Diaspora Affairs
2. Commonwealth Secretariat
3. The National Treasury
4. State Department for Investment Promotion
5. State Department for Industry
6. State Department for Trade
7. State Department for Cooperatives
8. State Department for Lands and Physical Planning
9. State Department for Economic Planning
10. State Department for Devolution
11. Kenya Revenue Authority (KRA)
12. Central Bank of Kenya (CBK)
13. Capital Markets Authority (CMA)
14. Nairobi Securities Exchange (NSE)
15. Kenya Export Promotion and Branding Agency (KEPROBA)
16. Kenya Private Sector Alliance (KEPSA)
17. Kenya National Chamber of Commerce & Industry (KNNCI)
18. Council of Governors
19. State Department for Immigration
20. Kenya Investment Authority ((KenInvest)
21. Nairobi International Finance Centre Authority (NIFCA)
22. State Department for Labour

# Kenya Diaspora Investment Strategy

## ANNEX II: IMPLEMENTATION FRAMEWORK

Strategy	Objective	Output(s)	Performance Indicator(s)	Implementing Agency / Agencies	Time Frame	Source of Funds	Total Budget (Million Kshs)
<b>Goal 1: Build trust and enhance diaspora investments.</b>							
Fostering and maintaining regular and transparent dialogue with the diaspora	To build diaspora confidence and trust and enhance diaspora investments.	Continuous Diaspora engagements held during high level visits	No. of engagements	SDDA, SDFA	2025-2030	GoK	
		Mobile Consular visits held in various countries	No. of Kenyans served	SDDA, SDFA, SDI&CS, NRB	2025-2030	GoK	
		Communication strategy for engagement with the diaspora developed	Strategy developed	SDDA, Diaspora	2025-2030	GoK	
		Cost of remittances reduced	% reduction	SDDA, National Treasury (parliament, KRA), CBK, Financial Institutions	2025-2030	GoK	
Linking the diaspora with vetted business partners /professional		Innovative modes of remittance and investment promoted	No. of innovative modes introduced	SDDA, SDIP, KenInvest, CBK, Fintech, and Financial	2025-2030	GoK	



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bodies and institutions locally			No. of startups promoted	Institutions. MITI, MSME		
	Joint ventures/Mergers and acquisitions established		No. of Joint ventures/Mergers and acquisitions	GOK, relevant professional bodies and Institutions	2025-2030	GoK
			No. of professional bodies possibly linked/accredited			
Identify potential credible diaspora investment alternatives, from small to large scale, aligned to national and county-level development priorities	Diaspora ventures listed at the NSE		No. of Ventures listed	NSE, CMA, National Treasury, SDDA	2025-2030	GoK
	Gaps in development finance for diaspora investment identified in MDAs and County Governments		No. of reports	SDDA, MDAs, County Governments	2025-2030	GoK
	To identify opportunities and develop diaspora investment product					
	Networks with private sector organizations strengthened to identify business opportunities for the diaspora		No. of private sector players engaged	SDDA, KEPSA, KAM, KNCCI, KIE	2025-2030	GoK
	Diaspora led SMEs established		No. of SMEs	SDDA, SDI, SDIP, KEPSA,	2025-2030	GoK

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				KAM, KNCCI, GIZ-SED Cluster, KIE, KIRDI			
Providing mechanisms for pooling Diaspora funds for investments (projects large-scale projects)	Mechanisms for pooling investments for large-scale investments established	Mechanisms in place	2025-2030	SDDA, SDIP, KENINVEST, SEZ, CMA	GoK		
Establish a robust mechanism for issuing the Diaspora Bond.	Diaspora bond issued	Diaspora Bond Issued	2025-2030	SDDA, The National Treasury, CBK, KRA, CMA	GoK		
Convene investment forums in various countries with high populations of diaspora	Investment forums convened for the diaspora	No. of forums	2025-2030	SDDA, CMA, KRA, CBK, SDT, SDIP, ICT, KENINVEST, KEPROBA, KNCCI	GoK		
Developing platforms for disseminating diaspora investment alternatives	Digital Platform for disseminating diaspora investment alternatives developed	Platform Developed	2025-2030	ICTA, ICT, SDDA, KNCCI	GoK		
Disseminate regular information on diaspora investment			2025-2030		GoK		

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Develop and promote incentive framework for Diaspora investment	To attract additional Diaspora Investment	Diaspora investment incentives developed	No. of incentive schemes	SDDA, SDIP, TNT, KenInvest, SEZ, KRA, CBK		
Strengthening institutional partnerships to eliminate bottlenecks	Identify gaps in financing both at the national and county levels that would require diaspora support	Regulatory amendments Lobby for	No. of regulations amended	2025-2030	GoK	
Providing adequate options of finance sources for diaspora investment		Financing gaps both at the national and county levels identified  Review, access and update business and tax legislation to facilitate diaspora investments	Report	2025-2030	GoK	
		Sensitization on business registration processes and tax regulations and other compliance requirements.	No. of awareness campaigns	2025-2030	GoK	

## Kenya Diaspora Investment Strategy

Providing adequate information on finance options available for diaspora investments.	Pool investment mechanism funding established	Investment pool mechanisms			
Clearly articulate the core functions, scope, and responsibilities of the Diaspora Investment Support Office (DISO) to ensure alignment with national development priorities and diaspora investment aspirations.	Comprehensive mandate document outlining the agency's vision, mission, objectives, and key functions developed	Approved document (2026)	SDDA	2025-2030	GoK
Define the mandate of the Office	To create a secure environment for diaspora investors  To Operationalize the Diaspora Investment Support Office				
Formulate and adopt the necessary legal instruments and policy guidelines.	Strategic alignment of DISO's role with Kenya's economic and diaspora engagement policies.		SDDA, PSC, OAG, MDAs.		
to provide a strong institutional foundation for DISO operations and governance.					
	Stakeholder awareness and	No. of meetings held.		2025-2030	GoK

## Kenya Diaspora Investment Strategy

Engage relevant public and private sector actors, development partners, and diaspora communities to ensure inclusive planning, co-ownership, and sustained support for the DISO mandate.		understanding created	Draft legislation or regulatory framework establishing the legal identity for DISO	Regulation approved	SDDA, MDAs, OAG	2025-2030 GoK
Partnership and collaboration with relevant stakeholders on DIA						
Undertake practical steps towards establishing and equipping the Office, including staffing, resourcing, and rolling out programs that facilitate diaspora investment and service delivery		Policy guidelines and operational procedures to guide internal functions and external engagement.			SDDA, National Treasury, MDAs, Development Partners	2025-2030 GoK
Resource mobilization		Guidelines and procedures developed.	Endorsement of the legal framework by relevant	Approval		2025-2030 GoK



## Kenya Diaspora Investment Strategy

	government bodies and stakeholders.	No. of engagements				
	Stakeholder mapping and engagement strategy, including diaspora-led forums and consultations.		SDDA, SDFA, Kenya Missions abroad, Diaspora, Diaspora Associations.	2025-2030	GoK	
	Partnership agreements or memoranda of understanding with key institutions.		SDDA, MDAs, Development partners, Private Sector	2025-2030	GoK	
	Joint initiatives or platforms for promoting diaspora investment opportunities		SDDA, KenInvest, MITI, Relevant MDAs	2025-2030	GoK	
	Fully functional DISO with recruited personnel, office infrastructure, and digital presence		SDDA, National Treasury, relevant MDAs	2025-2030	GoK	
	Launch of key diaspora investment facilitation services and programs		SDDA, KenInvest	2025-2030	GoK	

## Kenya Diaspora Investment Strategy

Develop and Strengthen Legal and Policy Frameworks	To create a secure environment for diaspora investors.	Monitoring and evaluation framework to track performance, outcomes, and impact	Diaspora Investment Support Office established to facilitate and protect diaspora investments	Diaspora Investment Support Office operationalized - Number of diaspora investments facilitated annually	SDDA, OAG, Parliament, relevant MDAs	2025-2030	GoK		
Enhance Financial Security and Risk Mitigation for Diaspora Investments		Diaspora Investment Protection mechanisms established within DISO	Diaspora Investment Protection mechanisms established within DISO	Number of complaints/issues addressed annually	SDDA	2025-2030	GoK		
Streamline and Modernize Regulatory Processes		Legal Frameworks and Policies tailored for diaspora investments developed	Legal Frameworks and Policies tailored for diaspora investments developed	Number of diaspora-specific investment policies and regulations developed and enacted - Level of satisfaction of diaspora investors (survey)	SDDA, relevant MDAs	2025-2030	GoK		
Strengthening Information Access and Transparency		Centralized online platform providing reliable information	Centralized online platform providing reliable information	Online investment portal operational - Number of users	SDDA	2025-2030	GoK		

## Kenya Diaspora Investment Strategy

			accessing the platform monthly			
Promote Investment Incentives and Financial Benefits	on investment opportunities, legal frameworks, and regulatory procedures operationalized	Number of BITs signed or updated annually - Number of countries covered by diaspora-specific BITs	SDDA, SDFA, Kenyan Missions abroad	2025-2030	GoK	
Foster Strategic Partnerships Between Diaspora and Local Enterprises	Bilateral Investment Treaties (BITs) signed with key countries hosting Kenyan diaspora Clear property ownership laws and mechanisms prevent fraud and disputes established	Property registration time reduced - Number of property fraud cases reported and resolved	SDDA, MDAs	2025-2030	GoK	
Establish Robust Investment Monitoring, Support, and Dispute Resolution Systems	Risk mitigation mechanisms such as insurance products for diaspora investments introduced	Number of diaspora-targeted insurance or guarantee products available - Uptake rate of investment insurance products	SDDA, Private Sector, MDAs	2025-2030	GoK	
Leverage Technology to Enhance Investment Security and Efficiency	Regulated diaspora investment funds created	Number of regulated diaspora investment funds established - Value of investments	SDDA, MDAs	2025-2030	GoK	

## Kenya Diaspora Investment Strategy

						GoK	
						2025-2030	
					SDDA, DCI, MDAs, Judiciary		
					Number of reported corruption cases reduced - Annual compliance audit reports published		
					Anti-corruption and transparency measures implemented in investment processes		
					Dispute resolution mechanisms and international arbitration options established		
					Number of disputes resolved through independent mechanisms - Average time taken to resolve disputes	GoK	
					Reduction in time and steps needed to register diaspora businesses - Increase in number of diaspora-registered businesses annually	2025-2030	
					Simplified business registration and licensing process for diaspora investors	GoK	
					Technological solutions such as blockchain for securing contracts and fintech solutions for transactions adopted		
					Number of investment contracts secured via blockchain technology - Number of mobile banking/fintech	2025-2030	
					SDDA	GoK	

**Kenya Diaspora Investment Strategy**

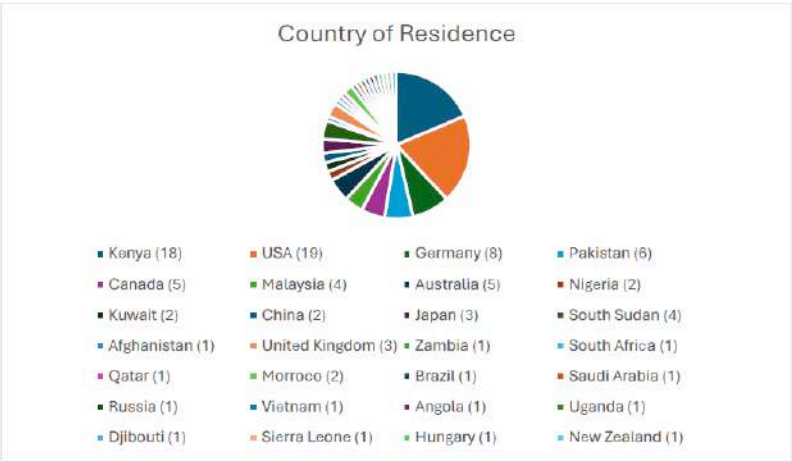
				services tailored to diaspora users			
				Number of diaspora investors accessing tax incentives -	SDDA, KRA	2025-2030	GoK
				Number of guarantees issued			
				Number of joint ventures formed annually - Total value of joint venture investments mobilized	SDDA	2025-2030	GoK
				Diaspora investor tax incentives and guarantees introduced			
				Increased number of joint ventures between diaspora and local businesses facilitated			



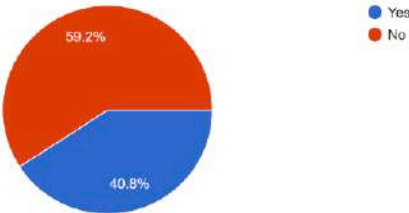
Kenya Diaspora Investment Strategy

ANNEX III: INVESTMENT SURVEY DONE BY THE STATE DEPARTMENT FOR DIASPORA AFFAIRS

1. What is your country of residence?

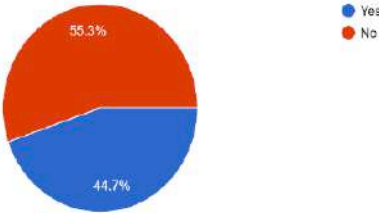


2. Are you a member of a Diaspora Association?



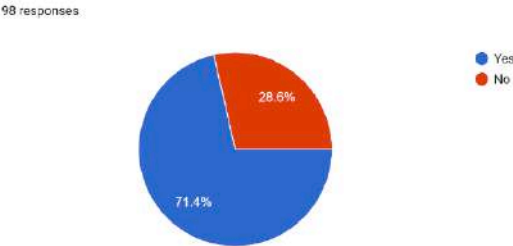
3. Is your Diaspora Association registered with the Embassy/Mission?

75 responses

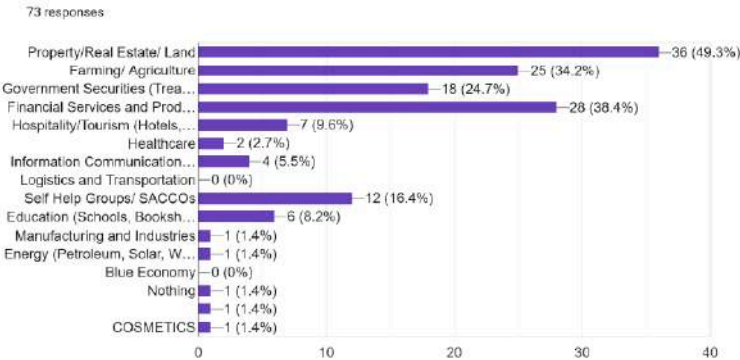


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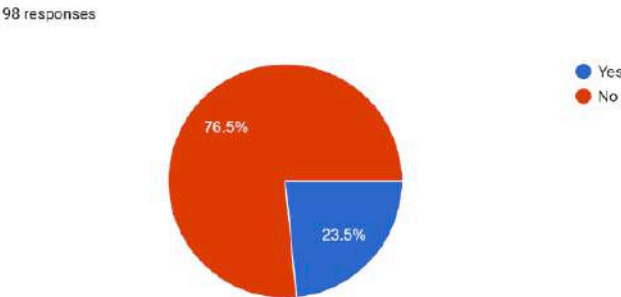
4. Do you have any investments in Kenya?



5. If your answer to question 4 is **Yes**, which sector have you invested in? (Select 3 options that most apply)

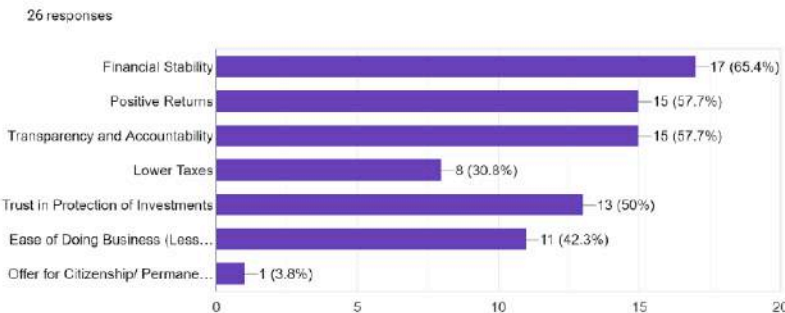


6. Have you invested in another country apart from Kenya?

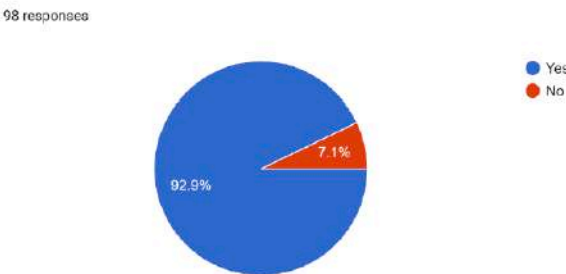


Kenya Diaspora Investment Strategy

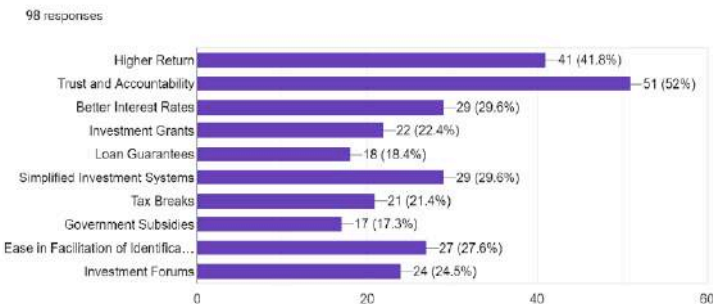
7. If your answer to question 6 is **Yes**, what factors led you to investing abroad? (Select 3 options that most apply)



8. Would you like to invest in Kenya?



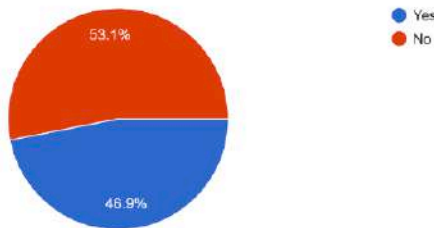
9. What would make you invest in Kenya? (Select 3 options that most apply)



# Kenya Diaspora Investment Strategy

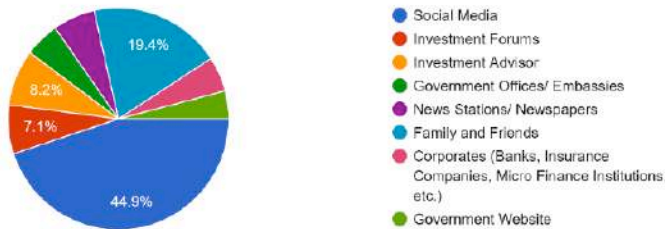
10. Is information on investment opportunities in Kenya available to you?

98 responses



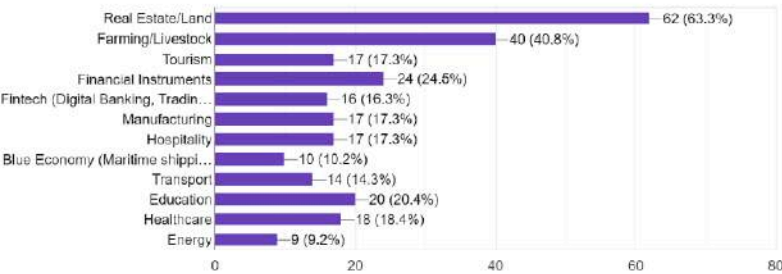
11. How do you stay informed on investment opportunities in Kenya?

98 responses



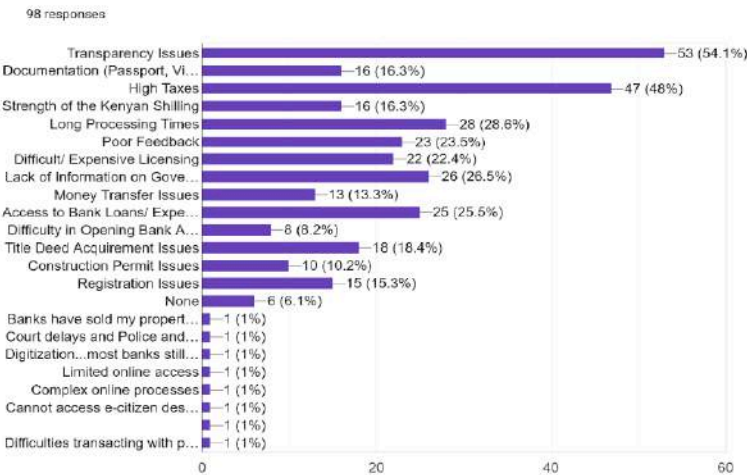
12. Is there any specific sector in Kenya that you would be interested to invest in? (Select 3 options that most apply)

98 responses

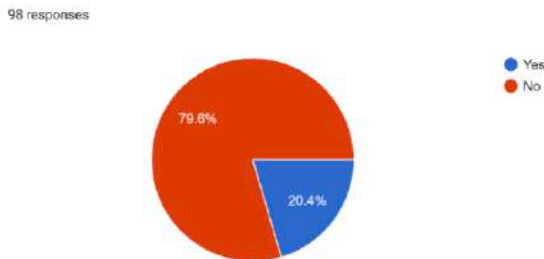


Kenya Diaspora Investment Strategy

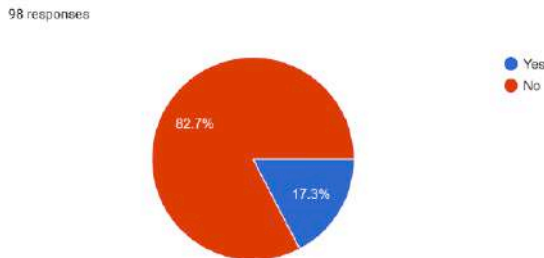
13. Which hurdles (if any) have you encountered whilst investing in Kenya? (Select 3 options that most apply)



14. Do you feel adequately supported by Government Institutions when considering investing in Kenya?



15. Do you have access to adequate information on investments from Government institutions to make informed decisions?

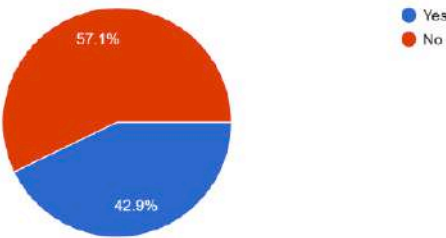




# Kenya Diaspora Investment Strategy

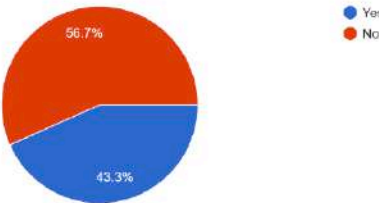
16. Are you a member of a Sacco or any investment group/company?

98 responses



17. If your answer to question 16 is **Yes**, have you invested through a group/Sacco?

60 responses



18. What strategies/initiatives could Saccos implement to attract more investments from diaspora? (Select 3 options that most apply)

98 responses

