



Global Diaspora Summit Background Note

Session 5 – Diaspora Impact: Climate, ESG, and Investment

Overview

The last two years have seen the world experience unprecedented and unexpected change. As the world, hopefully, exits the COVID-19 pandemic, the question is towards what. One thing is likely – the world will not be going back to the way things were before. It is going forward to a new paradigm of work, learning and way of living. The world is entering a period of great disruption, turbulence but also opportunity.

Due to the impact of the past few years, the world and diasporas have begun to recalibrate what brings meaning to the way they work, where they live, and the impact they can have. Certain global trends have emerged as the front-line of these discussions, namely climate change, ESG, and impact investing. For any sustainable future of diaspora engagement, it is critical to identify how diaspora communities will play a role across these terrains.

Diaspora Impact: Embracing new ways of thinking and doing for diaspora engagement

Whilst the roles of diaspora impact across climate and ESG is in its embryonic stage, it may well emerge as the largest potential for the diaspora engagement sector over the next decades. There are strong synergies around the role of diasporas in investment where such diasporas can either directly or indirectly support investment. For example, the diasporas can be connectors for trade promotion or inward investment. They can also be engaged through financial offerings for direct investment and development of trade which can generate jobs. An interesting emerging subset in these connections in terms of diaspora impact is the role of diasporas in impact investing. The collective linkages of diaspora and impact, through climate, ESG, and investment, will be unique in that it can drive the partnership required across the public and private sector to generate meaningful global collaboration on these issues.

Climate change has become centre stage and has resulted in a fundamental shift in attitudes and action. A noticeable shift in values has taken place globally as concerns increase regarding the continued exploitation of vulnerable communities and the rampant destruction of the environment. Diasporas have been first responders to the negative impacts of such shifts and can play a critical role in nurturing collaborative global action in response to climate change.

Environment, social and corporate governance (ESG) investing has become an opportunity for businesses to tap into the growing social demand for lasting change. ESG stands for a set of standards for a company's operations that socially conscious investors use to screen potential investments (James Chen, Investopedia 2021) and ethical investing is when an individual decides to invest their money in a company that aligns with their views.

Impact investing has been described as profit with purpose and capital with conscience. This is an acceptance that business can and must play a greater role in creating a more equitable and sustainable world. This has resulted in many investors, including members of diasporas, mobilizing their resources to generate market returns while meeting society's needs. This not only creates jobs and stimulates technological ecosystems but also advances the UN's Sustainable Development Goals. These include gender equality (Goal 5), affordable and clean energy (Goal

7), decent work and economic growth (Goal 8), responsible consumption of production (Goal 12) and climate action (Goal 13).

By deploying capital in these companies, diaspora investors are generating a double impact – a return for both the investor and society. As investors they have a series of unique attributes that are beneficial – they have knowledge and contacts both locally and internationally, they are willing to tolerate difficulties and challenges that would deter non-diaspora investors, and they have a desire to bring to their home countries the techniques and experiences that allowed them to become successful in their host country. Finally, they have access to financial resources that go further in their home country. There is, then, the potential for developing DDI (Diaspora Direct Investment) which is a subset of FDI and a key part of diaspora capital.

Companies are also going to reconfigure their workforces and individuals will have to reconsider their career options. On top of that, there is the emergent discussion about what is being called the Great Resignation. People are rethinking the kind of job they want, the way they want to do it, where they want to do it, and the kind of life they want to lead. Diaspora engagement can be a powerful contributor to solutions to these new considerations at an individual and institutional level.

Scope of Session

This session will examine diaspora impact across climate, ESG, and Investment. It will reflect on these different influences and look at best practice and examples of how diasporas interact with these topics. It will look at where these influences will be in the future and examine key trends and models for success. By the end of the session, participants will have a keen sense of what is happening in these sectors and have actionable takeaways to equip governments and private organizations to devise strategies to benefit from these influences.

Here are some of the questions that will be considered:

- What incentives can governments develop to encourage diaspora trade and investment?
- What structures or organizations need to be developed to exploit and expand the opportunities to streamline diaspora contributes across climate change, ESG, and impact investing?
- What can be learnt from initiatives in these areas in other countries?
- How can the next generation be encouraged to get involved?
- How can technology be used to promote Climate, ESG and Investment?
- How can Impact Investing be promoted to the diaspora?

Methodology of Session

The session will open with an input from the governmental host to share their diaspora engagement story, followed by an inspirational address from a global leader on the topic.

The session will conclude with a showcasing of a diaspora organization exemplar and an interactive discussion with participants to help develop future recommendations. In line with aims of the summit to provide peer-to-peer exchange and knowledge sharing, the digital platform also provides networking capacity throughout the session for participants to engage with each other. The final outcomes generated through the panellist and participant interventions will be reflected in the summit report and provide insight for the final 'Outcome Document' of the GDS.

We look forward to welcoming you to this session to learn about your ideas and solutions generate diaspora impact across the future of diaspora engagement!

