



## Mobilising Diaspora Capital for Sierra Leone's Growth

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This analysis draws on consultations with 30 institutions, including the Ministry of Planning and Economic Development, the Ministry of Finance, the Ministry of Energy, the Bank of Sierra Leone, Freetown City Council, the Sierra Leone Chamber of Commerce, and the National Investment Board. It focuses on understanding the role and growth potential of diaspora investment in Sierra Leone.

There is strong demand and appetite across government and the private sector to mobilise diaspora investment, particularly as official development assistance declines and the need for innovative financing grows.

However, despite this demand, structural bottlenecks continue to limit scale and impact. To enable diaspora investment to flow in a predictable, scalable, and sustainable manner, Sierra Leone must address gaps in policy and ensure an enabling environment for diaspora investment. This policy brief outlines three of the key policy findings and suggestions:

- Formalise a national definition of 'diaspora', dedicated institutional mechanisms and related policy for diaspora investment and engagement.
- Map and build an evidence base and database of the Sierra Leonean diaspora.
- Develop systems of trust and strengthen conditions for returnee entrepreneurs.

This brief is an abridged version of the full report, *Diaspora Investment in Sierra Leone: The Current Landscape and Future Prospects*. It is tailored for the Government of Sierra Leone's policymakers to distil the report's key policy messages and support informed discussion and next steps.

## Project

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The underlying hypothesis of the exploratory study, which underpins this policy brief, is that Sierra Leone's diaspora represents an underutilised asset with substantial potential to drive national growth.

The domestic demand for diaspora investment is high, but to fully absorb and scale such capital, the country requires well-organised investment vehicles, governance mechanisms, and institutional frameworks that channel diaspora resources into productive growth.

The full report aims to establish a baseline understanding of the current demand side of diaspora investment in Sierra Leone. It is exploratory rather than exhaustive or conclusive, but seeks to present a coherent picture of current dynamics within the investment ecosystem. The findings are intended to inform future strategies and actions that can mobilise diaspora capital more effectively, unlocking its potential as a catalyst for private sector development.

The report was funded through the International Growth Centre. The consultation interviews were conducted by Joevas Asare (Managing Director, ARK Group International), who served as the Principal Investigator, and Radhika Sanyal (Deputy Director, ARK Group International), who served as Research Assistant.

## Key challenges

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Diaspora investment in Sierra Leone is active but unorganised ; it is largely ad hoc and channelled through small personal networks. In its current form, it is not scalable, exposed to governance risks, and fails to realise its full potential. A repeated theme from stakeholders during consultations was a trust deficit: while appetite among the diaspora is high, weak structures for due diligence, monitoring, and accountability mean many investors get 'burned', and negative experiences spread quickly, deterring others.

Government action is needed to put buffers and safeguards in place that:

- provide investors with confidence that capital is protected and transparently managed; and
- hold all parties, including the diaspora, accountable for delivering real value without politicisation.

Without decisive steps to strengthen the enabling environment, diaspora investment will likely remain fragmented, with growing risks of investor losses and reputational damage to Sierra Leone's relationship with its diaspora. The priority is to rebuild systems of trust and signal confidence through tangible,

government-led reforms that make it easier and safer for the diaspora to invest at scale.

## Policy suggestions

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The following section outlines the key policy suggestions and underlying dynamics, structured around three themes that emerged in the consultations. Each theme highlights policy priorities and actionable suggestions to strengthen the enabling environment for diaspora investment in Sierra Leone.

### **It is important for the Government of Sierra Leone to formalise a national definition of who the ‘diaspora’ are.**

This would act as a clarity for dedicated institutional harmonisation and policies for diaspora investment and engagement.

The Government of Sierra Leone has not yet formalised a legally binding definition of ‘diaspora’. However, during consultations, a shared understanding emerged among policymakers and stakeholders regarding the main groups that constitute Sierra Leone’s diaspora community. Broadly, two categories were most commonly recognised:

- Diaspora with direct heritage connections to Sierra Leone – including dual citizens, returnees, migrants, and descendants of migrants who maintain family, cultural, or economic ties to the country.
- DNA diaspora – typically African-Americans who have traced their ancestry to Sierra Leone through DNA testing and have since engaged with the country through cultural engagement, investment, or citizenship initiatives.

Having an agreed, nationally recognised definition offers tangible benefits, particularly in data collection, policy coordination, and trust-building. It also allows for more robust measurement of diaspora investment beyond traditional proxies such as remittances. Having a clear definition also:

- establishes exactly who is recognised as part of the diaspora, ensuring policy coherence and avoiding ambiguity in programme design and communication;
- enables the government to collect, segment, and analyse diaspora-specific data, supporting the creation of tools for effective engagement;
- provides a common framework for inter-ministerial collaboration, and aligning the design and implementation of policies ;
- strengthens credibility when engaging with regional and global initiatives, signalling a clear national strategy and commitment; and

- helps build confidence among diaspora communities, demonstrating that the government recognise them as legitimate stakeholders in national development. This recognition strengthens ties.

Once the definition is in place, there should be a visible, empowered institutional body to lead diaspora engagement. Currently, the diaspora desk sits under the Ministry of Foreign Affairs, but it is largely inactive and lacks visibility. A dedicated and active diaspora authority or directorate, positioned with key visibility, would:

- signal the government's commitment to diaspora engagement;
- provide a one-stop interface for diaspora affairs across ministries; and
- build investor confidence through clear coordination.

Beyond institutional reform, Sierra Leone should articulate a strategy outlining its vision, goals, and implementation pathways for diaspora investment and engagement. This would:

- provide policy direction and continuity, ensuring diaspora engagement efforts are sustained beyond individual projects;
- guide partnerships and coordination among government, private sector, and development partners; and
- crowd in support from international partners and attract funding for implementation.

Sierra Leone can look to countries, such as Ghana, which have clear legal definitions of their diaspora population. In addition, Ghana's Diaspora Affairs Office of the President,<sup>1</sup> alongside its Diaspora Desk at the Ghana Investment Promotion Centre,<sup>2</sup> offers a relevant model of structured institutional engagement for Sierra Leone.

### **A comprehensive mapping exercise is urgently needed to understand the supply side of diaspora investment.**

Across the consultations, there was broad consensus that no comprehensive or centralised database exists to document the size, composition, or global distribution of the Sierra Leonean diaspora. Stakeholders consistently noted that while the diaspora is known to be extensive, there is limited understanding of where its members are located and how best to segment and target them for more strategic investment mobilisation.

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<sup>1</sup> The Diaspora Affairs Office of the President of Ghana <https://diasporaaffairs.gov.gh/>

<sup>2</sup> Ghana Investment Promotion Centre <https://gipc.gov.gh/>

Engagement efforts to date have largely focused on diaspora hubs such as London and New Jersey, with less systematic outreach in the wider West African region. While these broad engagements have built visibility, stakeholders emphasised the need for a deeper, data-driven understanding of the ‘supply side’ of diaspora investment – including their demographics, sectors of interest, and investment capacity – to enable more targeted and effective engagement. A comprehensive mapping should capture:

- the location, demographics, and professional profiles of the diaspora;
- their willingness and capacity to invest; and
- their preferred investment sectors.

The resulting diaspora database would provide centralised information that enables data-driven targeting, and evidence-based policymaking and initiatives.

### **Systems of trust need to be developed and conditions for returnee entrepreneurs must be strengthened.**

Without structured pathways for investment, even the most effective advocacy or marketing campaigns cannot translate diaspora interest into meaningful financial flows. When investors are left to navigate informal or unfamiliar networks, governance and accountability is limited, and trust becomes fragile.

The lack of trust has tangible consequences. Many diaspora investors who have attempted to invest through informal channels have reported negative experiences, often resulting in loss of capital or unmet expectations. Such cases not only deter future investment but also spread scepticism among other potential investors in diaspora networks, further damaging investor confidence.

To rebuild this trust, Sierra Leone requires credible, transparent, and professionally governed mechanisms that can absorb diaspora investment, generate positive case studies, and provide structures for scaling up investment at both institutional and product levels. This infrastructure must combine regulatory oversight, institutional capacity, and investment vehicles that are fit-for-purpose.

There is a clear need for intermediary vehicles, funds, and investment products marketed specifically for diaspora investors. These trusted financial products and intermediaries should:

- reflect the diaspora’s dual motivation—seeking financial returns alongside developmental impact.
- be governed by robust, transparent frameworks that build investor confidence; and

- comply with international standards and anti-money laundering regulations.

By creating structured and accountable vehicles – whether diaspora bonds, pooled investment funds, or public–private partnerships – Sierra Leone can rebuild a trust system for productive investment and demonstrate positive success stories that attract further diaspora capital. This includes prerequisites being in place, such as adequate banking systems, and credit ratings, as financial products cannot exist without the development of internal financial systems.

Beyond those remotely investing financially, you also have returnees – particularly those from the United States and other high-income countries. Returnees are among the most visible and committed investors in Sierra Leone. However, their ability to relocate and operate effectively is constrained by underlying socio-economic conditions, particularly around healthcare and education. To unlock the full potential of returnee entrepreneurs, the government should also:

- address key enabling conditions that influence relocation decisions;
- develop support mechanisms that facilitate business setup and reintegration; and
- improving these foundations would not only attract more returnees but also strengthen their ability to invest and innovate in Sierra Leone.

## Conclusion

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These recommendations are not intended to be conclusive, but rather foundational building blocks for organising Sierra Leone’s diaspora investment landscape. Together, they can help take steps towards creating the baseline enabling environment to transform potential into practice, enabling diaspora investors to play a sustained and strategic role in Sierra Leone’s growth journey.