



**RemitAid™ Innovative Finance Mechanism**

***Using Remittance Match Funding (RMF)  
to unlock Remitter Micro-Contributions (RMC)  
for inclusive and sustainable development***

**Remittance Leverage  
Innovative Finance  
Aid Optimisation  
Income Generation  
Funding Diversification  
Financial Sustainability**

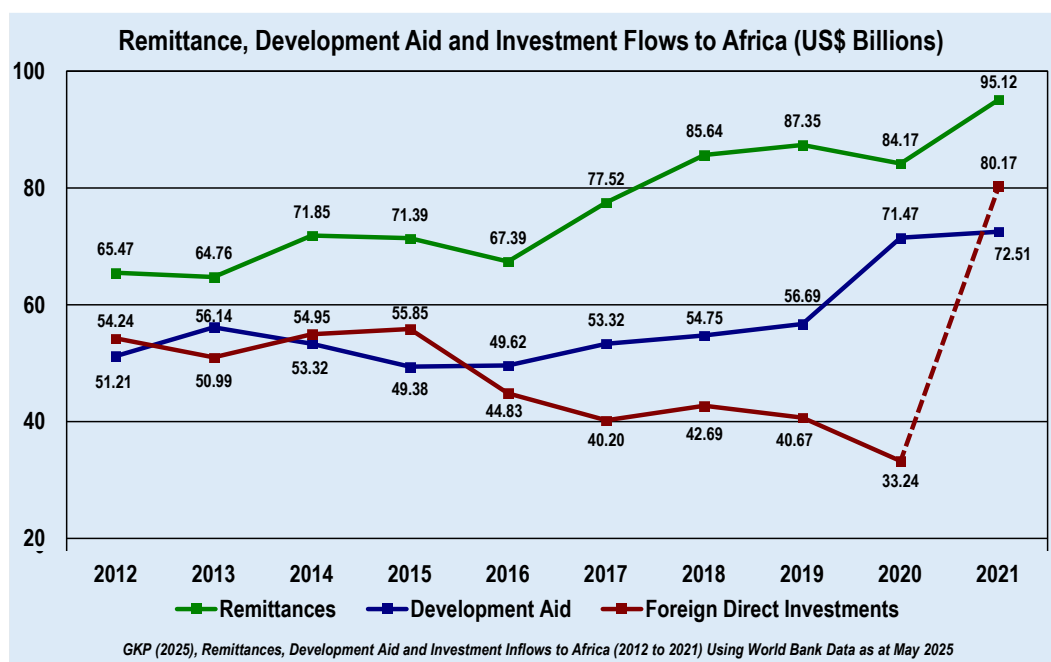
***RemitAid™ was founded by GK Partners and AFFORD, supported by the African Union  
GK Partners supports the 4th International Conference on Financing for Development***



## Development Finance Context of the RemitAid™ Innovative Finance Mechanism

- Remittances as Development Finance:** For the past two decades, migrant and diaspora remittances have been recognised as an important form of international development finance for developing countries. *Remittances are used by families and other recipients to fund human development activities that promote the achievement of the Sustainable Development Goals (SDGs).*
- Increased Flows to Africa:** Formal remittance inflows to Africa increased by 27%, from \$71.85 billion in 2014 to \$91.09 billion in 2023. In Sub-Saharan Africa (SSA) formal remittance flows increased by 39%, from \$39.69 billion in 2014 to \$55.06 billion in 2023. *In a 2019 study, it was estimated that formal, informal and in-kind remittances to Africa in 2018 was \$200 billion<sup>1</sup>.*
- Continuous and Predictable Flows:** In 2023, Africa received 11.1% and SSA received 6.7% of global flows of remittances. Inflows are continuous, incremental and predictable. In the decade from 2014 to 2023, Africa received 12.6% and SSA received 7.0% of global flows. *Remittances to Africa are higher and more predictable than development aid and Foreign Direct Investments.*
- Resilient Development Finance:** Despite predictions of major reductions in remittances during the Covid19 pandemic, the actual decrease in flows to Africa was 3.6%, from \$87.35 billion in 2019 to \$84.17 billion in 2020. However, the flows then increased by 13% to \$95.12 in 2021. Although inflows to SSA decreased by 14% from \$50.03 billion in 2019 to \$43.18 billion in 2020, it also increased by 11% to \$47.96 billion in 2021. *The SSA decrease of \$6.85 billion in 2020 was due mainly to the \$6.6 billion decrease in Nigeria.*
- Pandemic Related Increases:** During the pandemic inflows to most African countries remained relatively stable, with many recording increases. For a country like The Gambia, which is amongst the most remittance dependent countries in Africa, inflows increased by 51% from \$275.8 million in 2019 to \$416.4 million in 2020. *The pandemic increases were due partly to moves to formal transfer channels when many of the informal remittance methods became unfeasible due to the travel bans and other restrictions.*

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Remitter Micro-Contributions (RMC) for Inclusive and Sustainable Development**



\* According to UNCTAD, 45% of the unusual high increase in FDI in 2021 “was due to an intrafirm financial transaction in South Africa”

<sup>1</sup> Faal, Gibril (2019), Framework for an African Diaspora Finance Corporation, London and Addis Ababa, GK Partners and African Union Commission

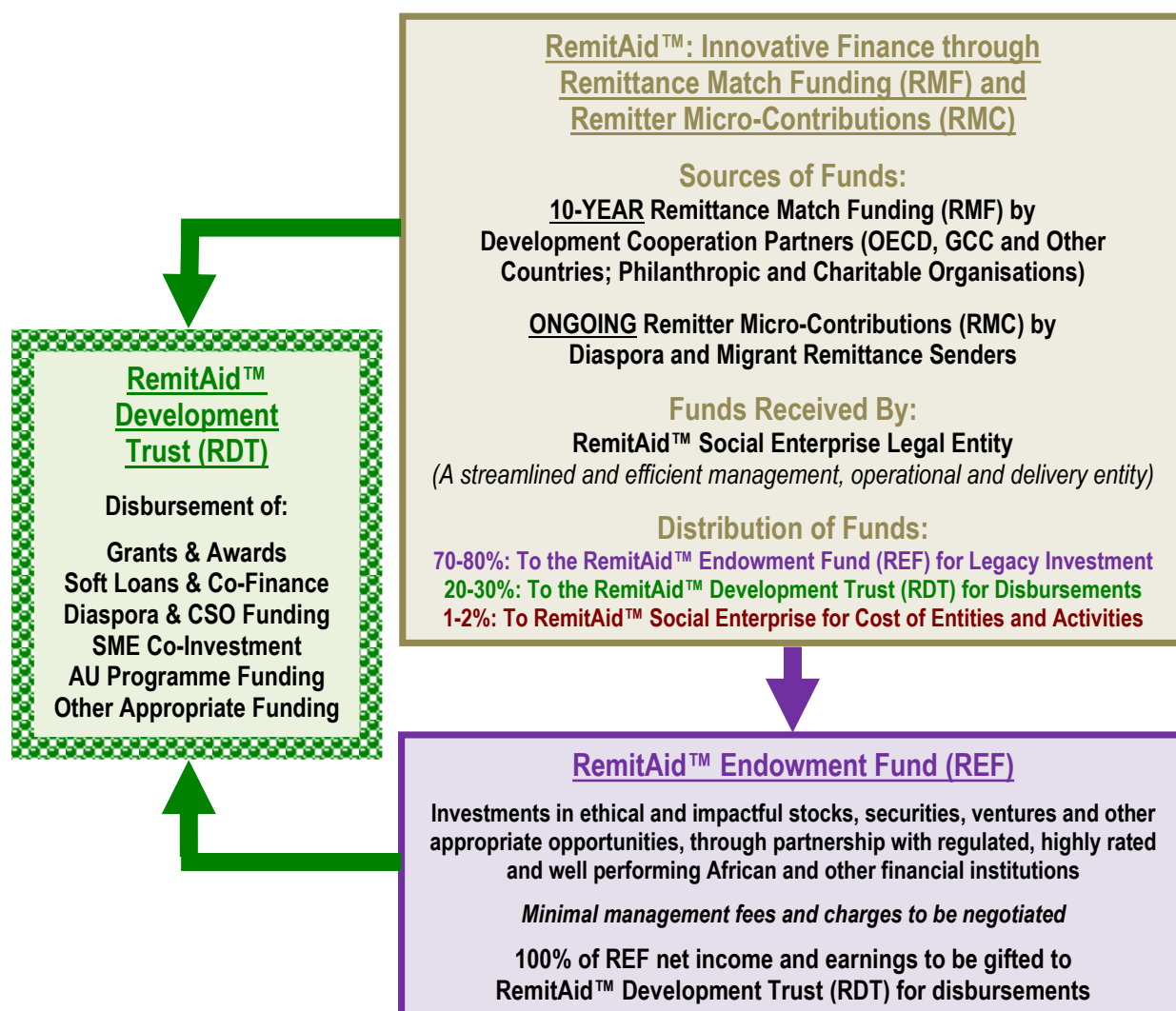
## RemitAid™ Innovative Finance Mechanism

**RemitAid™** was developed in 2003 by **GK Partners (GKP)** and the **African Foundation for Development (AFFORD)** after extensive studies and consultations. It was endorsed by African Ministers of Finance in December 2021 and **adopted by the Executive Council of the African Union (AU) in February 2022**, in line with its legacy project on diaspora finance. RemitAid™ was launched in July 2025 as part of the United Nations Fourth International Conference on Financing for Development (FFD4).

- **Remittance Leverage:** The great potential to leverage remittances for expanded and enhanced financing for development has been recognised and advocated for by diverse institutions including the World Bank, IMF, African Development Bank, diaspora organisations and independent academic entities. However, there are hardly any transformative remittance leveraging schemes in operation anywhere in the world. RemitAid™ offers a **balanced mix of remittance leverage, innovative finance, aid optimisation, income generation, funding diversification and financial sustainability**.
- **Innovative Finance:** RemitAid™ is a new innovative finance mechanism which **leverages and uses Remittance Match Funding (RMF) to unlock Remitter Micro-Contributions (RMC)** and generate billions of dollars in new flows of development finance. **The generation and pooling of micro-contributions from new groups of contributors is one of the most effective forms of innovative finance**. RemitAid™ enables migrants and diaspora who are already major funders of Sustainable Development Goal (SDG) activities to make micro-contributions towards a new pool of funds specifically designed for Africa-wide inclusive and sustainable development.
- **Aid Optimisation:** The Remittance Match Funding (**RMF**) **mechanism is not an open-ended fundraising programme; it is a triggering, enabling and optimising mechanism to be activated for a period of ten years**. The RMF funds raised from development cooperation partners will be leveraged and optimised to generate new and ongoing Remitter Micro-Contributions (RMC). These new **RMC funds will continue to flow even after the end of RMF mechanism**. Furthermore, only 20% of the combined RMF and RMC funds will be 'consumed' through disbursements to beneficiaries; **80% of the funds will be further optimised by investing them in a perpetual RemitAid™ Endowment Fund (REF)**.
- **Income Generation:** The new perpetual RemitAid™ Endowment Fund (REF) is a **financial vehicle for income generation to increase funding for African development**. Through the guidance and advice of reputable, highly rated and well performing Fund Managers, **80% of RMF and RMC funds will be invested in a balanced portfolio of ethical income generating financial products** in Africa and other markets. Income earned by the REF will be donated to the RemitAid™ Development Trust (RDT) for disbursement to beneficiaries working on development projects and programmes.
- **Diversification and Sustainability:** RemitAid™ facilitates **funding diversification by blending development cooperation RMF, migrant and diaspora RMC and income earned from REF**. Through professional, multimedia and tech-based engagement with migrant and diaspora remitters, RemitAid™ will promote, grow and pool together the ongoing flows of annual RMC. These innovative actions will ensure that the **RemitAid™ Development Trust (RDT) receives substantial funds annually**. Through open, transparent and inclusive processes, RDT will disburse funds in the form of grants, co-finance, soft-loans and co-investment for a diverse range of African continental and development organisations and institutions.

**Social Enterprise + Innovative Finance + Endowment Fund + Development Trust = RemitAid™**

## RemitAid™ Operational Process



*“Despite increased attention to innovative finance instruments such as blended finance.....investment in sustainable development has not reached expectations, nor has it adequately prioritized sustainable development impact.....We commit to enhance triangular cooperation by fostering deeper collaboration between development partners, recipient countries, and emerging development partners...leveraging innovative financing mechanisms to enhance its sustainability and impact”.*

*“We will strengthen efforts to facilitate diaspora investment through innovative instruments and call on development partners to support such efforts.....mobilize additional and innovative financing from all sources, recognizing the comparative advantages of public and private finance.....[T]his renewed global framework for financing for development that we adopt in Seville will unlock and mobilize access to additional and innovative financial resources”.*

[United Nations Fourth International Conference on Financing for Development Draft Outcome Document (March 2025)]

**RemitAid™ uses Remittance Match Funding (RMF) to unlock Remitter Micro-Contributions (RMC) for inclusive and sustainable development**

## RemitAid™ Financial Projections and Targets

RemitAid™ Remittance Match Funding (RMF) and Remitter Micro-Contributions (RMC) in US\$ Millions (2025-26 to 2034-35) (Projections Based on 0.1% to 1% of Annual Remittance Inflows of \$100 Billion to Africa)											
Indicative Period	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	
RemitAid™ Funding Rounds	1	2	3	4	5	6	7	8	9	10	10-Year Total
Development Cooperation RMF	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$10,000
Increase (%) in DevCoop Contributions		0%	0%	0%	0%	0%	0%	0%	0%	0%	
Philanthropic Organisations RMF	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$1,000
Increase (%) in Philanthropic Contributions		0%	0%	0%	0%	0%	0%	0%	0%	0%	
Diaspora and Migrant RMC	\$0	\$50	\$100	\$250	\$500	\$650	\$750	\$850	\$950	\$1,000	\$5,100
Increase (%) in Remitter Contributions			100%	150%	100%	30%	15%	13%	12%	5%	
<b>Annual Total RMF &amp; RMC</b>	<b>\$1,100</b>	<b>\$1,150</b>	<b>\$1,200</b>	<b>\$1,350</b>	<b>\$1,600</b>	<b>\$1,750</b>	<b>\$1,850</b>	<b>\$1,950</b>	<b>\$2,050</b>	<b>\$2,100</b>	<b>\$16,100</b>
RemitAid™ Funding Distribution	1	2	3	4	5	6	7	8	9	10	10-Year Total
Costs for RemitAid™ Entities (1%)	\$11.00	\$11.50	\$12.00	\$13.50	\$16.00	\$17.50	\$18.50	\$19.50	\$20.50	\$21.00	\$161.00
RMF/RMC for Disbursement (19%)	\$209.00	\$218.50	\$228.00	\$256.50	\$304.00	\$332.50	\$351.50	\$370.50	\$389.50	\$399.00	\$3,059.00
RMF/RMC for Endowment (80%)	\$880.00	\$920.00	\$960.00	\$1,080.00	\$1,280.00	\$1,400.00	\$1,480.00	\$1,560.00	\$1,640.00	\$1,680.00	\$12,880.00
<b>Annual Total RMF &amp; RMC</b>	<b>\$1,100.00</b>	<b>\$1,150.00</b>	<b>\$1,200.00</b>	<b>\$1,350.00</b>	<b>\$1,600.00</b>	<b>\$1,750.00</b>	<b>\$1,850.00</b>	<b>\$1,950.00</b>	<b>\$2,050.00</b>	<b>\$2,100.00</b>	<b>\$16,100.00</b>
RemitAid™ Endowment Fund (REF)	1	2	3	4	5	6	7	8	9	10	10-Year Total
REF Capital Value	\$880.00	\$1,800.00	\$2,760.00	\$3,840.00	\$5,120.00	\$6,520.00	\$8,000.00	\$9,560.00	\$11,200.00	\$12,880.00	\$12,880.00
REF Income Generation	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
REF Capital Generating Income	\$0.00	\$880.00	\$1,800.00	\$2,760.00	\$3,840.00	\$5,120.00	\$6,520.00	\$8,000.00	\$9,560.00	\$11,200.00	
RemitAid™ Development Trust (RDT)	1	2	3	4	5	6	7	8	9	10	10-Year Total
REF Income for Disbursement (4% Avg)	\$0.00	\$35.20	\$72.00	\$110.40	\$153.60	\$204.80	\$260.80	\$320.00	\$382.40	\$448.00	\$1,987.20
RMF/RMC for Disbursement (19%)	\$209.00	\$218.50	\$228.00	\$256.50	\$304.00	\$332.50	\$351.50	\$370.50	\$389.50	\$399.00	\$3,059.00
<b>Annual RemitAid™ Disbursable Funds</b>	<b>\$209.00</b>	<b>\$253.70</b>	<b>\$300.00</b>	<b>\$366.90</b>	<b>\$457.60</b>	<b>\$537.30</b>	<b>\$612.30</b>	<b>\$690.50</b>	<b>\$771.90</b>	<b>\$847.00</b>	<b>\$5,046.20</b>

GKP (2025), RemitAid™ Financial Projections 2025-26 to 2034-35

### 10 Major Achievements in 10 Years: RemitAid™ Transformative Development Finance Targets

1. Remittance Match Funding (RMF) unlocks Remitter Micro-Contributions (RMC)
2. \$11 billion of development partner RMF leverages initial \$5 billion of RMC
3. \$16 billion of RMF and RMC used for impact investment and development co-finance
4. \$13 billion invested in the new RemitAid™ Endowment Fund (REF) for African development
5. \$6 billion invested in Africa in diverse, impactful and transformative sectors
6. \$2 billion income earned by the new legacy perpetual endowment fund
7. \$5 billion disbursed to diverse African development organisations and institutions
8. RMF from development partners stops after 10 years replaced totally by RMC funds
9. RMC and REF grow annually increasing the volume of annual disbursable funds
10. Development finance sector enhanced by catalysing innovative and diaspora finance

*“Five years from the 2030 deadline for the Sustainable Development Goals, we face a development crisis. Our collective ambition to eradicate poverty and hunger, combat catastrophic climate change, and achieve a sustainable future for all is at serious risk.....The SDG financing gap has widened dramatically.....The primary source of this crisis is a lack of long-term financing and investment.....We must urgently reverse course.....FFD4 presents a historic opportunity to renew the global financing framework for sustainable development”.*

[Li Junhua, Under Secretary General for Economic and Social Affairs, UN DESA (June 2025)]

*RemitAid™ uses Remittance Match Funding (RMF) to unlock Remitter Micro-Contributions (RMC) for inclusive and sustainable development*



## RemitAid™ Implementation Actions

Implementation and actualisation of the RemitAid™ innovative finance mechanism involves major organisational building and development activities, including the main action points set out below.

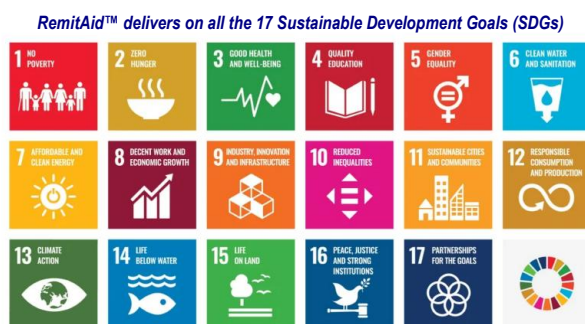
- **Social Enterprise Entity:** The RemitAid™ *concept and framework was originally developed in 2003* by Prof. Gibril Faal who also co-founded GK Partners (GKP) as a diaspora-led programme implementation social enterprise. GKP worked in partnership with the African Foundation for Development (AFFORD-UK) which is a pioneering diaspora-development charity registered in the United Kingdom in 1994. The RemitAid™ social enterprise legal entity was *first incorporated in 2006 by GKP and AFFORD-UK, and re-registered in 2025 as a not-for-profit company limited by guarantee*. As an innovative finance and development social enterprise, the main functions of the legal entity include:
  - ✓ Complete the setting up of the operational, management and governance structures, and create the required organisational capacity through deployment of appropriate human, physical and technical resources, systems and processes to achieve the innovative finance and development goals and targets;
  - ✓ Complete stakeholder consultations and engagement including formalising partnership arrangements with a reputable international law firm which will hold a RemitAid™ Escrow Account for funds raised; set up and ongoing administration of the required governance, compliance, advisory, expert, stakeholder and oversight boards, committees and panels;
  - ✓ Strategic direction, coordination, management and delivery of the core goals of raising funds through Remittance Match Funding (RMF) and Remitter Micro-Contributions (RMC); growing an income generating RemitAid™ Endowment Fund (REF); effective disbursement of funds to beneficiaries through the RemitAid™ Development Trust (RDT); and managing all aspects of RemitAid™ effectively, efficiently, equitably and ethically, whilst ensuring inclusivity, transparency and impact.
- **Innovative Finance Fundraising:** Building on years of consultations, briefings and institutional engagement, RemitAid™ will undertake substantive negotiations for RMF with national development cooperation agencies, multilateral Development Finance Institutions (DFI) and private philanthropic foundations and trusts. *The initial target is to secure RMC funding from 30 national agencies and DFIs, and 20 foundations in OECD, GCC and African countries<sup>1</sup>*. RemitAid™ will work with *targeted countries, DFIs and foundations to become ‘RemitAid™ Champions’*, to actively support fundraising, aid optimisation and organisational development. Introduction and normalisation of the innovative RMC involves: engagement, consultations, promotion and marketing with migrant and diaspora communities; *negotiation of framework and protocols with Money Transfer Operators and regulators* to make RMC options visible and easy to use on digital remittance platforms; *comprehensive and targeted digital and social media promotion and cause-related marketing* of RemitAid™’s transformative impacts; ongoing communication, engagement and appreciation of remitters to *increase the number of micro-contributors and volume of micro-contributions*.
- **African Legacy Endowment Fund:** Building on years of consultations, briefings and institutional engagement with regulated philanthropic fund management companies, RemitAid™ will recruit, select and appoint reputable, highly rated, well performing *specialist philanthropy fund managers to invest and manage the RemitAid™ Endowment Fund (REF)* which receives RMF and RMC funds annually. *The REF investment policy will guide the Fund Managers* to: have an annual income target of 4% or higher; invest in a balanced low-medium risk portfolio; undertake negative, positive and ESG screening; invest 50% or more of the capital in reputable and impactful products and ventures in Africa.
- **African Development Trust:** The RemitAid™ Development Trust (RDT) will receive a percentage of RMF and RMC, and the net income from REF funds every year, *to be disbursed as grants and co-finance for health, education, employability, climate and other SDG and development priority sectors* in the African continent and within the diaspora. Application *criteria and processes will be accessible, transparent, inclusive and equitable*, and beneficiaries will include diaspora, civil society, social enterprise and institutional organisations and development actors.

<sup>1</sup> RemitAid™ targets governments of the Development Assistance Committee (DAC) members of the Organization for Economic Cooperation and Development (OECD), governments of the Gulf Cooperation Council (GCC) countries, and DFIs and foundations in Africa, OECD and GCC countries.

## RemitAid™ Development Benefits

The RemitAid™ innovative finance mechanism delivers a range of development, regenerative and sustainability benefits including the following:

- **Actualising Remitter Micro-Contributions (RMC)** generating billions of dollars of new development funds
- **Leveraging resilient self-help** remittance funds for inclusive sustainable development finance
- Leveraging private remittances and **fund-pooling for community and national development**
- Leveraging financial **incentives for charitable giving** to apply to SDG-related remittance spending
- Reducing the consumptive nature of aid through the **regenerative perpetual endowment fund**
- Producing **new and perpetual grant fund** for development, innovative, impactful and priority projects
- Increasing the volume of **investments with African financial institutions** for transformative impact
- Strengthening the **regulated formal remittance channels and sector** and reduce informal transfers
- Strengthening **development partnerships** between diaspora, public and private institutions
- Enhancing diaspora and migrant **socioeconomic integration and civic engagement**.



*RemitAid™ champion countries and institutions will make substantial contributions; and actively promote Match-Funding and Micro-Contributions*

The RemitAid™ Development Trust (RDT) will provide funding to beneficiaries for diverse development projects, programmes and activities including the following:

- Projects and programmes relating to the **Sustainable Development Goals (SDGs)**
- Innovative, high impact, knowledge and skills transfer, and **resilience-building programmes**
- Job creation, livelihood and **wealth creation schemes** for disadvantaged and vulnerable groups
- **Regenerative activities in localities** affected by high economic, social, climate and environmental risks
- Support to **young, elderly, infirm and vulnerable Africans** on the continent and in the diaspora
- Prevention and mitigation of the **negative effects of irregular and dysfunctional migration**
- **Strategic and project-based diaspora organisations** operating in Africa and the diaspora
- Support to civil society, non-governmental, charitable and other **non-state development organisations**
- Cooperative, community and social enterprise actions in **areas of market failure and underinvestment**
- Diaspora-related African Union programmes and the **AU Citizens and Diaspora Directorate (CIDO)**

*The sooner RemitAid™ funds are invested in the endowment fund, the greater the income earned, resulting in higher disburseable funds for beneficiaries and projects*

**Social Enterprise + Innovative Finance + Endowment Fund + Development Trust = RemitAid™**

# RemitAid™ Summary Timeline



<b>2002-2003:</b>	RemitAid™ conceptualised and developed as a sustainable remittance leverage programme
<b>Feb 2004:</b>	First briefing of the UK Chancellor of the Exchequer and first RemitAid™ incorporation
<b>Jun 2005:</b>	Discussed as part of UK's priorities for Africa in the lead up to the 'Gleneagles G8 Summit'
<b>Feb 2006:</b>	Endorsed at the 'First Ministerial Conference of LDCs on Migrants' Remittances'
<b>Nov 2006:</b>	Presented at a high-level session at the first 'European Development Days' (EDD)
<b>2006-2007:</b>	Full Remittance Tax Relief (RTR) programme and organisational structures developed
<b>2008-2011:</b>	RemitPlus™ enhancement pilot programme implemented during the global financial crisis
<b>2011-2012:</b>	RemitAid™ Remittance Match Funding (RMF) mechanism formulated and developed
<b>May 2012:</b>	African Union Heads of State Declaration on African Diaspora Investment as a legacy project
<b>Sep 2015:</b>	AU 'Agenda 2063 Ten-Year Implementation Plan' set a 2018 deadline for the legacy project
<b>Sep 2018:</b>	AU and GIZ commissioned GK Partners (GKP) to develop a framework for the legacy project
<b>Feb 2019:</b>	GKP proposed an African Diaspora Finance Corporation and the actualisation of RemitAid™
<b>May 2019:</b>	AUC accepted the GKP proposal and the full 120-page ADFC Framework Report
<b>Nov 2019:</b>	AU convened stakeholder and partner consultative and validation workshop in Cairo, Egypt
<b>Jan-Mar 2020:</b>	AUC/GKP consultations on implementation with member states and development partners
<b>Mar 2020:</b>	Expert evidence provided to the UK House of Lords International Relations Committee
<b>Mar 2020:</b>	AU Specialized Technical Committee (STC) meeting postponed due to COVID19 pandemic
<b>Jan 2021:</b>	AUC appointed GKP as consultants to lead the 'ADFC Implementation and Start-Up Phase'
<b>May 2021:</b>	ADFC Report given provisional endorsement by the AU STC on Finance and Economics
<b>Jun-Dec 2021:</b>	Further technical briefings, consultations and engagements with all stakeholders
<b>Dec 2021:</b>	Endorsement by AU Finance Ministers at the STC Second Extraordinary Session
<b>Jan 2022:</b>	Review of the STC Ministerial Report by the AU Permanent Representatives' Committee (PRC)
<b>Feb 2022:</b>	AU Executive Decision made to endorse ADFC and the ADFC Framework Report
<b>2022-2025:</b>	Framework for full implementation of the RemitAid™ innovative finance mechanism
<b>Jun 2025:</b>	Launch of RemitAid™ at the UN Fourth Financing for Development Conference (FFD4)

***“The first phase of the ADFC implementation involves the initiation of an innovative finance scheme through the RemitAid™ Remittance Match Funding mechanism.....The AU Commissioner for Economic Development, Trade, Industry and Mining, H.E. Albert Muchanga noted that the AU's decision was historic, stating that the Heads of State and Government first made a commitment for a legacy project on diaspora investment a decade ago in May 2012, at the Global African Diaspora Summit.....Commissioner Muchanga expressed the AUC's gratitude to all Member States, stakeholders and development partners who supported and participated in the long formulation and consultative process. He thanked Professor Gibril Faal, the AUC Lead Consultant on Diaspora and Innovative Finance, author of the ADFC Framework Report, and founder of RemitAid™, for his leadership and longstanding commitment to expanding and enhancing diaspora contributions to development”.***

[African Union Commission Press Statement 2 April 2022]

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