

## Diaspora Financing for Development and Peacebuilding:

### Remittances as a Solution for Development and Fragility Challenges

**D**evelopment, peace, and security are inextricably linked. Today, Sub-Saharan African (SSA) countries are increasingly exploring innovative ways to finance development, as the usual sources (domestic revenue, debt, foreign direct investment, and official development assistance) are proving inadequate in the face of SSA's massive development needs. For example, infrastructure alone requires between USD\$130 and USD\$170 billion a year continent-wide, yet resources available through normal development finance channels fall short by more than half of the required amount.

With over 40 million African migrants living and working outside their countries of origin, the capital from this cohort presents a potentially reliable source of development finance. Remittances to Sub-Saharan Africa rose from USD\$4.8 billion in 2000 to USD\$31.7 billion in 2010 and increased further to USD\$48 billion in 2019. Critically, remittances to families can constitute a major peacebuilding and conflict resolution tool. They keep afloat 120 million people on the continent by enhancing their economic means, providing a social safety net, and reducing poverty. More importantly, some studies find that such remittances possibly diminish the incentive of members of recipient households to participate in armed rebellion, crime, and violence. For fragile



## Beyond Personal Remittances: Selected Diaspora Development Financing Instruments

As Africa addresses the challenges to leveraging remittances, it is also looking beyond personal remittances



## Lessons for African Governments

1. Good governance; transparency; sound social; environmental and economic policies; and efficient public service delivery play a crucial role in attracting diaspora remittance: Poor governance, unstable





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