

Professor Gibril Faal
January 2026

Framework and Piloting of the “AFFORD Diaspora Direct Investment Index”

DDI inflows to The Gambia

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About the Organizations

The Friedrich-Ebert-Stiftung African Migration Policy Center (FES-AMPC), established in 2019 and based in Ethiopia, facilitates migration dialogue among AU member states, migration experts and civil society organisations on the African and European continent. It supports stakeholders across the continent through research, policy analysis, and inclusive multi-stakeholder engagement that centers African perspectives.

FES-AMPC also contributes to global, continental, and sub-regional migration frameworks and serves as a focal point for FES offices working on migration management and migrant protection.

Focusing on five thematic areas, FES AMPC works with African and European stakeholders on EU-Africa dialogue, climate mobility, migration and development, diaspora engagement and remittances, and south to south migration dialogue. Gender mainstreamed as a cross-cutting issue across all thematic areas.

The African Foundation for Development (AFFORD) was established in 1994, with a mission “to expand and enhance the contributions Africans in the diaspora make to African development”. AFFORD’s innovative approach mobilises the financial, intellectual, and political assets of the African diaspora and channels them to drive economic growth and social development in Africa. AFFORD also enhances the capacity of actual and potential investors and actively influences international policies to ensure that they address the real needs and root causes of underdevelopment and poverty on the continent. AFFORD’s mission is achieved through programmes and projects undertaken solely or in collaboration with partners in Africa, the U.K, EU and other parts of the world. These projects and programmes fall within the following overlapping themes: Enterprise, Investment and Employment; Diaspora Engagement and Capacity Building; & Action-Research, Policy and Practice.

Framework and Piloting of the AFFORD Diaspora Direct Investment Index: DDI Inflows to The Gambia

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Executive Summary

As part of a 2019 study conducted by GK Partners (GKP), commissioned by the African Union Commission (AUC) and the German Agency for International Development (GIZ), Professor Gibril Faal designed and developed a framework for measuring diaspora direct investment (DDI) flows. Through this pilot project supported by the Friedrich-Ebert-Stiftung African Migration Policy Center, the emergent DDI index was tested, refined, and applied to The Gambia as a pilot country and case study.

The findings, learning, modifications, and improvements were incorporated in the finalised index, which is branded as the “AFFORD DDI Index.” This new index is a standardised framework for monitoring, measuring, analysing, and reporting on annual DDI inflows, patterns, and trends in African and other countries. It is an analytical and policy-development tool that will help expand and enhance DDI and forms of diaspora finance.

The Gambia was selected as a pilot country because it has relevant empirical data relating to diaspora investment. Other factors include the existence of enhanced diaspora engagement programmes, a diaspora-led technical cooperation partnership with the government, and the Central Bank of The Gambia’s very effective remittance data monitoring and analysis system. At the same time, The Gambia actively implements ambitious diaspora investment programmes. Two comprehensive diaspora finance and development studies were also undertaken in 2023 and 2020.

Unlike foreign direct investment (FDI), official development assistance (ODA), or remittances, there are no structured frameworks and/or methodologies for measuring and monitoring the flows, volumes, and trends of DDI. However, DDI is of growing interest and importance to policymakers and development practitioners across Africa as diaspora resource flows to the continent continue to grow while ODA decreases and FDI fluctuates.

Organisations such as the African Foundation for Development (AFFORD) are working to ensure that discourse on development finance in Africa includes data on all the major types of diaspora finance, namely DDI, diaspora

philanthropy, diaspora remittances, diaspora portfolio investment, and diaspora tourism.

The 2019 AUC/GIZ/GKP study provided a definition and the key components of DDI. These were reviewed, refined, modified, and updated as part of the pilot project. A framework was produced with the nine main DDI types, namely FDI-linked, incentive-linked, co-financed, network-linked, real estate, privately arranged, informal, in-kind, and remittance-linked DDIs, with brief descriptions and the main data sources for each.

Research and analysis were undertaken to generate data on DDI inflows to The Gambia for each of the nine types. The final estimate was that DDI inflows in 2024 amounted to \$300.45 million, 68% of which was real estate DDI, with the second-highest source being privately arranged DDI at 8%. In comparison, FDI in 2024 amounted to \$232.36 million, and ODA in 2023 was at \$343.86 million. The study also found that recipients spent 10% of formal remittance inflows, worth \$77.56 million, on businesses.

The main analytical observation emerging from the pilot project was that the AFFORD DDI Index was conceptually robust, practically feasible, operationally simple, easy to use, and versatile, and it facilitated comparative analysis and the identification of priorities. However, the research and analysis needed to generate a DDI estimate for a country are substantial and labour-intensive. Rolling out the framework to other African countries is also a major undertaking, as it would ideally require an initial cohort of about 20 countries. There are further challenges relating to data availability and accessibility in some countries.

The challenges can be partly mitigated by capitalising on global policies that support the expansion of diaspora investments and the generation of disaggregated data for policy development. This creates new interest from potential partners and funders. Furthermore, AFFORD and its technical partners have previous experience in initiating and implementing transformative programmes that expand and enhance diaspora contributions to development.

Summary of Recommendations

The main recommendations for the rollout of the AFFORD DDI Index are to:

- create a bank of resources and templates for consistency, quality and cost minimisation
- implement outreach programmes for stakeholder engagement, communication and partnerships
- leverage DDI index data gathering exercises to cover the other types of diaspora finance
- leverage networks for high-profile and strategic collaborations to institutionalise the index
- create a centralised implementation unit to enhance competencies and operational efficiency; and
- adopt a staged approach to rolling out the DDI index to all African countries.

The main recommendations for using the AFFORD DDI Index for policy development are:

- apply the DDI index to implement aspects of existing global policies on migration, development, and diaspora investment;
- negotiate and implement bilateral development cooperation frameworks to stimulate and expand FDI-linked DDI;
- structure and implement targeted and differentiated initiatives and actions relating to each of the nine DDI types;
- initiate specific tech-enabled and accessible tax breaks and stimulation packages to expand incentive-linked DDI
- promote and support the types of DDI that optimise value chains, complementary businesses and the multiplier effects; and
- promote and support the types of DDI that enhance and entrench stable, resilient and countercyclical investments.

List of Acronyms

AFFORD	African Foundation for Development
AUC	African Union Commission
CBG	Central Bank of The Gambia
DDF	Diaspora Development Fund
DDI	Diaspora Direct Investment
DP	Diaspora Philanthropy
DPI	Diaspora Portfolio Investment
DR	Diaspora Remittance
FDI	Foreign Direct Investment
FES-AMPC	Friedrich-Ebert-Stiftung African Migration Policy Center
FFD4	Fourth International Conference on Financing for Development
FGD	Focus Group Discussion
GAIN	Gambia Angel Investment Network
GIEPA	Gambia Investment and Export Promotion Agency
GIZ	Gesellschaft für Internationale Zusammenarbeit (German Agency for International Cooperation)
GKP	GK Partners
IMF	International Monetary Fund
IOM	International Organisation for Migration
KII	Key Informant Interview
MSDG	Migration and Sustainable Development in The Gambia
NDI	National Direct Investment
ODA	Official Development Assistance
SIC	Special Investment Certificate
SME	Small and Medium-Sized Enterprise
SNF	Stake in the Nation Forum
SSA	Sub-Saharan Africa
UK	United Kingdom
UN	United Nations
US	United States

1. Introduction to the AFFORD DDI Index Pilot Project

African Foundation for Development (AFFORD) is a pioneering diaspora-led charity established in the United Kingdom (UK) in 1994, with the mission “to expand and enhance the contribution Africans in the diaspora make to African development.” AFFORD undertakes development research and analysis, innovation, advocacy, and policy influencing, institutional and professional capacity development, and project and programme implementation.

AFFORD played a major role in influencing international development institutions to understand and accept the nexus between migration, diaspora, and development, as well as to mainstream and support diaspora action through global policies and institutional practice. Its success has led to the creation of many global, regional, and national frameworks and programmes that leverage the different forms of diaspora resources for inclusive and sustainable development.

In line with its mission and strategic priorities, AFFORD works with diverse institutions and organisations on different development themes, including frameworks for understanding, leveraging and optimising the different forms of diaspora resources. For over 20 years, AFFORD has collaborated with GK Partners (GKP) as a technical partner on multiple programmes on diaspora finance and investment. GKP is an international business and development social enterprise established in 2004.

In partnership with AFFORD and other institutions, including development finance institutions, as well as European and African governments, GKP has developed some of the most innovative and impactful diaspora finance frameworks, including the RemitAid™ Remittance Match Funding and Remitter Micro-Contributions programme. The 2025 United Nations (UN) Fourth International Conference on Financing for Development (FFD4) selected RemitAid™ as one of the high-impact Sevilla Platform for Action initiatives.¹

The Friedrich-Ebert-Stiftung African Migration Policy Center (FES-AMPC), previously known as the FES Flight and Migration Competence Center, was established in 2019 through special funding from the German Federal Ministry for Economic Cooperation and Development. Since then, it has

been steadily building a network of state and non-state actors working on migration governance across the African continent. Its work is centred on five key thematic areas, namely diaspora engagement and remittances, legal pathways and labour migration, south–south migration dialogue, EU–Africa migration dialogue, and climate mobility. As part of the diaspora engagement and remittances thematic area, FES-AMPC, in collaboration with AFFORD, has commissioned this study titled “Framework and Piloting of the AFFORD DDI Index: Diaspora Direct Investment Inflows to The Gambia.”

As part of a 2019 GKP study commissioned by the African Union Commission (AUC) and the German Agency for International Development (GIZ), Professor Gibril Faal² identified the key types of diaspora direct investment (DDI) and developed a framework for measuring flows. Through this pilot project, the emergent DDI index was tested, refined and applied to The Gambia as a pilot country and case study. The findings, learning, modifications, and improvements were incorporated in the finalised index labelled the “AFFORD DDI Index.” This new index is a standardised framework for monitoring, measuring, analysing, and reporting on annual DDI inflows, patterns, and trends in African and other countries. It is an analytical and policy-development tool that highlights the role of the diaspora in business ventures and the productive economy, as well as encourages the designing of DDI-friendly policies and initiatives.

The AFFORD DDI Index pilot project entailed the focused applied research, analysis, methodological design, empirical application, and production of a methodical estimate of the 2024 DDI inflows to the pilot country of The Gambia (see Appendix: Key Components of the AFFORD DDI Pilot Project). The main activities, components, and stages of the project were as follows:

¹ United Nations. (2025). *FFD4 Sevilla Platform for Action Initiatives: Full List* [Fact sheet]. https://financing.desa.un.org/sites/default/files/ffd4-documents/2025/FFD4%20SEVILLA%20PLATFORM%20FOR%20ACTION%20INITIATIVES_Full%20List.pdf

² Professor Gibril Faal also led this AFFORD DDI Index pilot project and is the founder and director of RemitAid.

- concept note (November–December 2024);
- project approach workshop (December 2024);
- inception report (December 2024);
- revised work plan (May–June 2025);
- literature review (July–August 2025);
- methodological design for DDI measurement (July–August 2025);
- methodology consultation and training workshop (August 2025);
- additional desk research and interviews (September–October 2025);
- research analysis and DDI inflow estimation (October 2025); and
- focus group discussion (FGD) and final project report (November 2025).

1.1 Rationale for Selecting The Gambia as the Pilot Country

The overall aim of the pilot project was “to develop and pilot a robust methodology for an AFFORD DDI Index that can be applied to all African Union Member States.” As such, the project needed a pilot country in Africa with optimal opportunities and minimal challenges to facilitate methodological development and testing, as well as the production of an inaugural AFFORD DDI Index.

One of the logistical limitations of the project was that it was not feasible to undertake a bespoke diaspora investor survey. This means that the pilot country needed to have current or recent relevant empirical data relating to diaspora investment, which was the case for The Gambia. The rationale for selecting The Gambia as the pilot country for the AFFORD DDI Index pilot project includes the factors summarised below.

I. Enhanced Diaspora Engagement

In 2017, The Gambia made a policy decision to take the lead in implementing and innovating different aspects of diaspora development. It adopted the Migration and Sustainable Development in The Gambia (MSDG) project as a diaspora-led technical cooperation programme under the Office of the President.³

The comprehensive MSDG programme was included in the Repository of Practice set up by the UN Network on Migration⁴ and featured by the World Economic Forum as a

replicable model.⁵ The Gambia declared its diaspora as the eighth region of the country, incorporated its diaspora policy and strategy in its national development plan for the 2018 to 2022 period, created a new diaspora directorate at the Ministry of Foreign Affairs, and began co-convening an annual Stake in the Nation Forum (SNF) for diaspora home-coming, which has become the biggest policy forum in the country.

II. Existing Development Partnerships

The MSDG programme was initiated in 2017 as a partnership between GKP (the technical partner in this DDI index project) and the governments of The Gambia and Switzerland. Between 2017 and 2025, MSDG implemented over 200 diaspora-related development projects and interventions and worked with 20 ministries, departments, and agencies. GKP has offices and staff in both the UK and The Gambia, and the team in The Gambia works closely with government, private sector, civil society, and other non-state institutions in the country. A significant part of the MSDG programme relates to diaspora finance and investment.

At SNF8 on 11 January 2025, the president of The Gambia stated:

The Gambia is a “small country with big migration.” We are acutely aware of the significance of diaspora finance to the welfare of families and communities and the development of the nation. As such, working with GK Partners and the MSDG project, the government of The Gambia took a leadership role in the formulation and implementation of global policies on migration, diaspora, and development. . . . The government will continue to champion innovations in diaspora investment and development.

III. Effective Remittance Data Analysis

According to the World Bank, The Gambia is the country with the highest dependency on remittances in Africa. Through the MSDG programme, GKP has worked with the Central Bank of The Gambia (CBG) since January 2018, making it a world leader in remittance data collection, monitoring, and analysis. Since January 2019, CBG has announced annual remittance inflows at the SNF held within a fortnight of each new year.

At the UN Global Forum on Remittances, Investment and Development held in Nairobi, Kenya, from 14 to 16 June 2023, global awards were given to the Central Bank of Kenya and the CBG.⁶ The citation stated:

3 GK Partners. (2021). *MSDG Project Report 2017–2021 and Programme Outline 2021–24*. <https://gambiandiaspora.net/wp-content/uploads/2021/12/MSDG-Report-2017-2021-Oct-2021-Update.pdf>

4 United Nations Network on Migration Platform. (2023, August 11). *Repository of Practices*. <https://migrationnetwork.un.org/practice/migration-and-sustainable-development-gambia-msdg>

5 Faal, G., & Kitimbo, A. (2024). *How The Gambia offers a roadmap for enhancing diaspora engagement*. World Economic Forum. <https://www.weforum.org/stories/2024/05/gambia-roadmap-for-enhancing-diaspora-engagement/>

6 Global Forum on Remittances, Investment and Development. (2023). Retrieved October 20, 2025. <https://gfrid.org/summits/gfrid2023/recognitions/5>

Over the past years, the measures taken by the Central Bank of The Gambia have helped formalise remittance flows and bring official figures to US\$712 million in 2022, from US\$270 in 2018. By recognising the developmental role of remittances and their potential for advancing financial inclusion as well as by reducing the overall reliance on informal financial products, Central Bank of The Gambia advances in the achievement of the Sustainable Development Goals.

IV. Major Diaspora Finance Study

In 2023, in collaboration with institutional partners, GKP undertook the most comprehensive empirical research and analysis of Gambian remittance senders and recipients. The methodology included key informant interviews (KIIs) and FGDs with representative samples of Gambian diaspora in Spain and Germany, as well as a survey of remittance recipients. The primary research was complemented by desk research and a review of the comprehensive series of technical roundtables and quantitative analysis undertaken by GKP and CBG between 2018 and 2023.

The study included the first-ever nationwide survey of remittance recipients, and it involved 18 trained researchers conducting face-to-face interviews using a set of 50 questions. The researchers interviewed 1,172 remittance recipients; 55% of the interviews were held in urban areas and 45% in rural areas; 56% of the interviewees were men and 44% women. The interviews were held in over 55 locations in the seven regions of the country, and the locations included branches of money transfer operators, forex bureaux, banks and microfinance institutions, high streets, town markets, village centres, residential compounds (homes), office complexes, cafeterias, and commuter garages.

V. Major Diaspora Contributions Study

In 2020, in collaboration with institutional partners, GKP undertook the most comprehensive empirical research and analysis of Gambian diaspora contributions to development, focusing on Gambians in the UK. The methodology included extensive desk research, KIIs and FGDs, a survey of diaspora groups, and a survey of diaspora individuals.

A set of 24 questions was used for the KIIs involving 41 informants, 59% of whom were men and 41% women. The FGDs entailed six sessions held in five cities, which used a set of 26 questions. There were 43 discussants, 60% of whom were men and 40% female. The diaspora group survey had 33 questions and 22 respondents. The 22 diaspora groups had a total of 654 members, 57% of whom were men and 43% women. The diaspora individual survey had 39 questions and 165 respondents, 58% of whom were men and 42% women.

VI. Diaspora Investment Programmes

In line with Objective 19 of the UN Global Compact on Migration, GKP launched a pioneering Diaspora Development Fund (DDF) in The Gambia in 2020. By 2024, it had co-financed €500,000 to 54 diaspora fellows, who mobilised a further €4,000,000 and implemented 67 projects. Of these projects, 16 (24%) were DDI ventures led by diaspora entrepreneurs and investors. GKP, as the implementing agency, has ongoing engagement with over 100 active diaspora investors. In 2023, GKP also set up the Diaspora Advisory Desk within The Gambia Investment and Export Promotion Agency (GIEPA), which is the statutory inward investment institution.

Between 2022 and 2025, in collaboration with the Ministry of Finance and Economic Affairs and CBG, GKP developed a framework for project-based, government-backed, fintech-enabled diaspora-targeted bonds (DTBs). The DTB project plan was validated in October 2023 by the government of The Gambia through the facilitation of the Office of the President. The exercise involved intense engagement and consultations with diaspora investors and all the key investment, business, and development institutions and organisations in the country. In 2023, CBG also launched the National Direct Investment (NDI) initiative, targeting the diaspora for investment in large-scale infrastructure projects. Although both DTBs and the NDI are vehicles for diaspora portfolio investments (DPIs) rather than DDI, engagement in these schemes enhances understanding of diaspora finance in general.

2. Context and Framework for the DDI Index

Unlike foreign direct investment (FDI), official development assistance (ODA), or remittances, there are no structured frameworks and/or methodologies for measuring and monitoring the flows, volumes, and trends of DDI. However, DDI is of growing interest and importance to policymakers and development practitioners across Africa as diaspora resource flows to the continent continue to grow while ODA decreases and FDI fluctuates.

Today, remittances are the most studied and best understood form of diaspora finance and, as such, serve as a guide for exploring other flows, such as DDI. This was not always the case. When AFFORD was founded in 1994, there was relatively little awareness or understanding of remittances among international development professionals. Between 1997 and 2002, among other things, AFFORD undertook structured advocacy to ensure that the role of remittances in development was recognised by policymakers and practitioners.

In 2003, RemitAid™ was founded with the explicit aim to “transform remittances into a more sustainable form of international development finance.” In 2004, the UN launched the Global Commission on International Migration, which consulted with diverse stakeholders and highlighted the importance of developing remittances. In 2006, the UN convened the first High-Level Dialogue on International Migration and Development, and one of the topics of deliberation was Remittances as a Tool of Development. In the same year, the World Bank devoted its Global Perspectives report to exploring the economic implications of remittances and migration.

Since then, through the leadership of the World Bank, the quality of formal remittance data has improved for most countries, and data compilation continues to gain prominence in the “Balance of Payments and International Investment Position Manual” published by the International Monetary Fund (IMF). Remittance data have become a standard and integral feature of discourses on global economics and international development. By producing a credible, easy-to-use DDI index, AFFORD aims to ensure comparable knowledge, understanding, referencing, analysis, and enhancement of DDI and other forms of diaspora

finance. In 2025, RemitAid™ provided a snapshot of contemporary remittance data in Africa,⁷ offering quantitative context to the discussion and analysis of DDI in Africa.

According to the World Bank, formal remittance inflows to Africa increased by 27% in 2014, from \$71.85 billion 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 the 2019 AUC/GIZ/GKP study, it was estimated that formal, informal, and in-kind remittances to Africa in 2018 totalled \$200 billion.

Furthermore, remittance flows are continuous, relatively predictable, and resilient. In 2023, Africa received 11.1% of global remittance flows, with SSA receiving 6.7%. Inflows are continuous, incremental, and predictable. In the decade from 2014 to 2023, Africa received 12.6% of global flows, with SSA receiving 7.0%. Remittances to Africa are higher and more predictable than ODA and FDI.

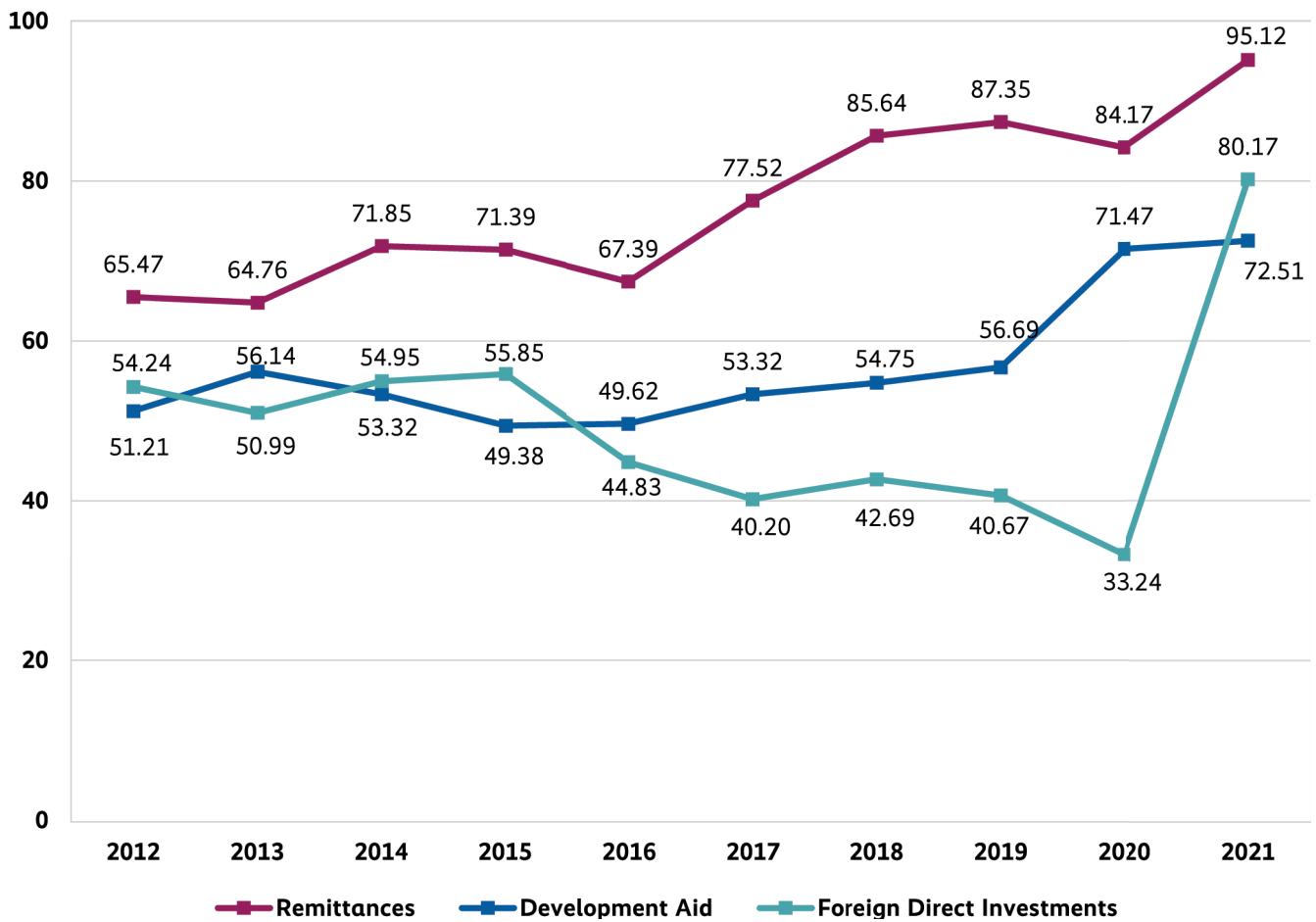
Despite predictions of major reductions in remittances during the COVID-19 pandemic, flows to Africa decreased by only 3.6%, from \$87.35 billion in 2019 to \$84.17 billion in 2020. In 2021, the flows then increased by 13% to \$95.12 billion. Although inflows to SSA decreased by 14% from \$50.03 billion in 2019 to \$43.18 billion in 2020, they increased by 11% to \$47.96 billion in 2021. The SSA decrease of \$6.85 billion in 2020 was mainly due to the \$6.6 billion decrease in Nigeria.

During the pandemic, inflows to most African countries remained relatively stable, with many recording increases. For The Gambia, inflows increased by 51%, from \$275.8 million in 2019 to \$416.4 million in 2020. The pandemic increases were partly due to moves to formal transfer channels when many of the informal remittance methods became unfeasible due to travel bans and other restrictions.

⁷ RemitAid. (2025). *Using Remittance Match Funding (RMF) to unlock Remitter Micro-Contributions (RMC) for inclusive and sustainable development* [Brochure]. <https://remitaid.org/wp-content/uploads/2025/06/RemitAid-Brochure-v1-Jun-2025.pdf>

Remittance, Development Aid, and Investment Flows to Africa (in \$ Billions)

Figure 1



Note. According to UN Trade and Development (UNCTAD), 45% of the unusually high increase in FDI in 2021 “was due to an intrafirm financial transaction in South Africa.”

Forms of diaspora finance

Figure 2



2.1 Study and Typology of Diaspora Finance

The 2019 AUC/GIZ/GKP study is among the most comprehensive pieces of research and analysis on African diaspora finance in general. The report titled “Strategic, Business and Operational Framework for an African Diaspora Finance Corporation”⁸ comprises 120 pages with eight chapters, more than 60 subsections, 12 tables, more than 250 footnotes, over 90 references, and over 60 experts and stakeholders interviewed or consulted. The full report is available in Arabic, English, French, and Portuguese on the website of the African Union.⁹ Among other things, the study presents a typology that classifies diaspora finance and investment into four main types, namely:

⁸ Faal, G. (2019). *Strategic, Business and Operational Framework for an African Diaspora Finance Corporation: African Union Legacy Project on Diaspora Investment, Innovative Finance and Social Enterprise in Africa*. GK Partners.

⁹ African Union. (2021). *Strategic business and operational framework for the African Diaspora Finance Corporation*. <https://au.int/en/documents/20211001/strategic-business-and-operational-framework-african-diaspora-finance-corporation>

- development investment: diaspora philanthropy (DP);
- socioeconomic investment: diaspora remittances (DR);
- economic and business investment: DDI; and
- regulated financial investment: DPI.

A 2021 study by the International Organization for Migration (IOM) titled “Diaspora Contributions” proposes two other forms of diaspora financial inflows, namely diaspora trade (which is partly covered by DDI) and diaspora tourism (DT).¹⁰

2.2 Evolution of the DDI Index

The 2019 AUC/GIZ/GKP study also provided a definition of DDI (refined as part of the pilot project) and identified its key characteristics and components in Africa, before presenting an analysis of the general nature, challenges, and opportunities for DDI data collection and monitoring. Findings of recent studies on DDI¹¹ are consistent with the definition and analysis provided in the foundational and seminal 2019 publication.

In 2020, an illustrative AFFORD DDI Index was produced to kickstart the practical development of a conceptually robust and comprehensive DDI data monitoring and indexing framework. For the kickstart model, AFFORD used a simple DDI measure, namely an assumption that 20% of formal remittance inflows to African countries are used for investment. (This measure was for illustrative and demonstrative purposes only; it was not based on empirical or comprehensive research.)¹²

The illustrative kickstart model demonstrated that, with a standardised DDI measure, an index can be designed that enables insightful quantitative analysis and comparisons, leading to better-informed development policies and programmes. Analysis can include DDI comparison to FDI, remittances, and ODA or ranking countries based on DDI volumes, gross domestic product percentage, and other metrics. The 2020 illustrative DDI index kickstart model was reviewed by a diverse range of professionals and practitioners, including investment experts from development finance institutions, policymakers, and researchers based in Africa, as well as partners from multilateral institutions, such as the UN Development Programme.

Between 2023 and 2024, AFFORD reviewed the feedback on the DDI index framework of the 2019 AUC/GIZ/GKP study and the 2020 illustrative index model. This led to further informal stakeholder consultations and the development of the concept note for a pilot project, supported by

FES-AMPC and GKP. The resulting AFFORD DDI Index is a conceptually robust methodological framework that can be used for a wide range of comparative analyses.

2.3 Definition of Diaspora Direct Investment

Given that DDI is a subset of FDI, definitions and measurement methodologies need to conform to internationally agreed FDI frameworks, while reflecting the unique characteristics of cross-border diaspora investment. Paragraph 6.8 of the “Balance of Payments and International Investment Position Manual (Sixth Edition BPM6)” published by the IMF defines “direct investment” (generally referred to as FDI) as “a category of cross-border investment associated with a resident in one economy having control or a significant degree of influence on the management of an enterprise that is resident in another economy.”¹³

In the context of the IMF definition, direct investment relationships arise when the investor owns equity that entitles them to 10% or more of the voting power. An investor is deemed to have a significant degree of influence if their voting power is between 10%–50%. If an investor has voting power of 50% or higher, they are deemed to have control of the enterprise.

As part of the pilot project, stakeholders, informants, and discussants provided feedback and sought clarifications relating to the DDI elements of the 2019 AUC/GIZ/GKP study. These were reviewed, with relevant modifications and edits made accordingly and reflected in the updated definitions and notes on the key DDI components. It should be noted that unlike FDI, the definition of DDI is not set out in any internationally agreed frameworks but is based on extensive review, analysis, and consultations. The revised definition of DDI is as follows:

Diaspora Direct Investment (DDI) relates to direct investments whereby the cross-border investor who has control or significant influence on the management of the enterprise has origins or heritage in the foreign country where the investment is made, irrespective of the nationality of the investor.

For FDI, the residence of the cross-border investor is crucial. For DDI, residence status and nationality are less important. A diaspora investor may be a returnee or be deemed a legal resident of the country of origin or heritage at the time of investment. However, if the investment funds are coming from a foreign country through the diaspora investor, then the investment will be deemed to be a DDI.

¹⁰ International Organization for Migration. (2020). *Contributions and counting: Guidance on measuring the economic impact of your diaspora beyond remittance*. <https://publications.iom.int/books/contributions-and-counting-guidance-measuring-economic-impact-your-diaspora-beyond-remittances>

¹¹ Asquith, P. (2025). *Developing a pilot DDI index for The Gambia: A literature review* [Unpublished report]. African Foundation for Development.

¹² African Foundation for Development. (2020). *AFFORD DDI Index*.

¹³ International Monetary Fund. (2009). *Balance of payments and international investment position manual* (6th ed.).

The crucial identity factor for the cross-border investor is not residence; it is affiliation based on natal, parental, ancestral, or historic linkage. In studying diaspora finance and DDI in Africa, heritage-based affiliations are of practical importance because millions of the African diasporas in the Americas, Caribbean, and Asia are unable to definitively pinpoint their African country of origin.¹⁴ As such, their investment in any African country qualifies as DDI. This approach is reinforced by the fact that the African Union recognises the global African diaspora, including historic diasporas, as its sixth region.

2.4 Key Characteristics of DDI

Institutions such as the IMF, World Bank, and UNCTAD monitor annually the global flows of external finance received by countries across the world. Four of these forms of development finance are ODA, FDI, portfolio investments (equity and debt), and remittances. FDI involves investment funds used as capital to invest directly in business and productive ventures, generally for larger corporations (private, public, or public–private partnerships), through mergers, acquisitions, and greenfield ventures. DDI is also a form of external finance investment in businesses in the receiving country but has specific distinguishing features, including the following:^{15, 16, 17}

- Investors are individuals and business entities of diaspora origin or heritage.
- Business entities may be diaspora-owned or led by diaspora directors and managers.
- Investments tend to fund the expansion of diaspora-based businesses and greenfield ventures.
- Investments tend to fund technology, professional, and skill-based consultancies and enterprises.
- Investments tend to fund real estate, heritage, tourism, and export sector businesses.
- Investments tend to fund services and light industry rather than manufacturing and heavy industry.
- Investments include collective remittances used for diverse ventures and projects.
- Investments are channelled predominantly to self-employed friends, family, and micro, small, and medium-sized enterprises.

- Investments are channelled to unregistered sole traders, partnerships, and incorporated businesses.
- Investments are channelled to cooperatives as well as social and community enterprises.
- Investments include in-kind input, such as technical skills and plant, machinery, and equipment.

2.5 Key Components of DDI Inflows

Reflecting the complex and multifaceted nature of DDI, the AFFORD DDI Index is not based on a single form of measurement but a composite set of inflows, covering all the major DDI types as set out and discussed below. The original 2019 AUC/GIZ/GKP study identified seven key DDI components. As part of this pilot project, two additional DDI sources were identified, namely FDI-linked and privately arranged DDI. The research and analysis validated the appropriateness of the original seven components and found that the additional two were channels for significant DDI inflows such that they should feature in the index as standalone components. The set of nine key components of the composite AFFORD DDI Index, as developed by Professor Gibril Faal in 2019 and refined in 2025, is summarised below.

I. FDI-Linked DDI

A review of the 2019 AUC/GIZ/GKP study and data from the pilot project research in The Gambia revealed FDI ventures and programmes promoted and led by diaspora entrepreneurs and investors. Although such ventures qualify and are recorded as part of the annual FDI amounts reported by the CBG, UNCTAD, and World Bank, the diaspora subset, being an FDI-linked DDI, was not calculated or highlighted. In some countries, this type of DDI is significant as it may involve large–budget investments.

FDI-linked DDI also includes the categories of diaspora entrepreneurs and investors who lead the setting up, expansion, and/or management of multinational and international companies in the countries of origin or heritage. All African countries collect, analyse, and publish data on annual FDI inflows. FDI data analyses can be supplemented by KIIs with professionals from the CBG, Chamber of Commerce & Industry, business-support organisations, and other institutions to refine and finalise estimations.

¹⁴ Faal, G. (2017). *A new definition and classification of the African diaspora* (MSDG Briefing Paper No. 3). GK Partners. (Original work published 2006)

¹⁵ Elo, M., & Riddle, L. (Eds.). (2015). *Diaspora business*. Interdisciplinary Press.

¹⁶ Ojo, S., Nwankwo, S., & Gbadamosi, A. (2013). African diaspora entrepreneurs: Navigating entrepreneurial spaces in 'home' and 'host' countries. *International Journal of Entrepreneurship and Innovation*, 14(4), 289–299. <https://doi.org/10.5367/ijei.2013.0126>

¹⁷ Rodriguez-Montemayor, E. (2012). *Diaspora direct investment: Policy options for development*. Inter American Development Bank.

II. Incentive-Linked DDI

Several African countries have schemes, policies, and legislation for DDI incentives and tax breaks comparable to those available through statutory FDI promotion programmes. For some countries, including The Gambia and Ghana, the incentive scheme is managed by the national inward investment promotion agency and is a variant of the FDI programme.^{18, 19} These countries set a lower threshold for the cash investment needed for the diaspora investor to access incentives.

The Gambia offers a special investment certificate (SIC) and domestic investment certificate schemes, both of which can be accessed by the diaspora. They are managed by the GIEPA. For each country, it is feasible to identify all the relevant statutory and public sector incentive schemes and get the official DDI-related data from the relevant government or quasi-government institution.

III. Co-financed DDI

In addition to statutory incentives, some countries set up additional specialist diaspora co-finance programmes and DDF to stimulate DDI. For Morocco, the MDM Invest programme enables Moroccans living abroad to access a grant of up to MAD5 million (\$500,000) or 10% of the cost for projects implemented in Morocco.²⁰

In Senegal, the Fonds d'Appui à l'Investissement des Sénégalais de l'Extérieur programme set up in 2008 provides low-interest, five-year loans of up to CFA15 million (\$25,000), with repayment holidays, for diaspora-led projects.²¹ Other countries have made it easy for the diaspora to access domestic investment incentives, such as through loan guarantee schemes. In The Gambia, GKP initiated a DDF programme in 2020 providing \$5,000 to diaspora fellows running local projects, including social enterprises and socially responsible businesses.

In addition to collective and individual DDI ventures as discussed above, there are several occasional and programmatic diaspora co-financing schemes operating in Europe and North America. These tend to involve diaspora organisations working together with partners to stimulate and/or

enhance investments in particular countries or sectors. Examples include:

- the Programme d'Appui aux Organisations de Solidarité Internationale issues de l'Immigration (Support Programme for Migration-Related Projects by International Solidarity Organizations) diaspora enterprise and project co-finance of up to about \$34,000, launched in 2003, managed by the Forum des Organisations de Solidarité Internationale issues des Migrations (Forum of International Solidarity Organizations for Migration), and financed by the French Agency for Development;²²
- African Diaspora Marketplace business plan competition prizes of up to \$70,000, launched in 2009 and run by the United States Agency for International Development;²³
- Diaspora Programme Support grants of about \$75,000 for projects including income-generating social enterprises in Somalia, launched in 2020 and run by the Danish Refugee Council;²⁴
- AFFORD Diaspora Finance social enterprise co-finance of \$38,000, launched in 2013 and co-funded by the UK Department for International Development, the Swiss Agency for Development and Cooperation, Comic Relief charitable trust, and other funders;²⁵ and
- the Entrepreneurship by Diaspora for Development support programme for Ghanaian and Ethiopian diaspora in the Netherlands, launched in 2019 and run by IOM and PUM Netherlands senior experts.²⁶

For each country, it is feasible to identify all the main DDI co-finance programmes in both the country of origin or heritage and residence and get the DDI-related data from the organisations running the schemes.

IV. Network-Linked DDI

Some of the collective remittances generated by hometown and alumni associations are used not for philanthropy but as small-scale impact investments in the African social economy. Beyond that, diasporas create pooled funds through diaspora investment clubs and business angel networks, with the specific purpose of making direct

18 Gambia Investment and Export Promotion Agency. (n.d.). *Incentives*. <https://www.giepa.gm/invest-in-gambia/incentives>

19 Ghana.GOV. (n.d.). *Ghana Investment Promotion Centre*. Retrieved September 30, 2025. <https://www.ghana.gov.gh/mdas/ad4daaa174/>

20 Global Forum on Migration and Development. (2013, December 31). *MDM INVEST Fund*. <https://www.gfmd.org/pfp/ppd/138>

21 Fonds d'Appui à l'Investissement des Sénégalais de l'Extérieur. (n.d.). Retrieved September 30, 2025. <https://faise.sn/presentation/>

22 FORIM. (n.d.). *Appel à projet PRA/OSIM*. Retrieved September 30, 2025. <https://forim.net/accompagner/financer-laction-des-diasporas/le-programme-pra-osim/>

23 The Tony Elumelu Foundation. (2012, June 26). *Western Union and USAID announce winners of second African Diaspora Marketplace*. <https://www.tonyelumelufoundation.org/news/western-union-usaid-announce-winners-second-african-diaspora-marketplace>

24 Danish Refugee Council. (n.d.). *Diaspora Programme: DiPS–Diaspora Project Support*. Retrieved September 30, 2025. <https://drc.ngo/what-we-do/civil-society-engagement/diaspora-programme/dips-diaspora-project-support/>

25 African Foundation for Development. (n.d.). *AFFORD Diaspora Finance*. Retrieved September 30, 2025. <https://afford-uk.org/afford-diaspora-finance/>; see also the ADF case study in the 2019 AUC/GIZ report https://au.int/sites/default/files/documents/37383-doc-cido_adfc_business_framework_report_-_abridged_final_-_may_2019.pdf

26 United Nations Migration Network. (n.d.). *The ED4D: Entrepreneurship by Diaspora for Development*. Retrieved September 30, 2025. <https://migrationnetwork.un.org/projects/ed4d-entrepreneurship-diaspora-development>

investments in diverse businesses and in regulated financial products (portfolio investment).

In addition to the investment clubs in the diaspora, many African countries also have national and thematic angel investment and business-matching platforms of diverse sizes and structures that target the diaspora for DDI.²⁷ The African Business Angels Network has over 70 member organisations covering over half of all African countries. For each country, it is feasible to identify the main investment clubs and networks and get the DDI-related data from the relevant organisations running the schemes.

V. Real Estate DDI

The acquisition and development of real estate are often the biggest investments that individuals in the diaspora make in their countries of origin or heritage. These investments are generally for the following purposes:

- provide housing for parents and extended family (no income generation);
- acquire or develop a “primary home” while residing abroad (no income generation);
- acquire or develop housing as future residence (some income generation); and
- acquire or develop residential and/or commercial units for letting, lease, or sale (income generation).

For the purposes of investment measurement, the fourth category falls squarely under DDI. The third category is important as DDI for several reasons. Many diasporas rent out their houses even if they visit the country of origin frequently. They travel on relatively cheap inclusive package holidays, which include hotel accommodation. Some prefer to stay in a location more central and desirable than where their property is. Furthermore, the houses can be used as collateral for local bank loans to invest in other real estate ventures and other businesses.

With the rise of online booking apps, such as Airbnb, the investment and income-generating component of the second category of real estate DDI is growing. It should also be noted that even for the first category, diaspora investors tend to build or invest in mixed-unit real estate. Residential housing is often complemented with rental units on the same site/plot. Sometimes, commercial units such as shops, offices, and storage facilities are built on the same plot where the house is constructed. The World Bank has previously undertaken household surveys to estimate the value of remittances spent on real estate.²⁸

For each country, it is feasible to identify the main channels through which the diaspora acquires real estate and get the DDI-related data for the analysis and estimation of real estate DDI. Furthermore, some countries may have comprehensive records on land and property registrations and transfers, which can also inform the process of estimating diaspora investments in real estate.

VI. Privately Arranged DDI

Due to inefficient bureaucracy and perceptions of corrupt practices in the public sector, many diaspora investors prefer to register and run their businesses without any government or institutional support. The DDI index pilot project research in The Gambia found that diaspora investors will forego large sums of money in tax incentives and co-financing to avoid delays in their projects and have the “peace of mind” of not being associated with dubious practices. These investors include experienced entrepreneurs who set up and run profitable medium-sized or large businesses in the formal sector.

Another motivation for diaspora investors to make private arrangements is the ease and speed of capitalising on existing trusted relationships with family, friends, and colleagues for private, personal, and joint ventures. Data on this type of privately arranged formal DDI are generally not collected by any institution. Records on company registrations, sector-specific licensing, and business bank accounts may provide some information on the number and value of such DDI, but the process will be fragmented and cumbersome. As such, primary research in the form of diaspora investor surveys is essential. These can be supplemented by KIIs with municipal, tax, business-support, and other business-interfacing professionals to refine and finalise estimations.

VII. Informal DDI

DDI has characteristics similar to remittance flows in that some can be formal, including investments in registered and incorporated businesses, while a significant percentage can be informal, such as investments in unincorporated businesses. In Africa, the informal sector forms a significant percentage of the economy, providing up to 65% of all jobs.²⁹ The DDI index pilot project research in The Gambia found that informal DDI involves small transfers sent through formal and informal remittances. Informal DDI is also a vital and significant source of capital for the self-employed, sole traders, small, micro and unregistered businesses, employed people with side hustles, and other occasional and accidental entrepreneurs.

²⁷ Continent-wide and regional diaspora investment networks are run by various organisations—e.g., the African Business Angel Network, African Diaspora Network’s African Diaspora Symposium in the US, and the Diaspora Investment Club in Kenya and South Sudan.

²⁸ Plaza, S., Navarrete, M., & Ratha, D. (2011, March 31). *Migration and remittances household surveys in Sub-Saharan Africa: Methodological aspects and main findings*. World Bank and African Development Bank. <https://documents1.worldbank.org/curated/en/099215008212424678/pdf/IDU-cfb75ed6-bf2c-4853-8b39-ebf524e8031d.pdf>

²⁹ Medina, L., Jonelis, A., & Cangul, M. (2017). *The informal economy in Sub-Saharan Africa: Size and determinants* (IMF WP/17/156). International Monetary Fund.

Similar to remittances, individual DDIs are small, but the aggregate can be high. Data on this type of informal DDI are generally not collected by any institution. Furthermore, many countries do not even have a mechanism for estimating the annual inflow of informal remittances. However, it is feasible to develop and generate data on informal remittance flows (as was done in The Gambia in 2023), and this can inform the estimation of the amount of informal DDI.

VIII. In-Kind DDI

Investment funds, among other types of investment, are used to procure plant, machinery, equipment, fittings, furniture, goods, and other assets and supplies for businesses. With DDI, cash investment is often supplemented or replaced with physical assets and goods as in-kind investment. The DDI index pilot project research in The Gambia found that diasporas undertake major in-kind DDI through the shipment, wholesaling, and retailing of used goods, including vehicles, home and office equipment, furniture, and fittings. As skilled professionals, the diaspora also provide in-kind managerial and technical input when they operate as entrepreneurs or work with business associates in Africa.

Given that procuring technical, managerial, and expert input is factored into FDI flows, in-kind technical input from the diaspora should also be monetised and included in DDI inflow amounts in countries where they are significant. Data on this type of in-kind DDI are generally not collected by any institution. Customs and excise records on imports may provide some information on the number and value of such DDI, but data collation will be cumbersome and unfeasible in some countries. As such, primary research in the form of diaspora investor surveys is essential. These can be supplemented by KIIs with freight forwarders, clearing agents, and business-support and other professionals to refine and finalise estimations.

IX. Remittance-Linked DDI

It has long been established that a percentage of remittances is used by recipients to set up small and medium-sized enterprises (SMEs), either through the direction of the sender or the choice of the recipient.³⁰ Empirical studies in The Gambia found that this type of DDI is significant and can be more than 10% of total formal remittance inflows. All African countries collect, analyse, and publish data on the annual inflow of remittances sent through formal channels. This information is available from national central banks and the World Bank. Remittance recipient and sender surveys can give further information to facilitate an estimation of the percentage used as a business investment.

³⁰ Ogbuagu, B. C. (2013). Remittances and in-kind products as agency for community development and anti-poverty sustainability: Making a case for diasporic Nigerians. *International Journal of Development and Sustainability*, 2(3), 1828–1857.

	Main Types of DDI	Brief Description and Main Data Sources
1	FDI-Linked	FDI ventures that are led by diaspora investors <i>Central banks; business-support agencies; KIIs</i>
2	Incentive-Linked	DDIs that receive statutory and other government incentives <i>Incentive agencies; diaspora investor surveys; KIIs</i>
3	Co-Financed	DDIs that receive project or programme-related co-finance <i>Co-finance schemes; diaspora investor surveys; KIIs</i>
4	Network-Linked	DDIs made through investment clubs, platforms, and networks <i>Local/international investment networks; diaspora investor surveys; KIIs</i>
5	Real Estate	DDIs in real estate for rental or sale income (not personal/family use) <i>Real estate companies and agents; diaspora investor surveys; KIIs</i>
6	Privately Arranged	DDIs made without seeking incentives, co-finance, or institutional support <i>Business-support agencies; diaspora investor surveys; KIIs</i>
7	Informal	DDIs made for small, unregistered informal businesses <i>Business-support agencies; diaspora investor surveys; KIIs</i>
8	In-Kind	DDIs made by sending equipment and goods for a business purposes <i>Business-support agencies; diaspora investor surveys; KIIs</i>
9	Remittance-Linked	Remittances used by the recipients for businesses <i>Central banks; recipient and sender surveys; KIIs</i>

Note. When collecting data, be alert to possible overlaps and avoid or eliminate multiple counting.

© Faal, Gibril (2025), Key Components of the AFFORD DDI Index

3.

Piloting the AFFORD DDI Index in The Gambia

The 2025 AFFORD DDI Index pilot project entailed the review, analysis, modification, and update of the framework set out in the 2019 AUC/GIZ/GKP study. The revised and updated framework was then used to generate the inaugural AFFORD DDI Index, with The Gambia as the pilot and case study country. The main case study activities were:

- the validation of the conceptual and practical soundness of the AFFORD DDI Index;
- the design and refinement of an operational structure for data collection for the composite index;
- the collection, compilation, and analysis of country data based on the nine components of the index;
- the production of the first set of standardised country data for the AFFORD DDI Index;
- the production of the single-page datasheet of the AFFORD DDI Index of The Gambia; and
- the compilation of recommendations for the Africa-wide application of the AFFORD DDI Index.

The validation of the conceptual, methodological, and practical soundness and credibility of the AFFORD DDI Index included a detailed methodological design, with input from experts and practitioners through KIIs, technical workshops, and review feedback (see details in the Appendix: Key Components of the AFFORD DDI Pilot Project).

In The Gambia, credible and comprehensive institutional data exist for five of the nine types of the DDI index (namely, FDI-linked, incentive-linked, co-financed, network-linked, and remittance-linked DDI). For real estate DDI, the corporate property developers and real estate agencies collect substantial data. However, a significant volume of real estate DDI takes place through private arrangements with independent and freelance agencies.

For the first five types of DDI, existing secondary data were collected, analysed, and supplemented by primary data through KIIs. For the next three types (namely, privately arranged, informal, and in-kind), there was no structured data collection or compilation by institutions or companies available. For these, estimates were based on previous survey reports and KIIs.

The data collected on the nine types of DDI were analysed and used to estimate the annual value of the individual components and total inflow of DDI to The Gambia. Using this standardised composite index, DDI inflows to different countries can be compiled and compared. As with all forms of development finance flows, the availability of more data will improve the quality of estimates. This is the case for the inaugural AFFORD DDI Index of The Gambia and will remain the case for all countries.

Main Types of DDI	Research and Data Compilation Notes
FDI-Linked	2024 FDI data from the CBG and World Bank 2023 UNCTAD country investment report 2025 KIIs
Incentive-Linked	2024 incentive data from GIEPA 2023 UNCTAD country investment report 2025 KIIs
Co-financed	2024 DDF data from GKP MSDG Co-finance information on the Resilience of Organizations for Transformative Smallholder Agriculture Project (ROOTS) Co-finance information on The Gambia Inclusive and Resilient Agricultural Value Chain Development Project (GIRAV) Co-finance information on the Tourism Diversification and Resilience in The Gambia Project (TRDGP) Co-finance information on SheTrades 2025 KIIs
Network-Linked	DDI information from The Gambia Angel Investment Network DDI information from Enterprise Gambia 2025 KIIs
Real Estate	2024 Africa Financing Housing Finance yearbook ³¹ 2023 remittance survey and diaspora finance study 2020 diaspora investment study 2025 KIIs
Privately Arranged	2023 remittance survey and diaspora finance study 2020 diaspora investment study 2025 KIIs
Informal	2023 remittance survey and diaspora finance study 2020 diaspora investment study 2025 KIIs
In-Kind	2023 remittance survey and diaspora finance study 2020 diaspora investment study 2025 KIIs
Remittance-Linked	2024 remittance data from the CBG and World Bank 2023 remittance survey and diaspora finance study 2025 KIIs

³¹ CAHF 2025, 'Africa Housing Finance Yearbook 2024', Centre for Affordable Housing Finance in Africa, Johannesburg; Available at: <https://housingfinanceafrica.org/library/2024-housing-finance-in-africa-yearbook-15th-edition/>

3.1 Research Findings and DDI Index Data for The Gambia

The general findings and observations relating to the AFFORD DDI Index pilot project research in The Gambia are summarised below:

- Among the key informants, 88% agreed with the working DDI definition at a high level, 12% agreed at a medium level, and 0% agreed at a low level.
- Among the key informants, 75% agreed with the nine key DDI components at a high level, 25% agreed at a medium level, and 0% agreed at a low level.
- In The Gambia, based on the knowledge, experience, and opinion of the key informants, the three most significant DDI types in descending order are real estate, remittance-linked, and in-kind DDIs. The three types with a medium level of significance are informal, co-financed, and privately arranged DDIs. The three types with a low level of significance are network-linked, FDI-linked, and incentive-linked DDIs. The opinions of the key informants are in line with the final findings and composite measurement of DDI inflows in The Gambia. This partly demonstrates the validity and methodological importance of KIIs being integral to the framework.
- After real estate, the sectors that attract the highest diaspora investment are construction and building materials, the importation and retail of goods (including used vehicles, equipment, and furniture), agriculture and agribusiness, and transportation and logistics. The diaspora also invests to a lesser degree in hospitality and food businesses (including restaurants and bakeries), as well as in light manufacturing and the creative sector.
- The most common business ownership structure for diaspora entrepreneurs is the sole or major ownership of an SME, followed by co-ownership of an SME. A very small number of diaspora investors in The Gambia are sole or co-owners of large companies, employing more than 250 people or having an annual turnover of \$1 million.
- Based on the knowledge, experience, and opinion of the key informants, the top five sources of DDI to The Gambia in descending order are the United States (US), the UK, Germany, Spain, and Sweden. Italy, the third-highest source of remittances, is not among the top five sources of DDI, and Sweden, which is among the top five DDI sources, is the sixth-highest source of remittances. The Gambian diaspora population in Sweden is much smaller than that of Italy but mostly comprises settled, older, longer-term residents with higher levels of income. The research finding that they remit less than the diaspora in Italy but invest more is credible. They have fewer obligations to support families in The Gambia

and more resources to invest in real estate and businesses as they plan for retirement.

3.2 Measuring DDI Inflows to The Gambia

The key components of the AFFORD DDI Index were applied to the business and economic realities of The Gambia. Through this exercise, the index was used for the first time as a research and analytical tool. In the case of the pilot country and for all countries, appropriate data and information were collected from the main sources identified in the index guide. These were analysed and the main analytical observations and findings recorded. Crucially, for each of the nine DDI types, the key finding required was a quantitative estimate of inflows for the year under study.

The recording and reporting format included a presentation of the arithmetical methods of estimation. Beyond providing clarity and transparency, the format facilitated an analysis of the relative strengths and weaknesses of the estimation process and enabled the continuous improvement of the index. For the purposes of this pilot project and in the absence of an annual diaspora investor survey, recent empirical studies were used as data sources. The observations, findings, and estimates of DDI inflows for The Gambia in 2024 are presented below.

I. FDI-Linked DDI

Among the key informants, 44% considered FDI-linked DDI to be a significant component of DDI inflows to The Gambia, 25% considered it insignificant, and 31% did not know.

In the three-year period between 2022 and 2024, **37% of the informants were aware of FDI-linked DDI inflows**, 63% were not aware, and **67% of those who were aware had no knowledge of the nature or value of the FDI-linked DDIs**. This highlights the importance of using verified data from the CBG for this component rather than using estimates based on expert knowledge only.

Based on data from the CBG and the World Bank, total FDI inflows to The Gambia in 2024 amounted to \$232.36 million. **FDI-linked DDI to The Gambia in 2024 is estimated at \$15 million involving three ventures and programmes.**

II. Incentive-Linked DDI

Among the key informants, 25% considered incentive-linked DDI to be a significant component of DDI inflows to The Gambia, 44% considered it insignificant, and 31% did not know.

In the three-year period between 2022 and 2024, **19% of the key informants were aware of incentive-linked DDI inflows**, 81% were not aware, and **100% of those who were aware had no knowledge of the nature or value of the incentive-linked DDIs**. This highlights the importance of

using verified data from investment promotion agencies for this component rather than using estimates based on expert knowledge only.

Based on data from the GIEPA, the investments that received statutory SICs in 2021 amounted to \$87.77 million. **Incentive-linked DDI to The Gambia in 2021 was estimated at \$14.56 million involving six ventures and programmes.**

III. Co-Financed DDI

Among the key informants, 56% considered co-financed DDI to be a significant component of DDI inflows to The Gambia, 31% considered it insignificant, and 13% did not know.

In the three-year period between 2022 and 2024, **69% of the key informants were aware of co-financed DDI inflows, 31% were not aware, and 64% of those who were aware had no knowledge of the nature or value of the co-financed DDIs.** This highlights the importance of using verified data from co-finance programme institutions and organisations in both the country of origin or heritage and residence.

Based on information from the main co-finance institutions, co-financed DDI inflows to The Gambia in 2024 amounted to \$18 million. **Co-financed DDI to The Gambia in 2024 is estimated at \$1 million involving 20 projects.**

IV. Network-Linked DDI

Among the key informants, 44% considered network-linked DDI to be a significant component of DDI inflows to The Gambia, 19% considered it insignificant, and 38% did not know.

In the three-year period between 2022 and 2024, **75% of the key informants were aware of network-linked DDI inflows, 25% were not aware, and 50% of those who were aware had no knowledge of the nature or value of the network-linked DDIs.** This highlights the importance of using verified data from investment networks in both the country of origin or heritage and residence.

Based on information from The Gambia Angel Investment Network (GAIN), network-linked DDI inflows to The Gambia in 2024 amounted to \$0.5 million. **Network-linked DDI to The Gambia in 2024 is estimated at \$0.033 million involving two projects.**

V. Real Estate DDI

Among the key informants, 94% considered real estate DDI to be a significant component of DDI inflows to The Gambia, 6% considered it insignificant, and 0% did not know.

In the three-year period between 2022 and 2024, **100% of the key informants were aware of real estate DDI inflows, and 100% of those who were aware had some knowledge of the nature or value of the real estate DDIs.** However, estimates of the value of the sector are very divergent. This confirms the fact that real estate DDI is the most important DDI in The Gambia and highlights the importance of using verified data from real estate companies.

The real estate sector comprises land sale agents, building contractors, estate agents, and property developers. Estate agents sell land, houses, and commercial buildings, and property developers tend to do the same, in addition to constructing their own housing units. The working estimate is that there are about 20 structured and well-established real estate developers, about 100 registered independent agents, and hundreds of unregistered informal agents.

The real estate sector is not regulated, but there is a trade association in operation since 2016, namely the Association of Real Estate Companies of The Gambia. The working estimate is that property developers produce about 800 housing units annually and sell 70% of their properties to Gambians in the diaspora. The diaspora market is so important to them that they undertake regular marketing tours across Europe and North America. However, most diaspora real estate investors still acquire land from small or unregistered agents and through family and private transfers. They then hire private contractors to build houses and commercial units over an average period of three years.

The working estimate is that the diaspora acquires about 2,500 units of land annually at an average price of \$15,000 from real estate and property development companies (valued at \$37.5 million) and about 550 houses (two- and three-bedroom houses) at an average price of \$80,000 (valued at \$44 million). The working assumption is that land and houses sold by structured companies are generally more expensive per unit than those acquired privately or through independent and informal agents. Another working assumption is that real estate DDI inflow through the structured specialist companies represents about 40% of the total monetary value of all real estate DDI. It is feasible to undertake detailed research to gather credible data on all the working assumptions and elements that inform the estimation and measurement of real estate DDI.

Based on an analysis of information from the major real estate companies in The Gambia, real estate DDI through companies worth \$81.5 million amounted to 40% of the total flows, and real estate DDI through private arrangements and informal agents worth \$122.25 million amounted to 60% of the total flows. **Real estate DDI to The Gambia in 2024 is estimated at \$203.75 million.**

VI. Privately Arranged DDI

Among the key informants, 50% considered privately arranged DDI to be a significant component of DDI

inflows to The Gambia, 12% considered it insignificant, and 38% did not know.

In the three-year period between 2022 and 2024, **100% of the key informants were aware of privately arranged DDI inflows**, and **81% of those who were aware had some knowledge of the nature or value of the privately arranged DDIs**. However, estimates of the value of the sector are very divergent. This highlights the importance of undertaking a diaspora investor survey to produce credible estimates.

In the absence of data from a diaspora investor survey and based on informal discussions with business leaders, it is estimated that 5,000 diaspora entrepreneurs invest an average of \$5,000 annually in privately arranged businesses. **Privately arranged DDI to The Gambia in 2024 is estimated at \$25 million (calculated as \$5,000 x 5,000 investors).**

VII. Informal DDI

Among the key informants, 63% considered informal DDI to be a significant component of DDI inflows to The Gambia, 12% considered it insignificant, and 25% did not know.

In the three-year period between 2022 and 2024, **100% of the key informants were aware of informal DDI inflows**, and **100% of those who were aware had some knowledge of the nature or value of the informal DDIs**. However, estimates of the value of the sector are very divergent. This highlights the importance of undertaking a diaspora investor survey to produce credible estimates.

The 2023 remittance survey and diaspora finance study developed a methodology to estimate informal remittance inflows to The Gambia, found to be about 24% of formal inflows. That study also found that 10% of remittances were used for business investment. Based on this calculation and on data from the CBG, formal remittance inflows to The Gambia in 2024 are estimated at \$775.6 million and **informal remittance inflows at \$186.14 million.**

Estimate of Informal Remittance Inflows to The Gambia in 2022

Table 3

Corridor Ranking	Remittance-Sending Country	Percentage of Informal to Formal Remittances	Formal Remittances (\$, 2022)	Informal Remittances (\$, 2022)	Total Remittances (\$, 2022)
1	US	15%	180,000,000	27,000,000	207,000,000
2	UK	15%	171,000,000	25,650,000	196,650,000
3	Spain	50%	72,000,000	36,000,000	108,000,000
4	Italy	35%	65,000,000	22,750,000	87,750,000
5	Germany	35%	43,000,000	15,050,000	58,050,000
6	Sweden	15%	36,000,000	5,400,000	41,400,000
7	France	35%	30,000,000	10,500,000	40,500,000
8	Netherlands	35%	15,000,000	5,250,000	20,250,000
9	Switzerland	15%	14,500,000	2,175,000	16,675,000
10	Senegal	75%	14,500,000	10,875,000	25,375,000
11	Other Countries Together	20%	71,000,000	14,200,000	85,200,000
Total Remittance Inflows			712,000,000	174,850,000	886,850,000
2022 Remittances					
Formal	712,000,000 (80%)	Informal	175,000,000 (20%)	Total	887,000,000 (100%)

© GKP (2023), Estimate of Informal Remittance Inflows to The Gambia in 2022

In the absence of data from a diaspora investor survey, the working assumption is that informal DDI is equivalent to 10% of informal remittance inflows. **Informal DDI to The Gambia in 2024 is estimated at \$18.61 million (10% of \$186.14 million).**

VIII. In-Kind DDI

Among the key informants, **81% considered in-kind DDI to be a significant component of DDI inflows to The Gambia**, 12% considered it insignificant, and 27% did not know.

In the three-year period between 2022 and 2024, **100% of the key informants were aware of in-kind DDI inflows, and 94% of those who were aware had some knowledge of the nature or value of the in-kind DDIs.** However, estimates of the value of the sector are very divergent. This highlights the importance of undertaking a diaspora investor survey and KIIs with in-kind investors, freight forwarders, and clearing agents to produce credible estimates.

In the absence of data from a diaspora investor survey and based on informal discussions with shipping agents, it is estimated that 1,500 diaspora investors send in-kind goods and equipment valued at an average of \$15,000 annually. **In-kind DDI to The Gambia in 2024 is estimated at \$22.5 million (calculated as \$15,000 x 1,500 investors).**

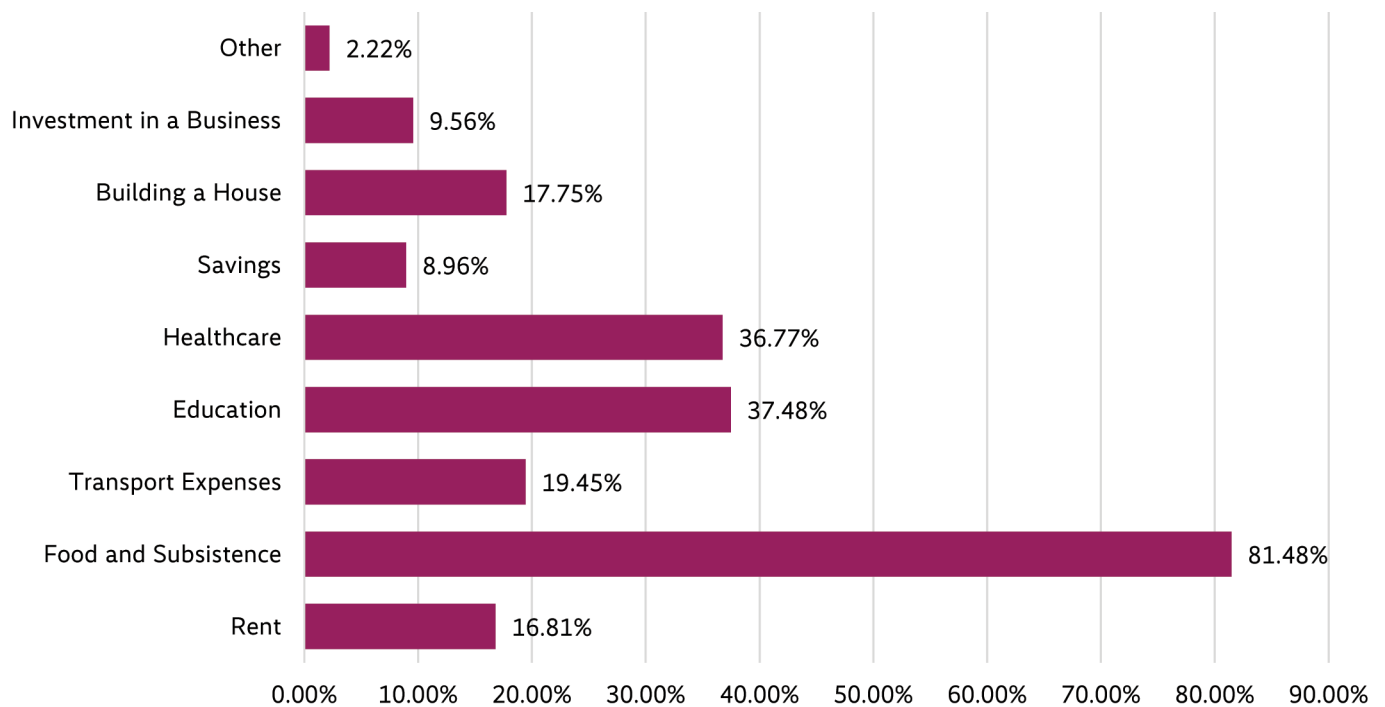
IX. Remittance-Linked DDI

Among the key informants, **88% considered remittance-linked DDI to be a significant component of DDI inflows to The Gambia**, 12% considered it insignificant, and 0% did not know.

The 2023 comprehensive diaspora finance study in The Gambia (including a large-scale remittance recipient survey) found that **10% of recipients use remittance funds for business investment.**

Usage of Remittances: 2023 Survey of Recipients in The Gambia

Figure 3



© GKP (2023), Usage of Remittances: 2023 Survey of Recipients in The Gambia

The 2020 comprehensive study of diaspora-development engagement of The Gambian diaspora in the UK found that 13% of remitters send money for business investment. For the AFFORD DDI Index estimates, the lower (more conservative) figure of 10% is taken, consistent with the 2023 recipients survey.

Remittance-linked DDI to The Gambia in 2024 is estimated at \$77.56 million (10% of \$775.60 million). It should be noted that this amount is not new inflow into the country but the amount of formal remittances received already invested in businesses.

Based on data from the CBG, formal remittance inflows to The Gambia in 2024 amount to \$775.6 million.

3.3 Estimated 2024 AFFORD DDI Index of The Gambia

Through the pilot project research in The Gambia, the first-ever set of standardised country data for the AFFORD DDI Index is presented below.

Estimated 2024 AFFORD DDI Index of The Gambia

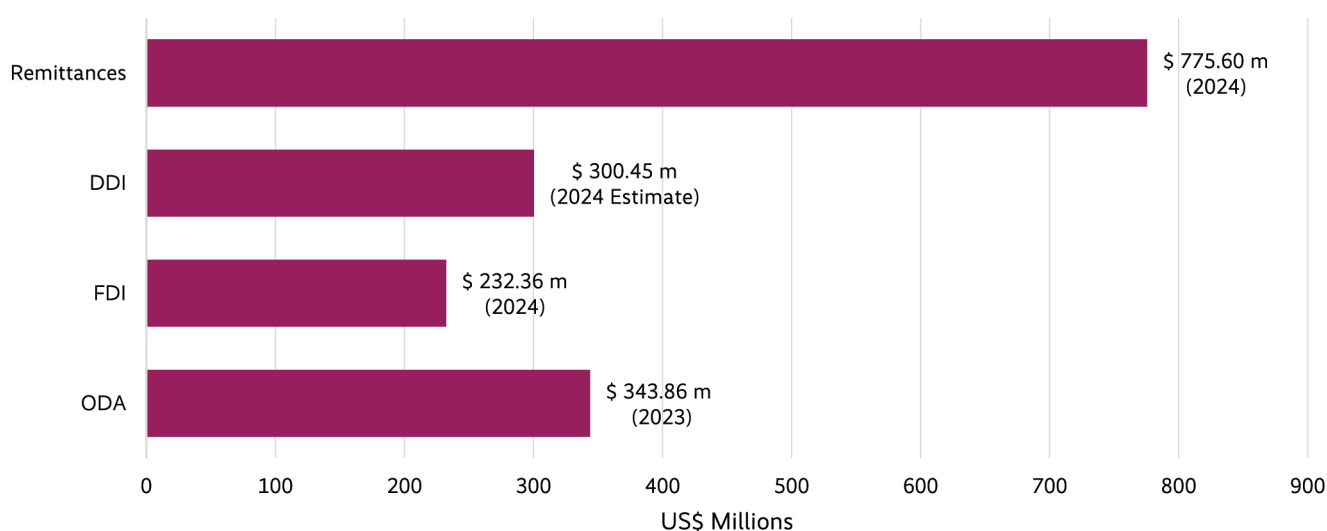
Table 4

Main Types of DDI	Inflows (\$)	Percentage	Ranking
Real Estate DDI	203,750,000	68%	1st
Privately Arranged DDI	25,000,000	8%	2nd
In-Kind DDI	22,500,000	8%	3rd
Informal DDI	18,610,000	6%	4th
FDI-Linked DDI	15,000,000	5%	5th
Incentive-Linked DDI	14,560,000	5%	6th
Co-financed DDI	1,000,000	0%	7th
Network DDI	30,000	0%	8th
DDI Inflow to The Gambia	300,450,000	100%	
Remittance-Linked DDI	77,560,000		Already received in the country
Total DDI to The Gambia (2024)	378,010,000		Total funds spent on business
FDI Inflow to The Gambia	232,360,000		Based on World Bank data

© GKP (2025), Estimated 2024 AFFORD DDI Index of The Gambia

Development Finance Inflows to The Gambia

Figure 4



4. Analytical Observations and Recommendations

The AFFORD DDI Index pilot project in The Gambia demonstrated the feasibility and viability of the index. It also provided insights on how it can be rolled out and instituted as an annual exercise for all African countries. The main analytical observations and recommendations are set out below.

4.1 Definition of Diaspora

In 2005, the African Union adopted the formal definition of the African diaspora, stating: “The African Diaspora consists of peoples of African origin living outside the continent, irrespective of their citizenship and nationality, and who are willing to contribute to the development of the continent and the building of the African Union.”³² The AU definition is consistent with the 2019 IOM definition, which states that the diaspora are

*migrants or descendants of migrants whose identity and sense of belonging, either real or symbolic, have been shaped by their migration experience and background. They maintain links with their homelands, and to each other, based on a shared sense of history, identity, or mutual experiences in the destination country.*³³

For the purposes of the AFFORD DDI Index, all migrants and descendants of migrants residing abroad are part of the diaspora of the country whether they are in Africa or in another part of the world. Furthermore, DDI also includes the investments of circular migrants and people in the diaspora who have returned to the country permanently in the previous five years. As discussed during the pilot project, long-term foreign residents of 15 years or longer who naturalise as citizens and then reside abroad will be considered part of the diaspora of the country.

4.2 Conceptual Robustness and Feasibility

The AFFORD DDI Index originated from the 2019 AUC/GIZ/GKP study, which is still the most comprehensive assessment of African diaspora finance ever undertaken. The literature review that was part of this pilot project confirmed the conceptual rigour and innovative nature of the index. All the studies and publications reviewed validate the premise and components of the index, and no contradictory or competing models have emerged.

The empirical tests, including interviews and technical workshops with experts and practitioners, provided further confirmation and validation. Like all analytical models and methodological frameworks, design modifications and improvements will occur in time as further learnings emerge from the practical application and usage of the framework.

The pilot project demonstrated that the index is feasible in that it is practically possible to operationalise and apply all its elements and components and produce a measure of DDI inflow for a country on an annual basis. The index is also viable in that it is worthwhile to implement it from the perspective of advancing knowledge, understanding and insights on the optimisation of diaspora finance, the diversification of inward investments, innovations in international development, and the enhancement of development economics analysis.

4.3 Operational Simplicity

The research and analytical work involved in generating an AFFORD DDI Index for a country is substantial and time-consuming, but the operational process is relatively simple, methodical, and straightforward. There is a single-page guide titled “Key Components of the AFFORD DDI Index,” which sets out the nine main DDI types, gives a one-line description of each type of DDI, and states the main data sources. To apply the index to a country, the main research and analysis action points and stages are set out below:

- Conduct background desk research of secondary sources relating to the geographical distribution of the diaspora populations and their socioeconomic profiles; volumes and country sources of remittance inflows; general country-specific information on DDIs and other forms of diaspora finance; and the nature, characteristics, facts, and figures relating to the general and diaspora-linked real estate sector.
- Engage with the departments of the central bank that collect and collate data on FDI and remittances, as these are the primary sources of data for FDI-linked and remittance-linked DDI, **the first and last of the nine types of DDI.**

³² African Union. (2005). *Executive Council, Seventh Ordinary Session: 28 June – 2 July 2005, Sirte, Libya.*

³³ International Organization for Migration. (2019). *International Migration Law: Glossary on Migration.*

- Identify and document all the statutory and government-run investment incentive schemes at the federal, state, and municipal levels, and engage with the institutions that collect and collate data on the schemes. These are the primary sources of data for incentive-linked DDI, **the second of the nine types of DDI**.
- Identify and document all the co-finance schemes linked to sectoral and thematic projects and programmes in the country, as well as diaspora and outward investment co-finance schemes in the foreign countries where the diaspora are resident, and engage with the institutions and agencies that collect and collate data on the schemes. These are the primary sources of data for co-financed DDI, **the third of the nine types of DDI**.
- Identify and document all the investment clubs, platforms, and networks based in the country and within the diaspora that promote, broker, and/or manage business investments, and engage with these networks that collect and collate data on the schemes. These are the primary sources of data for network-linked DDI, **the fourth of the nine types of DDI**.
- Identify the property developers, estate agencies, sector trade associations, regulators, government and municipal departments and agencies, academic institutions, think tanks, and industry analysts that work in the housing and real estate sector, and engage with these bodies that collect and collate aspects of sector data. These are the specialist sources of sector information and insights for real estate DDI, **the fifth of the nine types of DDI**.
- Identify the business-support organisations and agencies as well as the brokerage, shipping, freight, and clearing agencies that advise, support, and interact on both formal and informal bases with diaspora investors and entrepreneurs, and engage with these agencies that collect aspects of diaspora investment data. These are the specialist sources of information and insights for privately arranged, informal, and in-kind DDI, **the sixth, seventh, and eighth of the nine types of DDI** (data on the ninth type, remittances, is collated by the central bank).
- Access and analyse the data collected and collated by the institutions, agencies, and organisations described above pertaining to five of the nine types of DDI, namely FDI-linked, incentive-linked, co-financed, network-linked, and remittance-linked DDIs.
- Design, administer, and analyse responses to a diaspora investor survey. The primary set of questions should cover the four DDI types for which no institution collects comprehensive data—namely, real estate, privately arranged, informal, and in-kind DDIs. The secondary set of questions should cover the five DDI types for which institutions already collect data on (the survey enables cross-referencing). The sample of respondents and method of survey (online self-administered, telephone, or face-to-face interview) should be stratified and informed by the geographical distribution and socioeconomic profile of the diaspora population, among other factors.
- Design, administer, and analyse responses to a set of KIIs. The informants should be experts and practitioners with direct and relevant thematic knowledge and experience. The primary set of KIIs should cover the four DDI types for which no institution collects comprehensive data—namely, real estate, privately arranged, informal, and in-kind DDIs. The secondary set of questions may cover the five DDI types for which institutions already collect data on (the KII enables cross-referencing).
- Review and analyse the quantitative and qualitative data collected and/or generated through the desk research, engagement with institutional data collectors and collators, diaspora investor surveys, and KIIs, and produce initial estimates of the annual DDI value for each of the nine types.
- Facilitate a consultative review of the DDI inflow estimates by specialist peer reviewers and/or FGD workshops. Reviewers/discussants should be experts and practitioners with direct and relevant thematic knowledge and experience, and some of them should not have been involved in the earlier processes as advisers or key informants.
- Undertake a final overall review and assessment of the estimates informed by the consultative review, and produce a single-page data sheet of the annual AFFORD DDI Index of the country using the available template.

4.4 Strengths and Opportunities

The strengths of the AFFORD DDI Index include the following:

- **Simplification.** Appropriate methodology and relevant knowledge were deployed to enable the presentation of the DDI as a simplified composite quantitative measure and indicator despite its complex and multifaceted nature, thereby making the phenomenon more accessible to policymakers.
- **Comparability.** The annual country DDI inflow amount generated by the index is directly comparable to the global development finance indicators, such as FDI, ODA, and remittances, which are currently in use, thereby facilitating the appropriate and easy integration of DDI in development economics analysis.
- **Prioritisation.** The concise single-page data sheet produced per country provides a typological breakdown and ranking of the different types of DDI, maximising clarity about priority areas for policies, interventions, and support.

- **Universality.** The methodology, format, and data sheet presentation are standardised and applicable to all countries without the need to adjust any aspect of the framework, thereby ensuring universality and promoting the uniformity of analytical approaches.
- **Versatility.** The framework is encompassing and applicable to all countries irrespective of the diversity, complexity, and trajectory of socioeconomic and DDI scenarios and patterns, thereby ensuring versatile usage and application.

The opportunities presented by the AFFORD DDI Index include the following:

- **New Interest.** The trend of decreasing ODA has heightened interest in understanding, stimulating, and accessing diaspora and other new and innovative forms of development finance, thereby creating options for partnership engagements and collaborations.
- **Research Expansion.** The diaspora investor component of the methodology can be easily extended to incorporate questions on the other forms of diaspora finance, thereby offering a feasible mechanism to undertake a complete diaspora finance assessment for countries.
- **Formal Endorsement.** The index emerged from the 2019 study in support of an African Union Legacy Project, and the full report was formally endorsed by the Executive Council of the African Union in February 2022,³⁴ making it easier for African governments to sign up and/or cooperate in the application of the index in the individual member states.
- **Global Policies.** The 2018 UN Global Compact for Safe, Orderly and Regular Migration included commitments to

*develop targeted support programmes and financial products that facilitate migrant and diaspora investments and entrepreneurship, including by providing administrative and legal support in business creation, granting seed capital-matching, establish diaspora bonds and DDFs, investment funds, and organize dedicated trade fairs.*³⁵

Furthermore, the 2025 UN FFD4 included a global commitment to the generation of “disaggregated data and statistics [for] evidence-based policy decisions” and stated that governments “will strengthen efforts to facilitate diaspora investment and call on development partners to support such efforts, including by engaging with diaspora communities.”³⁶ The application and rollout of the index is an

appropriate and practical mechanism for cooperation to address different investment priorities.

- **Impactful Implementers.** AFFORD and GKP, as the originators and promoters of the index, are reputable, pioneering, and credible diaspora-led organisations that have innovated and implemented multiple programmes with transformative impacts in enhancing diaspora contributions to development. With their continued commitment and contribution of intellectual and organisational resources, they are well placed to leverage their networks to get the collaborative support needed to roll out and institutionalise the index.

4.5 Weaknesses and Challenges

The weaknesses of the AFFORD DDI Index include the following:

- **Resource-Intensive.** Even though the index framework is simple, straightforward, and easy to use, the research, analytical, and operational processes that need to be undertaken to generate the composite data for countries are relatively long and labour-intensive, besides requiring significant financial resources, especially in the first three years of framework application in a country.
- **Rollout Threshold.** Like other country-based indices, for the index to gain traction, it will need to be applied to a significant number of countries at the very onset—meaning that even the initial rollout is a major undertaking, with a threshold of about 20 African countries representing different geographical regions, states of economic development, and migration and diaspora patterns.
- **Major Outreach.** The diaspora investor survey is an integral feature of the index methodology—meaning that even the initial rollout requires major outreach work to build trusting relationships and create different means of engagement and communication for the recruitment and retention of a representative sample of potential respondents from diverse socioeconomic backgrounds.

The challenges presented by the AFFORD DDI Index include the following:

- **Scale and Size Constraints.** With the index pilot country being The Gambia, which is one of the smallest countries in Africa, some of the operational constraints relating to population size, geographic expanse, industrial complexity, and economic diversity have been considered and incorporated in the framework but have not been encountered and addressed in practice. The initial rollout

³⁴ African Union. (2022, April 2). *African Union endorses African Diaspora Finance Corporation* [Press release]. Retrieved September 30, 2025. <https://au.int/en/press-releases/20220402/african-union-endorses-african-diaspora-finance-corporation-adfc>

³⁵ United Nations. (2018). *Global compact for safe, orderly and regular migration*.

³⁶ United Nations. (2025). *Sevilla commitment: Outcome document adopted at the Fourth International Conference on Financing for Development (A/RES/79/323)*.

will need to include countries of different sizes, including large and economically complex ones, such as Nigeria, which has a federal system with several layers of policy-making and government action.

- **Data Availability and Accessibility.** Many African countries face long-standing difficulties relating to data collection, collation, and presentation, and where data exist, there is a related challenge regarding inaccessibility caused by different factors, including resource constraints or deliberate “data- and information-hoarding.” Ensuring data availability and accessibility will be required prior to the actual rollout in the selected countries.
- **Measurement and Valuation Limitations.** The index provides a quantitative and monetary value of DDI inflows and insights on options and channels for the expansion and enhancement of DDI and related themes. This may be perceived as a limitation in that insights are not given as a matter of course on related pertinent issues, such as the relative economic, productive, social, or environmental value of the inflows.

4.6 Recommendations for Rollout and Sustainability

The recommendations for the rollout of the AFFORD DDI Index are focused on mitigating weaknesses and challenges, optimising strengths and opportunities, and improving the options and chances for its long-term sustainability. The main recommended action points are as follows:

- **Bank of Resources and Templates.** To enhance coherence and consistency, ease research processes and operations, improve analytical quality and productivity, facilitate capacity development, and minimise operational costs: produce and facilitate active usage of a bank of resources, including data source guides, country-specific baseline data, briefing and consultative notes, templates, diaspora investor questionnaires, KII guide questions, and other resources and toolkits relevant to the DDI index and diaspora finance in general.
- **Stakeholder Engagement and Communication.** To create and maintain engagement with stakeholders, including migrant and diaspora communities from diverse backgrounds, and create reciprocal and trusting relationships: implement tailored engagement actions, including setting an annual date for the publication of the DDI index and celebrating diaspora contributions (e.g., on Africa Liberation Day); partner with diverse social and media platforms, as well as community, diaspora, professional, international, and other organisations, to facilitate networked outreach and maximum dissemination; and publish and disseminate other occasional reports through networked partnerships.

- **Complementary Data and Knowledge.** To leverage the availability of representative samples of respondents and cohorts of expert key informants, as well as expand empirical data and wider sectoral knowledge: produce deeper analysis on a selected theme each year to complement the DDI index of the country; administer supplementary sets of questions as part of the diaspora investor survey, covering other non-DDI forms of diaspora finance, namely DPI, DP, DRs, and DT; and produce all-encompassing reports on facts, figures, observations, and action points on diaspora finance in the selected countries. Over time, the DDI index can evolve to be a diaspora finance index.

- **High-Profile Collaborations.** To facilitate awareness, acceptance, and global institutionalisation of the index; improve the chances of accessing institutional support and funding; and enhance the financial sustainability of the index: leverage existing partnerships and networks for strategic collaboration on rolling out the index, including the index being co-hosted by a high-profile, highly ranked university; convene a consultative and technical working group comprising institutions with relevant expertise, experience, and outreach; and create a coworking relationship with relevant development and finance institutions.

- **Centralised Implementation Unit.** To nurture core personnel with specialist DDI index competencies; consolidate, develop, and share skills and expertise; optimally deploy AI and other tech-based research and analytical tools; and enhance cost-effectiveness and operational efficiency: create a centralised unit for the implementation of DDI index research and analysis for the cohorts of selected African countries.

- **Staged Approach to Rollout.** To structure, coordinate, and operationalise the AFFORD DDI Index rollout programme: produce a project plan with a budget informed by the recommended action points set out above, with rollout to all African countries set in three stages over a seven-year period. The first stage can include about 20 countries over a three-year period, and the last stage can be for the countries that currently do not have the basic data infrastructure relating to remittances and general investments.

4.7 Recommendations for Policy Development

The recommendations for policy development are focused on how countries can leverage the AFFORD DDI Index to expand and enhance diaspora investments and international cooperation for sustainable national development. The main recommended action points are as follows:

- **Implementation of Global Policies.** Prioritise the domestication, implementation, expansion, and enhancement of the DDI elements of the “2018 Global

Compact on Migration,” “2025 FFD4 Sevilla Commitment,” and other relevant global policy frameworks. The DDI Index facilitates the establishment of baselines; the annual monitoring of the effectiveness, cost-benefit outcomes, and impact of policies; and the continuous improvement of investment policies and practices.

- **Bilateral Development Cooperation.** Review and analyse bilateral development cooperation agreements and frameworks with countries that are actual or potential sources of high levels of DDI. At the same time, negotiate, design, and implement new partnership frameworks that stimulate, promote, incentivise, and support FDI-linked DDI to expand bilateral investment and trade relations. Lastly, enhance mutually beneficial economic and socio-political benefits for both countries.
- **Targeted Policy Interventions.** Structure, implement, and monitor national policies and initiatives to expand and enhance DDI inflows through measures and interventions that are targeted, differentiated, and responsive to the specific status, circumstances, needs, opportunities, and options of each of the nine DDI types. This targeted and specific approach facilitated by the index will be more effective and efficient than a generalised policy approach.
- **Specific DDI Incentive Schemes.** Initiate and/or expand existing DDI tax breaks and incentive schemes that are

transparent and straightforward, well publicised within the diaspora, tech-enabled, and accessible online. The index can be used as an analytical tool to assess the effectiveness of incentive-linked DDI in increasing inward investment flows as compared with other general or sector-specific stimulation packages within the economy, as well as to improve investment policies and programmes.

- **Productive Sector Investments:** Review, analyse, promote, stimulate, and support the DDI types that have the highest impact on strengthening sector supply chains and complementary businesses, triggering and enhancing local multiplier effects, and increasing national economic production and output. This will align diaspora investment to national economic priorities and optimise the sustainable development impact of DDIs.
- **Stable and Resilient Investments.** Review, analyse, promote, stimulate, and support the DDI types that are more amenable to being stable in the medium term, resilient in times of economic shocks, and countercyclical in general, considering the context and circumstances of each country. This will practically integrate and entrench diaspora entrepreneurs and resources within the long-term economic and development frameworks of the country as FDI flows remain erratic and ODA flows decrease.

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Appendix: Key Components of the AFFORD DDI Pilot Project

The AFFORD DDI Index pilot project entailed focused applied research, analysis, methodological design, empirical application, and the production of a methodical estimate of the 2024 DDI inflows to the pilot country of The Gambia. The main activities, components, and stages of the project were as follows:

- concept note (November–December 2024);
- project approach workshop (December 2024);
- inception report (December 2024);
- revised work plan (May–June 2025);
- literature review (July–August 2025);
- methodological design for DDI measurement (July–August 2025);
- methodology consultation and training workshop (August 2025);
- additional desk research and interviews (September–October 2025);
- research analysis and DDI inflow estimation (October 2025); and
- FGD and final project report (November 2025).

I. Concept Note

In November 2024, in consultation with GKP and FES-AMPC, AFFORD drafted a concept note for the advancement of the DDI index programme. The overall aim of the pilot project was two-fold—namely, to “develop and pilot a robust methodology for an AFFORD DDI Index that can be applied to all African Union member states” and “provide Gambian, African, international policymakers, diaspora organisations and investment platforms with improved information and data on DDI trends and opportunities in The Gambia through an AFFORD DDI Index for The Gambia.” The main output was a 10-page concept note with contextual information, rationale for the project, and an indicative budget. The main outcome was that a DDI index pilot project was agreed upon, with The Gambia as the case study country.

II. Project Approach Workshop

The first technical workshop focused on the project approach was held online on 17 December 2024. There were nine participants, including the senior adviser, researchers, coordinators in the UK and The Gambia, FES-AMPC representatives, and three independent experts, namely a UK-based postdoctoral researcher on diaspora investment,

the chief executive officer of GAIN, and a Gambia-based business adviser.

The workshop discussion was informed by prior research, review, and analysis of the existing DDI index methodology, general DDI data relating to Africa and The Gambia, and the concept note. The main outputs were a briefing/discussion document and a consultative technical workshop. The main outcome was a conceptual research framework centred on the use of the DDI characteristics set out in the 2019 groundbreaking study produced by GKP, as commissioned by the AUC and the GIZ. The AUC/GIZ/GKP study was undertaken by Professor Gibril Faal, who is also leading this DDI index pilot project. An additional outcome was that the key components of the framework were understood by all the project professionals from all the partner organisations.

III. Inception Report

The proceedings of the workshop, together with the project discussions between AFFORD, GKP, and FES-AMPC, informed the content of the inception report, which was produced and shared with FES-AMPC in December 2024. Among other things, the report covered the themes that would affect the quality and credibility of the pilot DDI index, including:

understanding the different types of diaspora finance and different forms of fund transfers;

an overview of remittance and diaspora investment data in The Gambia;

understanding the 2020 AFFORD DDI Index as an illustrative kickstart framework based on proxy data rather than verified or empirical data;

emphasis on the central importance of using and refining the definitions, typology, and DDI methodological framework set out in the 2019 AUC/GIZ/GKP study;

a discussion of the appropriate types and sources of data for a refined and updated DDI index methodology;

trends in mobile money and remittance systems and their relevance to DDI data monitoring; and

remittance transfer fees, foreign exchange dynamics, and their relevance to DDI.

The inception report also had action points for the January to March 2025 period, including plans to organise follow-up in-person research workshops, interviews, and FGDs as part of SNF8 in The Gambia, scheduled for 11 January 2025. The main output of this stage of the project was a seven-page inception report. The main outcome was achieving a common understanding of the conceptual, research, and analytical activities to be undertaken.

IV. Revised Work Plan

AFFORD and FES-AMPC explored ways and means of fast-tracking procedures to organise the in-person consultations and engagement activities as part of SNF8 in The Gambia in January 2025. However, this was not feasible as the initial contextual and preparatory workshop was held in the third week of December 2024. The formal project activities were paused between January and April 2025, although GKP continued to brief potential partners in The Gambia, while AFFORD and FES-AMPC continued to liaise on project implementation. After further consultations, the work plan, agreements, and contracts were revised and updated between May and June 2025. The main outcome was that new project activity schedules were agreed upon, as set out in updated project plans and contracts.

V. Literature Review

A comprehensive literature review was undertaken, assessing key facts, figures, findings, analytical observations, recommendations, guidance, and other pertinent information relating to the topics of global and African diaspora finance, investment measurement methodology, and diaspora finance in The Gambia. The exercise involved the review of over 150 academic publications and policy papers, and about 120 of the most relevant were compiled as a bibliographic resource.

The literature review through desk research was undertaken between July and August 2025 in conjunction with the process of designing the detailed DDI index methodology. Among other things, the literature confirmed that the 2019 AUC/GIZ/GKP study offers a credible and comprehensive DDI index methodological framework and that no contradictory or competing frameworks are in operation. This is further evidence of the innovative and pioneering nature of the project. Nothing was found in the published literature and resources that contradicted or undermined the premise, assumptions, or logic of the emergent DDI index framework. There was a body of recently published studies that reinforced the validity and soundness of the framework in the 2019 AUC/GIZ/GKP study.

The literature review also identified sources of data and intelligence on Gambian migration, as well as diaspora engagement and investment in development. For many countries, granular data on these themes and topics are not available. However, the review highlighted groundbreaking specialist diaspora-development publications on The

Gambia, the bulk of which were produced by GKP as part of the MSDG programme, already recognised by the UN and World Economic Forum as an example of global good practice. The main output was a 34-page literature review document. The main outcome was the validation of the conceptual and practical credibility of the DDI index framework by evidence from openly available academic and policy analysis publications, produced by reputable specialist institutions and independent experts.

VI. Methodological Design for DDI Measurement

Between July and August 2025, a detailed methodology was developed for measuring, standardising, and indexing DDI. This built on the foundational framework set out in the 2019 AUC/GIZ/GKP study, informed by analysis of the feedback on the 2020 AFFORD DDI illustrative framework, synopsis from the literature review, feedback from the methodology consultative and training workshop, and consultations with institutional partners in The Gambia.

Reflecting the complex and multifaceted nature of DDI, the methodological framework proved to not be a unitary form of measurement but a composite index with nine components. The methodology set out how quantitative and qualitative data were to be collected for each component through multiple steps, including:

- a review of records compiled by government institutions, such as central banks;
- surveys of stakeholders, such as investors and remitters; and
- interviews of key informants, such as investment management practitioners.

The data collected on the nine key components were analysed and used to estimate the annual value of the individual components and total inflow of DDI to a country. Using this standardised composite index, DDI inflows to different countries could be compared. For quality control purposes, the DDI index estimates should be subjected to further assessment through peer reviews and/or FGDs. These final reviews could lead to the validation of the index, adjustment/moderation, or further interviews prior to adjustment and finalisation.

The main output was a 12-page methodological briefing and training document, also incorporated in this final report. The main outcome was a comprehensive, credible, and pioneering methodological framework for the standardised composite measurement of DDI inflows. This AFFORD DDI Index is applicable to all countries and serves as a comparison and analytical tool for evidence-based development finance planning.

VII. Methodology Consultation and Training Workshop

The second technical workshop focusing on DDI methodology was held as a hybrid event on 13 August 2025. There were 27 participants: five from GKP, six from AFFORD, two from FES-AMPC, six lecturers from the Civil Service University of The Gambia, and two each from the University of The Gambia, GAIN, the Ministry of Foreign Affairs, and the National Youth Council. The interactive training session also served as a consultative forum with analytical observations and feedback from the participants, who were all experienced professionals.

The workshop covered discussions on:

- DDI definitions and categorisation;
- facts and figures about DDI in Africa and The Gambia;
- connections between remittances and DDI;
- conceptual challenges and opportunities of using formal remittance data to estimate remittance-linked DDI inflows;
- understanding the relevance of in-kind remittances to DDI;
- frameworks for a DDI index using standardised data compilation and assessment format;
- using direct, indirect, and proxy methods of measuring different forms of DDI inflows;
- data availability, credibility, consistency, and comparability;
- key components of the composite DDI index;
- the importance of secondary data analyses, including remittance and investment tax incentive records; and
- the importance of KIIs and FGDs with relevant informants, including diaspora investors, investment networks, local business partners, real estate agents, and government and institutional entities that support inward investment.

The workshop identified aspects of the DDI index framework that needed clarification. This included issues such as the classification of short-term and circular migrants, peripatetic workers, and multigenerational diaspora. The main output was a six-page workshop report. The main outcome was that a cohort of 20 professionals gained an understanding of the composite DDI index and introductory skills on how to use the framework to measure DDI inflows in countries.

VIII. Additional Desk Research and Interviews

Having developed the AFFORD DDI Index and gained further insights through internal reviews, project partner comments, and feedback from the independent professionals who participated in the methodology workshop, the framework was revised and updated between September and October 2025. The design development process highlighted the importance of collecting primary data from diaspora investor surveys. Since it was not feasible to conduct such a bespoke diaspora survey as part of the pilot project, the project work plan and methodology were revised to incorporate additional desk research. This focused on new data review and analysis of the 2023 comprehensive Gambian remittance survey and study, as well as the 2020 comprehensive study of the contributions of The Gambian diaspora in the UK.

The sources of secondary data on DDI included:

- remittance compilation data from the CBG;
- FDI data from the World Bank and information from the UNCTAD;³⁷
- incentive compilation data from the GIEPA;
- co-finance information from government institutions and data from the GKP-MSDG DDF;
- investment network information from GAIN; and
- information from the Centre for Affordable Housing in Africa.³⁸

The additional desk research was complemented by KIIs, the aim of which was two-fold: to undertake further checks and validation of the DDI measurement framework centred on the nine components and to collect, check, and validate quantitative data relating to DDI inflows to The Gambia in 2024. The set of interviewees represented a stratified sample of professionals and practitioners with knowledge, experience, and expertise in some (not necessarily all) of the components. A comprehensive set of over 30 questions relating to all the DDI components was compiled and used for all the interviews.

The KIIs were conducted between September and October 2025 with 16 experts:

- four diaspora investors: a female designer from Norway who invested in a designer handbag-manufacturing atelier, a female actuarial specialist from Sweden who invested in a garments factory, a male scientist from the US who invested in a biomedical diagnostic centre, and a male finance manager who invested in an IT company;

³⁷ United Nations Trade and Development. (2024). *The Gambia: Report on the implementation of the investment policy review*. United Nations.

³⁸ Centre for Affordable Housing Finance Africa. (2025). *Africa housing finance yearbook 2024*.

- two representatives from Gambian-owned money transfer businesses;
- two representatives from investment and industry networks (GAIN and the Confederation of Gambian Industries);
- two real estate company agents with a large diaspora clientele;
- two business advisers with extensive experience in supporting diaspora investors and entrepreneurs;
- two public sector directors: the CBG director responsible for remittances and a director from the Ministry of Trade, which has overall responsibility for inward investment; and
- two diaspora finance and engagement experts: a journalist and salesperson based in Germany and an executive of a multinational company based in the United Arab Emirates.

The main output included the first-ever set of DDI index framework interviews, conducted using a set of 30 KII guide questions, which produced a 23-page compilation of the anonymised responses. The main outcome was the confirmation of the feasibility and practicality of applying all aspects of the AFFORD DDI Index framework to measure DDI inflows into a country.

IX. Research Analysis and Measurement of DDI Inflow

In October 2025, the data collected on DDI inflows to the pilot country of The Gambia through data and document reviews and KIIs were analysed. Standardised and verified data compiled by government and sectoral institutions were the primary source for the measurement and estimation of DDI inflows (in US dollars for 2024) relating to the six components of the AFFORD DDI Index, namely remittance-linked, FDI-linked, incentive-linked, co-financed, networked, and real estate DDIs. The KIIs were the primary source for the measurement and estimation of DDI inflows relating to the other three components of the DDI Index, namely private, informal, and in-kind.

The institutional data was analysed in conjunction with the interviews with sector specialists. To finalise the DDI inflow measurement exercise, both institutional and KII data were also analysed in conjunction with the findings of the major 2023 Gambia remittance and diaspora finance study. The plan is that when the AFFORD DDI Index framework is rolled out for full implementation, diaspora investor surveys will be conducted to generate bespoke primary data.

The main output was a single-page AFFORD DDI Index of The Gambia, produced as a concise, methodical composite measure of annual DDI inflows. This single-page DDI

country data sheet was incorporated into a 27-page interim report. The main outcome was the actualisation of the AFFORD DDI Index as a standardised composite measure of DDI inflows to countries using a pioneering and comprehensive methodological framework. It is applicable to African and other countries, capable of being used as a new global analytical tool for an enhanced understanding and better planning of diaspora and inward investment and international development finance.

X. FGD and Final Project Report

The third technical workshop was on the AFFORD DDI Index of The Gambia, held as an online event on 13 November 2025. There were 16 participants, including:

- four representatives from GKP;
- two representatives from AFFORD;
- one representative from FES-AMPC;
- the chief executive officer of the Homestrings diaspora investment platform;
- the director of programs and operations at the African Diaspora Network;
- a professor of entrepreneurship at the University of York (UK);
- a project officer with the UNDP in The Gambia (previously with the Ministry of Foreign Affairs);
- a senior executive of UK Customs and Revenue and diaspora development consultant;
- the director of Yaram Arts production and promotion company;
- two senior officials of the CBG; and
- the founder and president of SaHel Enterprise, the most experienced investment promotion executive in The Gambia.

The FGD entailed an explanation of the background, context, and stages of the pilot project and a presentation of the analysis, findings, and data sheet of the inaugural AFFORD DDI Index of The Gambia as the implementation case study. The interactive engagement covered questions and answers about the DDI index, comments and observations, opinions on strengths and weaknesses, and suggestions and recommendations on options and opportunities for improvement and rollout.

Of the nine independent FGD participants, only one had prior engagement in the pilot project activities as a participant in the methodology consultation and training workshop. The discussants were presented with a new, ready-to-use global analytical tool. In addition to their relevant and extensive expertise and experience, they brought fresh perspectives to the discussions, not encumbered by prior familiarity with the AFFORD DDI Index.

The simple and straightforward composite DDI index methodology, centred on “collecting and analysing identifiable data on the nine (9) main types of diaspora investment” using the single-page guide provided, was easily understood and appreciated. There was consensus that the index was conceptually robust, easily applicable, and immensely valuable as a new global analytical tool. The suggestions and recommendations from the FGD participants focused on facilitating the application of the index in other countries and leveraging the index methodology, namely the diaspora investor survey, to improve data collection on other forms of diaspora investment and resource mobilisation.

The main output and the last stage of the AFFORD DDI Index pilot project is this final report, which incorporates practicable recommendations for rollout. The main outcome is the existence of a comprehensive document that can be shared publicly and with partners, with a view to facilitating implementation partnerships such that DDI inflows are measured in all African countries and an annual Africa-wide AFFORD DDI Index is produced.

Framework and Piloting of the “AFFORD Diaspora Direct Investment Index”

DDI inflows to The Gambia

Unlike Foreign Direct Investments (FDI), Official Development Assistance (ODA) or remittances, there are no structured frameworks and/or methodologies for measuring and monitoring the flows, volumes and trends of Diaspora Direct Investments (DDI). However, DDI is of growing interest and importance to policy-makers and development practitioners across Africa, as diaspora resource flows to the continent continues to grow, whilst ODA decreases and FDI fluctuates. This new index is a standardised framework for monitoring, measuring, analysing and reporting on annual DDI inflows, patterns and trends in African and other countries. It is an analytical and policy development tool which will help to expand and enhance DDI and forms of diaspora finance.

The overall aim of the pilot project was two-fold, namely to: ‘develop and pilot a robust methodology for an AFFORD DDI Index that can be applied to all African Union member states’, and ‘provide Gambian, African, international policymakers, diaspora organisations and investment platforms with improved information and data on Diaspora Direct Investment (DDI) trends and opportunities in The Gambia through an AFFORD DDI Index for The Gambia’.

Further information on this topic can be found here:

➤ ampc.fes.de/publications