

Senegalese Diaspora Savings

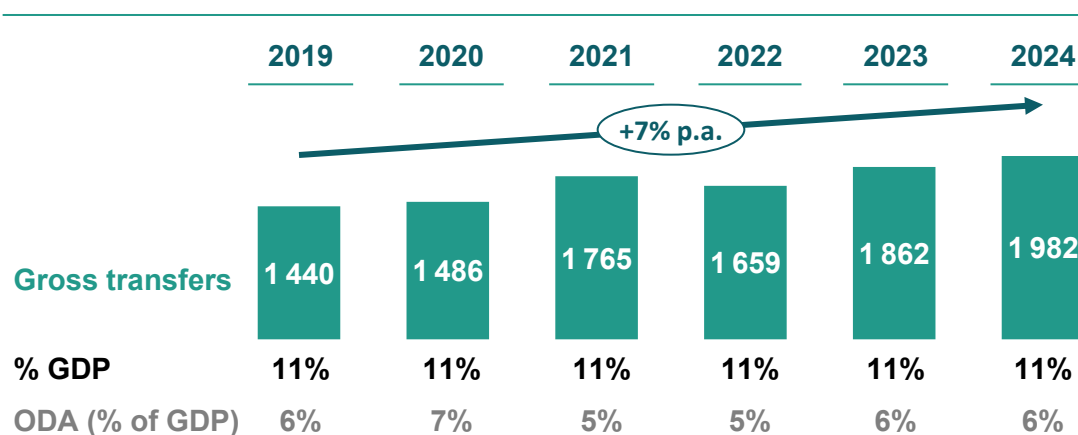
Diaspora savings as a development financing lever: ambition and reality

June 2026

1. Context and challenges of mobilizing diaspora savings

Over the past decade, transfers from the Senegalese diaspora have grown significantly, rising from ~USD 1.8bn (FCFA 1,029bn) in 2013 to ~USD 3.5bn in 2024 (FCFA 1,982bn)¹. Relative to the size of the economy, these flows represent around 11% of annual GDP (higher than Development Aid, which stood at 6% of GDP in 2024), making the diaspora one of the country's main sources of foreign currency².

Amounts of Senegalese diaspora transfers (2019–2024, FCFA bn)³



The mobilization of diaspora savings is part of a clearly stated ambition of the Senegalese government to strengthen the **domestic financing** of the economy, against a backdrop of heightened budgetary pressure, with **public debt and the public deficit** estimated at **119% of GDP** and **6.4% of GDP** respectively in 2025, according to data from the Ministry of Finance. The diaspora therefore occupies an important place in the country's economic financing strategy. Senegal has set **two main targets** for 2034: a level of diaspora **investment** equivalent to **4% of GDP**, and the mobilization of **financial savings** of around **5% of GDP**, representing a cumulative target of approximately **9% of GDP** in productive transfers, corresponding to **FCFA 3,311bn**.

SN : Target objectives for mobilizing diaspora savings by 2034⁴

	Investments	Savings		Total 2034
% GDP	4%	5%	>	9% (vs 1,5% in 2023)
FCFA bn	~ 1 472	~ 1 839	>	~ 3 311

^{1,2,3} World Bank ; ⁴ Agenda national de Transformation « Sénégal 2050 » - Masterplan 2025 – 2034

2. Potential for mobilizing Senegalese diaspora savings

a. Definitions

Before turning to the analysis, it is important to establish appropriate terminology to avoid common misunderstandings that overlook key fundamentals about diaspora savers.

Let's take Modou, a Senegalese national living abroad in a country called Kaaw, whose currency is the Petaaw (P).

Modou manages to save a total of P100 each year → we will call this **P100 "diaspora savings"**.

Modou will naturally keep part of it, P45, in his account in Kaaw for his own financial security in case of unforeseen needs, for his holidays, and for his investments in Kaaw; he sends the remaining P55 to Senegal → we will call this **P55 "gross transfers"**.

This amount is allocated as follows: P40 sent to his mother for everyday needs → we will call this **P40 "subsistence transfers"**;

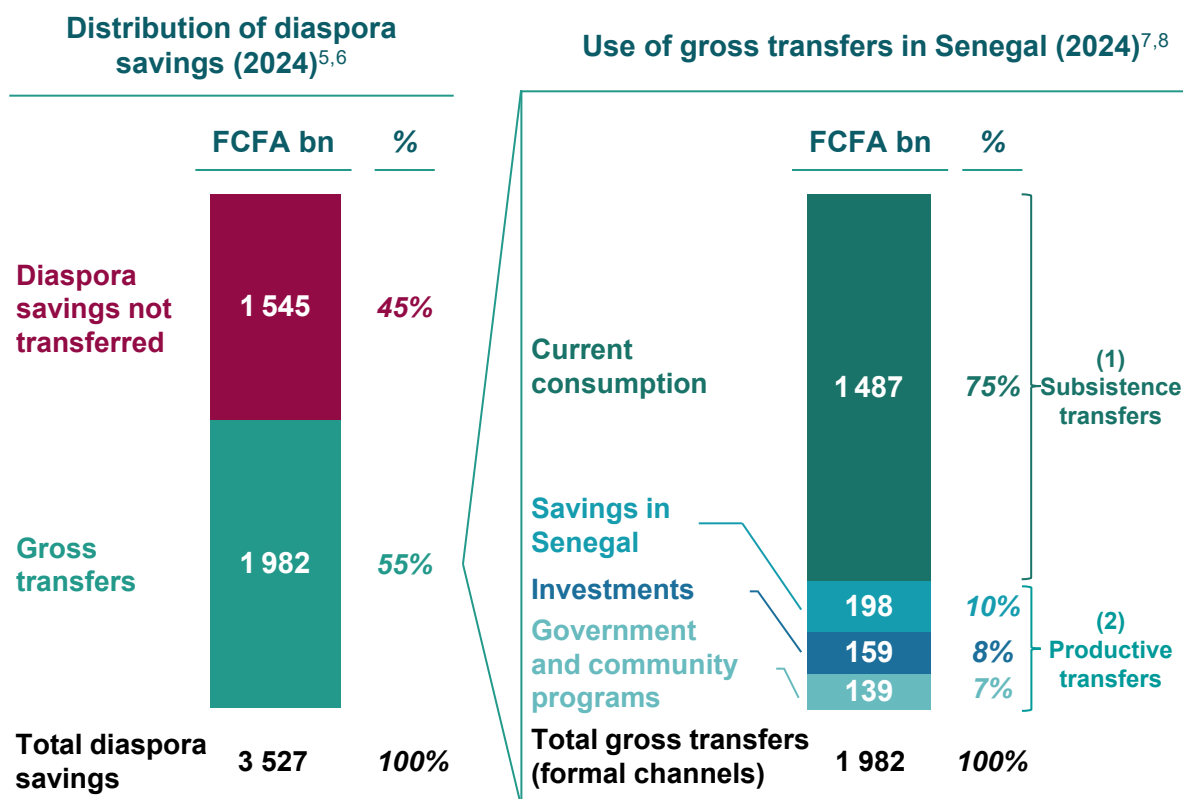
P15 into his account in Senegal, of which he leaves P6 in his FCFA savings sub-account and allocates P9 to productive investments → we will call this **P15 "productive transfers"**.

Thus, when we commonly talk about mobilizing diaspora savings as an alternative source of financing, what is meant is increasing the volume of productive transfers and better channeling them to maximize their local impact.

Glossary:

- (1) Subsistence transfers:** Transfers allocated to the recipient households' day-to-day consumption (food, housing, health, daily expenses, education, etc.), thereby excluding any savings or local investment
- (2) Productive transfers:** Transfers allocated to financial savings and local investment (personal investments, government and community programs)
- (3) Gross transfers:** Flows comprising (1) subsistence transfers and (2) productive transfers
- (4) Diaspora savings:** Savings encompassing both the portion of diaspora savings not transferred and the portion transferred to Senegal

b. Breakdown of diaspora savings



45% of mobilizable diaspora funds (FCFA 1,545bn in 2024) are **kept in host countries**, while **55%** (FCFA 1,982bn) are **transferred to Senegal**^{9,10}. Transfers made through formal channels, which account for 81% of flows¹¹, are allocated to the following uses:

(1) Subsistence transfers (75% of Gross transfers)

- **75%** (FCFA 1,487bn) goes toward current consumption, such as households' daily expenses, which are therefore not compressible^{12,13};

(2) Productive transfers (25% of Gross transfers)

- **10%** (FCFA 198bn) is **saved** through the current financial system^{14,15} ;
- **8%** (FCFA 159bn) is **invested mainly in real estate, primarily for family use** rather than rental purposes. Some productive investments are also noted in agriculture, livestock farming, trade, food service, etc.^{16,17} ;
- **7%** (FCFA 139bn) is invested in **programs** such as the Support Program for Development Solidarity Initiatives (PAISD), which mobilized more than FCFA 5bn in funds sent by the diaspora between 2005 and 2020 for social investments (schools, health centers, etc.) and, to a lesser extent, productive investments^{18,19,20}.

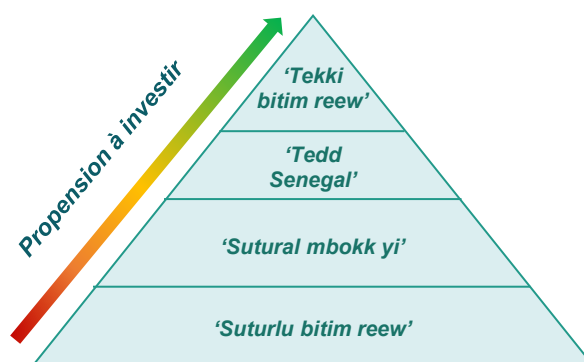
To understand the underlying drivers of these figures, it is important to understand the diaspora's typical economic cycle. A Senegalese expatriate generally goes through several major phases during their time abroad: first, a **stabilization and adaptation** phase to settle into working conditions ('Suturlu bitim reew'); then, **almost immediately**, a phase focused on **supporting the family's needs** — consumption expenses, improving the living conditions of family members who remain in Senegal, etc. ('Sutural mbokk yi')²¹. Next comes a phase of **preparing for return and investing in Senegal** ('Tedd Sénégâl'), before, or in parallel with, a phase of **building lasting comfort in the host country**, for example through wealth investments abroad ('Tekki bitim reew')²².

'Pyramide de Sutura' de la diaspora²³



Within the diaspora, the allocation of income often follows a highly structured logic corresponding to different economic cycles

P.B.Thiam, Former Coordinator PAISD



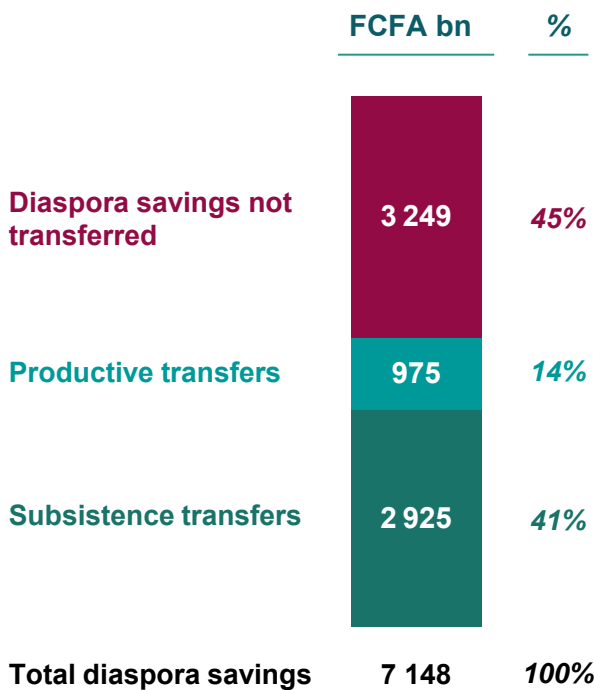
c. Estimating the diaspora's mobilizable Productive transfers potential

75% of Gross transfers are Subsistence transfers, which are not very compressible²⁴ and therefore structurally unavailable for productive financing. It thus becomes clear that the incremental potential for mobilizing the diaspora's Productive transfers lies at the level of the savings that remain in host countries. This potential is almost equivalent to the amount of Gross transfers (FCFA 1,545bn in 2024 ^{25,26}).

Accordingly, the target volume of Productive transfers is defined by combining (i) **the savings kept in countries of residence** (45% of total savings and investment capacity) and (ii) **the current share of productive transfers** (14% of total savings and investment capacity) ²⁷.

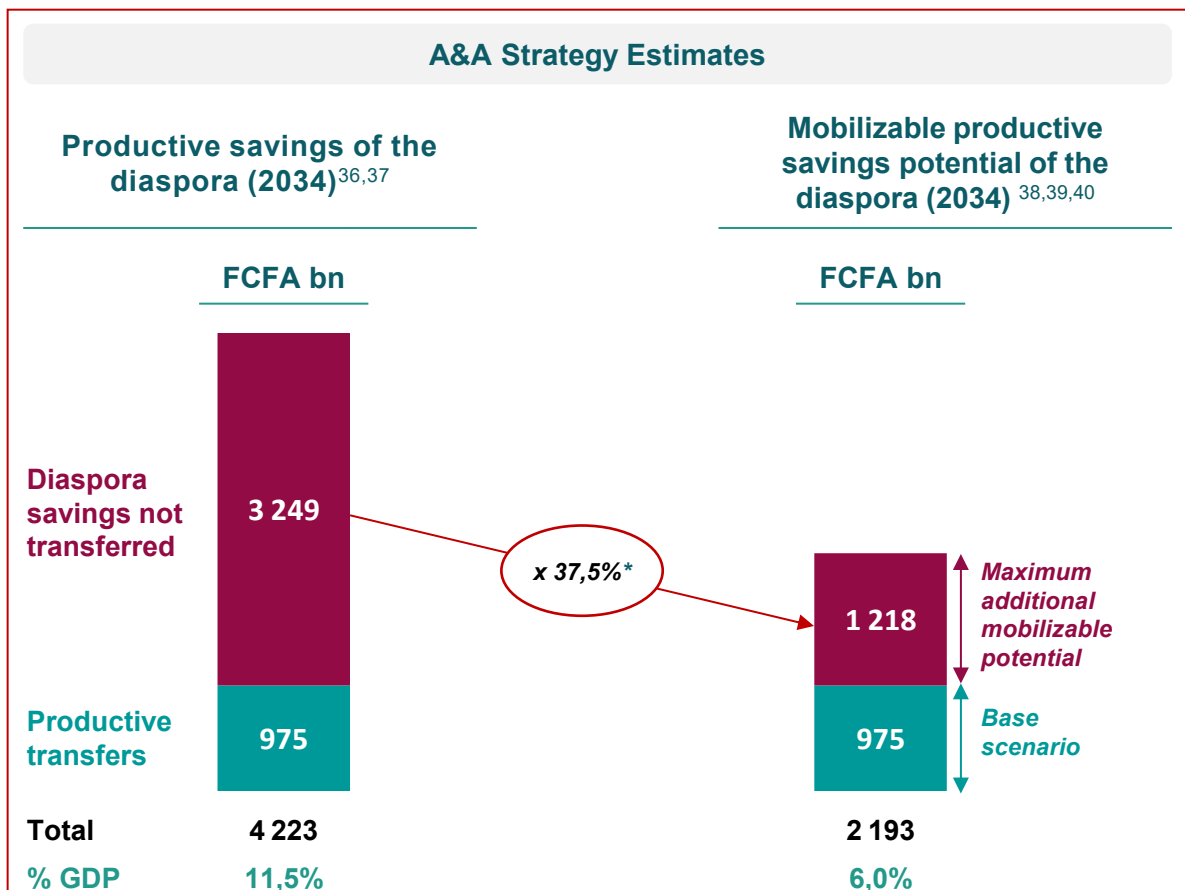
A&A Strategy Estimates

Distribution of total diaspora savings by 2034^{28,29}



By 2034, the total volume of savings available at the diaspora level would reach FCFA 7,148bn^{30,31}. This volume includes (1) **subsistence transfers, the non-compressible** share of consumption expenses, amounting to FCFA 2,925bn, and (2) **productive transfers, estimated at FCFA 975bn** in 2034^{32,33}. In addition to gross transfers, **diaspora savings not transferred** to Senegal are estimated at **FCFA 3,249bn** in 2034^{34,35}.

Zoom: Mobilizable diaspora productive transfers by 2034



* Average investment-to-total-savings ratio within the European Union

The government's scope to mobilize beyond the FCFA 975bn projected for 2034 lies in its **capacity to repatriate a portion of the FCFA 1,545bn in non-transferred savings** that the diaspora retains in host countries for its financial security^{41,42}.

Under a **base scenario** (with no new mechanisms), the mobilization of productive savings would remain limited to **FCFA 975bn in 2034**^{43,44}.

With a **proactive, financially secure, and highly flexible mobilization strategy**, up to **FCFA 1,218bn in additional** productive transfers could be mobilized in Senegal ^{45,46}.

3. International benchmark – Two pioneering countries: Israel and India

Although the concept of diaspora bonds has appealed to countries for several decades as a development financing tool, only a handful have deployed it at scale, with some now recognized as pioneers in this field: Israel and India. These countries have managed to mobilize additional productive savings transfers averaging 0.4 to 1% of their GDP from their diasporas.

Diaspora Bonds

	Israël	India
Period	<ul style="list-style-type: none"> 1951 – 2025 (74 years)⁴⁷ 	<ul style="list-style-type: none"> 1991, 1998, 2000 (3 one-off issuances)⁴⁸
Amounts raised	<ul style="list-style-type: none"> +USD 54bn cumulative from 1951 to 2025, including a peak of USD 1.8bn in 2020⁴⁹ 	<ul style="list-style-type: none"> 1991: USD 1.6bn⁵⁰ 1998: USD 4.2bn⁵¹ 2000: ~USD 5.5bn⁵²
Diaspora size	<ul style="list-style-type: none"> ~8,5M (global Jewish diaspora, including ~6.3M in the United States)⁵³ 	<ul style="list-style-type: none"> ~35,4M (world's largest diaspora)^{54,55}
% of GDP (at issuance)	<ul style="list-style-type: none"> ~0.4% of GDP/year on average⁵⁶ Up to 35% of the special development budget in 1957⁵⁷ 	<ul style="list-style-type: none"> 0.5% to 1% of GDP across the 3 issuances⁵⁸ Indians residing abroad held ~60% of India's foreign-currency bond issuances in 1998^{59,60}

^{41,44,45,58} World Bank ; ^{42,43,46} A&A Strategy Research and Analysis ; ^{47,49} Development Corporation for Israel (Israel Bonds) ; ^{48,50,51,52} Reserve Bank of India ; ⁵³ Jewish Agency for Israël (2023) ; ⁵⁴ Indian Diaspora (2024) ; ⁵⁵ Statista ; ⁵⁷ Golda Meir – Foreign Minister of Israel / State of Israel Bonds Organization ; ⁵⁹ Migration Policy Institute ; ⁶⁰ Foreign-currency debt instruments issued or guaranteed by the State, primarily targeted at non-resident investors

4. Key success factors for mobilizing diaspora savings beyond current levels

Analysis of international experiences in mobilizing diaspora savings highlights several **key success factors** for Senegal to increase the share of this savings that can be **mobilized** in support of financing the economy:

- 1. The institutional and legal credibility of the bond issuer:** This is the most important factor in earning the trust of diaspora investors. Israel registered its bonds with the U.S. Securities and Exchange Commission, while India relied on a global network of commercial banks specializing in services for non-resident Indians, which had already built strong relationships of trust with members of the diaspora.
- 2. Product governance and ring-fencing of funds:** The success of "diaspora bonds" rests on governance and financial stability. Winning schemes feature explicit earmarking of funds toward identified projects (infrastructure, electrification, housing, etc.), a dedicated savings product or special-purpose vehicle, and reliable, regular reporting.
- 3. Digital customer experience and multi-channel/multi-currency coverage:** Pakistan's case is now an operational benchmark. Launched in September 2020 by the State Bank of Pakistan in partnership with commercial banks, the Roshan Digital Account program allows overseas Pakistanis to open a bank account remotely, invest in government securities and Naya Pakistan Certificates, trade on the stock exchange, invest in mutual funds, and purchase real estate. Over five years, the program mobilized USD 12bn, precisely because it combines 100% digital onboarding, multi-currency subscription, the option of early withdrawal, and a broad product range.
- 4. Financial performance of products and double banking relationships:** A "patriotic discount" is a viable lever, but it cannot succeed on its own. It is essential to attract diaspora savings through competitive products, reduced transfer fees, guarantees of free repatriation of funds to countries of residence, and mechanisms to hedge against exchange rate risk.
- 5. Economic accessibility of the product:** Israeli bonds are sold starting at around USD 30, targeting individuals rather than professional investors. This granularity broadens the subscriber base beyond wealthy individuals and turns the product into as much an act of belonging as an investment.



'Food for thoughts'

In 2024, gross transfers from the diaspora to Senegal comprised (1) **FCFA 1,487bn in subsistence transfers** and (2) **FCFA 495bn in productive transfers**^{61,62}. In addition, **FCFA 1,545bn in non-transferred savings** served their financial security in their host countries (unforeseen expenses, apartment purchases, education, vacations, etc.)^{63,64}.

Without new mechanisms, mobilizable productive transfers by 2034 are limited to FCFA 975bn^{65,66} following their natural growth trajectory.

With a proactive policy supported by appropriate mechanisms, up to FCFA 1,218bn in additional funds could be captured by 2034 in productive transfers, bringing the total to **FCFA 2,193bn**^{67,68,69}.

Mobilizing this additional Productive transfers potential as a lever for financing the Senegalese economy hinges on the ability to convince the diaspora to **transfer an additional ~40% of its currently non-transferred savings**^{70,71,72}.

This mobilization surplus is achievable, but only on condition that the right policy and tools are deployed, ones capable of driving a **significant change in the savings behavior** of diaspora members.

Authors



Amarou AW
Managing Partner
A&A Strategy
aaw@aastrategy.co



Papa Cheikh DIACK
Director
A&A Strategy
pcdiack@aastrategy.co



Jean Bertrand Ousmane BODIAN
Senior Associate Consultant
A&A Strategy
jbodian@aastrategy.co



Ndeye Fatou SOW
Senior Associate Consultant
A&A Strategy
nfsow@aastrategy.co