

RECOMMENDATION 9 OF 20

NATIONAL, WITH CONTINENTAL COMPARISON

Act within 100 days · by early January 2027

Make sending money home to Africa cheaper, and publish what every route costs

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IN BRIEF

- Sending \$200 to sub-Saharan Africa costs 8.46% on average, more than anywhere else, and since January the United States has taxed transfers paid in cash.
- Each central bank should license cheaper digital channels and publish their prices. Regional payment systems should carry transfers between African countries, and an AU body should publish a yearly table of costs.
- Kenya should go first, on money sent from the United States.

Why this matters

Remittances into sub-Saharan Africa reached about \$57 billion in 2024, more than the region received in aid. Digital transfers cost 4.59% on average, against 7.30% for cash. Each percentage point cut from the cost would keep about \$570 million a year with African families.

Since 1 January 2026 the United States has taxed transfers paid in cash, money orders or cashier's cheques at 1%. Transfers paid from a US bank account or card are not taxed. In the first half of 2026, money sent from the United States to Kenya fell by 12.6% to \$1.18 billion. Sending \$200 on that route costs 4.26% on average. Senders who move from cash to an account save on both the tax and the fee.

The worst prices are set inside Africa. Sending money from South Africa to Malawi costs 31.48%, and from Kenya to Uganda 12.75%. The Group of 20 (G20) major economies aims to bring the cost down to 3% by 2030, with no route above 5%. In October 2025 the Financial Stability Board, which reports to the G20 on this target, found that costs worldwide were barely falling. African central banks set the rules on these routes.

Sources for this section (8)

- [World Bank data: remittances received by sub-Saharan Africa](#)
- [World Bank: Remittance Prices Worldwide, digital and cash costs](#)
- [US Federal Register: proposed rules for the 1% tax on cash-funded transfers](#)
- [Business Daily: fall in money from the United States to Kenya](#)
- [World Bank: cost of sending money from the United States to Kenya](#)
- [World Bank: cost of sending money from South Africa to Malawi](#)
- [World Bank: cost of sending money from Kenya to Uganda](#)
- [Financial Stability Board: progress report on cheaper cross-border payments, 2025](#)

Four levels of action

1 What Africa asks of the world

The G20 should keep its target of 3% by 2030. It should also name African routes as a priority in its plan for cheaper payments across borders. The US Treasury should publish how it collects the tax on cash transfers, so its effect can be measured.

WHO	G20 finance ministers, the Financial Stability Board and the US Treasury
WHEN	Annual meetings of the International Monetary Fund (IMF) and the World Bank, Bangkok, October 2026

2 What the African Union does

The African Institute for Remittances is an AU body based in Kenya since 2014. Using World Bank price data, it publishes a yearly table of what each route costs and how much money still moves in cash. Afreximbank, the African trade bank that runs PAPSS, links the table to the AfCFTA rules on digital payments adopted in February 2025.

WHO	The African Institute for Remittances with Afreximbank
WHEN	First table by mid-2027

3 What regional groups do

Southern Africa uses TCIB, an instant payment system for small transfers that runs in 12 SADC countries. East Africa uses the East African Payment System, which links Kenya, Uganda, Tanzania and Rwanda, with Burundi due to join by December 2026. In West Africa, 15 central banks had signed up to PAPSS by March 2025. Mali, Burkina Faso and Niger left ECOWAS in January 2025 but still share the CFA franc with their neighbours. Their shared central bank, the Central Bank of West African States, carries the work for them. They are suspended from AU meetings, so the yearly table covers their routes from World Bank data.

WHO Central bank governors in SADC and the East African Community; the Central Bank of West African States

WHEN Cost targets by early January 2027

4 Which country goes first, and why

Kenya goes first on money from the United States. It has measured the effect of the US tax, and the United States supplies 43.5% of its remittances. It hosts the African Institute for Remittances and belongs to both the East African Payment System and PAPSS. The Central Bank of Kenya publishes the licensed channels that take money from US bank accounts, with their costs. Kenyan embassies help senders move from cash.

WHO The Central Bank of Kenya and Kenyan embassies

WHEN Channels published by 30 November 2026; campaign for senders in December 2026

Before another country can do this

- ☒ A central bank willing to publish licensed channels and their costs.
- ☒ Mobile money or an instant payment system that can receive money from abroad.
- ☒ Membership of TCIB, the East African Payment System or PAPSS.
- ☒ Official and market exchange rates that are close together.

What does not carry over from the first country

- Kenya's very high use of mobile money.

- A large community of Kenyans in the United States. Routes from Europe and the Gulf face other rules.
- Membership of the East African Payment System, which covers only East Africa.

Who else is ready

COUNTRY	WHY	SOURCE
Nigeria	It received \$22.1 billion in 2024, 8.8% of its economy, and the US route already costs only 2.72%.	Source
Zimbabwe	Remittances equal 8.5% of its economy, sending money from South Africa costs 12.49%, and both countries use TCIB.	Source
Malawi	Money from South Africa costs 31.48% to send, the highest measured, and Malawi uses TCIB.	Source

Has this worked before?

Directo a México links the payment system of the US Federal Reserve to Mexico's central bank. Money moves from a US bank account to any participating Mexican bank for \$0.67 a transfer, at close to the rate banks use with each other. Two central banks built a cheap route themselves. [Source](#)

Banco de México: the Directo a México service

First steps

- 1** **AFRICAN UNION** the African Institute for Remittances and Afreximbank agree what the yearly table will measure, using World Bank data, by the end of December 2026.
- 2** **REGIONAL GROUPS** SADC central bank governors set cost targets for the Malawi and Zimbabwe routes on TCIB, and East African governors do the same for their payment system, by early January 2027.

Who acts, and with what

WHO LEADS

Central banks decide for their own countries; the African Institute for Remittances compares costs; SADC, the East African Community and PAPSS align the rules

INSTRUMENT

National licensing and exchange rules, regional cost targets and a yearly continental table of costs

HOW PROGRESS IS CHECKED

Sending money from the United States to Kenya costs under 4%, and the three dearest routes in Southern Africa cost under 10%, by the end of 2027

SIGNAL TO CHANGE COURSE

The share sent in cash has not changed by mid-2027, or no yearly table appears

WHAT STANDS IN THE WAY

Some senders have no bank account or cannot pass identity checks, so they use cash. Controls on foreign currency widen the gap between official and market exchange rates. Transfer firms earn more on cash.

COST AND MONEY

No one has published a checked estimate of what providers and campaigns would cost. The World Bank, the Gates Foundation, the International Fund for Agricultural Development and AfricaNenda have already paid to lower the cost of joining TCIB. Each percentage point cut keeps about \$570 million a year with families.

Who else contributes

WHO	CONTRIBUTION
Central Bank of Kenya	Publishes channels and costs, and reports to the yearly table
Afreximbank	Carries transfers between African countries in local currencies through PAPSS
SADC's committee that oversees payment systems	Sets cost targets for routes on TCIB
Mobile money firms and banks	Offer low-cost transfers paid from accounts

WHO

CONTRIBUTION

Associations of Africans living abroad

Help senders move from cash

What each audience can do

Governments

WHAT YOU CAN DO

License channels paid from accounts and set a cost target

WHAT YOU GAIN

More money reaching families

AU and regional bodies

WHAT YOU CAN DO

Publish the yearly table and the cost targets for each route

WHAT YOU GAIN

Costs that can be compared across countries

Business and investors

WHAT YOU CAN DO

Join TCIB, the East African Payment System or PAPSS with low-fee products

WHAT YOU GAIN

More customers

NGOs and civil society

WHAT YOU CAN DO

Help senders open accounts and compare costs

WHAT YOU GAIN

Families keep more of what is sent

Researchers and media

WHAT YOU CAN DO

Report the cost of each route every three months

WHAT YOU GAIN

Providers held to account

The briefings behind this

Sector · Observed

Livelihoods and labour

Few young Africans earn a wage, and the routes abroad for work, study and sending money home are narrowing.

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Words used on this page

African Union (AU)

The organisation of 55 African states, based in Addis Ababa. Its heads of state meet each February. It can suspend members after a coup. [Glossary](#) · [Source: au.int](#)

Remittances

Money that people working abroad send home to their families. [Livelihoods and labour briefing](#) · [Glossary](#)

The G20

A group of 19 large economies plus the European Union and the African Union, whose leaders meet once a year. South Africa held the chair in 2025, and the United States holds it in 2026. [Development cooperation briefing](#) · [Glossary](#)

PAPSS

The Pan-African Payment and Settlement System. It lets people and firms pay across African borders in their own currencies without going through the US dollar. [Glossary](#)

AfCFTA

The African Continental Free Trade Area. Its members have agreed to cut tariffs and trade barriers between African countries. [Glossary](#) · [Source: au-afcfta.org](#)

TCIB

An instant payment system set up by SADC countries for small transfers between them. Banks and other payment firms can connect to it, which makes sending money across Southern African borders cheaper and faster. [Livelihoods and labour briefing](#) · [Glossary](#) · [Source: africanenda.org](#)

SADC

The Southern African Development Community, 16 states from the Democratic Republic of the Congo to South Africa. [Glossary](#) · [Source: sadc.int](#)

ECOWAS

The Economic Community of West African States. Mali, Burkina Faso and Niger left it in January 2025. [Politics and governance briefing](#) · [Glossary](#)

East African Community

A bloc of eastern and central African states, including Kenya, Uganda, Tanzania, Rwanda, Burundi and the Democratic Republic of the Congo. [Glossary](#)

IFAD

The International Fund for Agricultural Development, a UN fund that has invested in rural people since 1977. It lends to and funds programmes for small farmers, and donor governments refill it in pledging rounds every three years. [Food and agriculture briefing](#) · [Glossary](#) · [Source: ifad.org](#)