

TABLE OF CONTENTS

AUTHOR	03
FOREWORD	04
EXECUTIVE SUMMARY	05
INTRODUCTION	06
Context and rationale	06
The core challenge	06
Research objectives and methodology	07
TYOLOGY OF DIASPORA ORGANISATION BUSINESS MODELS	08
Type 1: Membership-based model	09
Type 2: Individual and community donations model	10
Type 3: Public grant model	12
Type 4: Corporate sponsorship model	13
Type 5: Service provision model	14
Type 6: Commercial and entrepreneurial model	15
Type 7: Umbrella network model	16
THE REALITY OF HYBRID APPROACHES BEYOND PURE MODELS	17
Principles for picking the right hybrid mix	17
A deep dive into hybrid models: Case studies from diaspora organisations	19
THE WAY FORWARD: CHALLENGES AND OPPORTUNITIES	22
Challenges	22
Opportunities	24
RECOMMENDATIONS FOR A MORE RESILIENT DIASPORA ECOSYSTEM	25
For diaspora organisations	25
For funders and policymakers	25
RESOURCES AND FURTHER READING	27

AUTHOR

The report was prepared by Innogence consulting, a diaspora-led consulting company. Contributions and peer review were provided by Maria Regina Tongson (freelance researcher and alumna of EUDiF's Diaspora Youth Internship) and Michelle Amoakoh (Business Unit Lead at AiDiA Ventures), whose inputs helped strengthen the analytical depth, coherence, and practical relevance of the findings.

Commissioning editor Hala Tarabay, Diaspora Relations Lead, EU Global Diaspora Facility.

The EU Global Diaspora Facility (EUDiF) is a pilot project funded by the European Union's Directorate-General for International Partnerships (DG INTPA) under the Development Cooperation Instrument. The project is implemented by the International Centre for Migration Policy Development (ICMPD). EUDiF strives to foster an informed, inclusive and impactful diaspora-development ecosystem through knowledge and action, working together with partner countries, diaspora organisations in Europe, the EU and its Member States.

For any queries, please contact: EU-diaspora@icmpd.org

FOREWORD

In our daily work with diaspora partners across Europe and beyond, we consistently see diaspora organisations rich in ideas, commitment and community trust. Diaspora organisations are unique actors, shaped by their transnational nature, adaptability and hybrid ways of working. As demand for diaspora-led resources and expertise continues to grow, attention is increasingly turning to the operational foundations that enable these organisations to consolidate, scale and thrive sustainably.

Over the years, our research has explored who the key actors are, how they engage and what enables effective collaboration. Yet one fundamental question has remained underexplored: how do diaspora organisations sustain themselves in order to deliver impact? This research responds directly to this question. It provides the first comparative analysis of business models used by a number of diaspora organisations in Europe, building on a combination of literature review and interviews with organisations.

By mapping seven core models and the hybrid approaches that most organisations rely on, the report sheds light on both the creativity and the constraints shaping diaspora organisational life. It complements EUDiF's existing guidance including our introductory publication "[What is a diaspora organisation?](#)" and contributes to a broader effort to bridge knowledge gaps, foster peer learning and equip diaspora actors with tools to scale their work.

Recognising, as ever, that the contributions of diaspora organisations are indispensable to development efforts at local, national and transnational levels, our hope is that this publication will inspire reflection and spark new conversations on how to create more resilient and sustainable diaspora organisations.

Hala Tarabay

Diaspora Relations Lead

EU Global Diaspora Facility

EXECUTIVE SUMMARY

This report presents an analysis of the business models and operational strategies of selected diaspora organisations (DOs) operating across the European Union. It seeks to provide actionable insights for DOs and their stakeholders to foster a more resilient and impactful diaspora-development ecosystem.

The analysis is based on an in-depth review of foundational literature and detailed profiles of 12 diaspora organisations, revealing a sector characterised by profound heterogeneity, adaptive innovation, and systemic challenges.

The research identifies a typology of seven distinct business models that reflect the sector's diversity: (1) membership-based model; (2) individual and community donations model; (3) public grant model; (4) corporate sponsorship model; (5) service provision model; (6) commercial and entrepreneurial model; and (7) umbrella network model.

In practice, these financial models delineated above rarely exist in isolation. The prevailing reality demonstrates that the vast majority of DOs adopt hybrid approaches, strategically combining multiple revenue streams to construct diversified and resilient funding portfolios. Determining the right hybrid mix entails aligning all funding streams with the organisation's core mission, balancing professionalisation with community legitimacy, and prioritising the development of strategic partnerships and alliances.

An analysis of the financial and operational data from the profiled DOs reveals common challenges to financial sustainability. Many of these difficulties originate from limited internal capacity for fundraising, financial management and strategic resource allocation. These constraints are compounded by broader systemic barriers, including intense competition for a finite pool of public, private-sector and philanthropic funding.

At the same time, opportunities exist for DOs to strengthen their financial viability. Digital technologies offer new pathways to reach paying members, clients and funders across geographical boundaries, expanding the potential market for services and community engagement. Likewise, more structured advocacy and lobbying efforts can help shape policy agendas and funding frameworks. By taking a proactive, future-oriented approach to organisational leadership and succession planning, DOs can adapt their governance structures and business models to evolving sectoral dynamics and emerging financing mechanisms.

Based on these findings, this report offers a set of strategic recommendations. For DOs, it advocates for the intentional design of integrated hybrid business models; strategic investment in financial, entrepreneurial and digital capacity; and proactive planning for leadership succession. For EUDiF and its stakeholders, the recommendations centre on reforms to the funding environment. The paramount need is a shift towards providing flexible, multi-year structural funding that enables DOs to build the institutional resilience necessary for long-term impact. Further recommendations include harmonising regulatory frameworks to support the transnational nature of DOs and investing in shared "ecosystem infrastructure" to enhance the capacity of the sector as a whole.

INTRODUCTION

Context and rationale

Diaspora communities are increasingly recognised as integral partners in global development. The European Union has long acknowledged their potential, with foundational policy documents emphasising the importance of enhancing dialogue and strengthening cooperation with diaspora groups as agents of development.

The European Union Global Diaspora Facility (EUDiF) is a direct manifestation of this commitment. It is the first EU-funded project to adopt a global approach to fostering an “informed, inclusive and impactful diaspora-development ecosystem”.

Within this ecosystem, diaspora organisations (DOs) serve as critical nodes, channelling financial, human and social capital between countries of residence and origin. They provide a platform for constructive engagement, facilitate cross-cultural dialogue and deliver essential services ranging from local integration support to transnational development projects.

This report is framed within EUDiF's mandate to bridge the knowledge gap in the field and support evidence-based action to enhance the effectiveness of these organisations. It aims to provide practical guidance to DOs on how to maximise impact at all stages of their operations, including by mobilising financial resources through viable and sustainable business models.

The core challenge

Despite their recognised potential, the sustainability of diaspora organisations remains precarious. Like many civil society organisations (CSOs), DOs operate in an increasingly competitive environment, heavily reliant on voluntary contributions (financial and human) and state support in an increasingly competitive and shrinking market. This challenge is compounded by a funding landscape that overwhelmingly favours project-based financing over structural support. This creates significant instability for organisations, which face operational gaps between projects and struggle to cover core administrative costs, strategic planning, and institutional development with limited human resources.

Research indicates that high dependence on either members' contributions or a single source of funding is a primary indicator of financial distress. Indeed, many DOs that operate with a non-profit status and that receive a significant share of their funding from contributed sources (e.g. grants and donations) face considerable disadvantages in managing financial health. They are often pressured to underreport overhead, implying financial vulnerability. Many DOs exist in this high-risk category, making the exploration of diversified and resilient business models not just an exercise, but a strategic imperative for the entire sector.

Research objectives and methodology

This report aims to address these challenges by conducting a multi-dimensional mapping of the business models employed by DOs across the EU. Its primary objective is to provide actionable insights and recommendations for relevant stakeholders by answering three core research questions:

1. What are the primary business models adopted by DOs, and how do their revenue streams and organisational structures vary?
2. What are the main drivers and challenges influencing the development of these models?
3. What lessons can be drawn from the organisational development of the DOs involved in the research piece, and how can these lessons be adopted by other DOs aiming for long-term sustainability?

The methodology for this research combined a desk review with qualitative data collection. The initial phase involved a review of existing literature to establish a theoretical framework and identify preliminary typologies.

The core of the research consisted of qualitative data collected through semi-structured interviews with the governance teams and key leaders of 12 diaspora organisations based in several EU Member States, including France, Belgium, the Netherlands, Portugal and Greece. Each interview was guided by an interview guide aimed at gathering detailed information on organisational characteristics, revenue streams, financial sustainability, challenges, history and future plans. This primary data was supplemented by the consultation of a number of financial and accounting documents provided by the participating organisations, allowing for a granular analysis of their operational and financial realities.



12 DIASPORA
ORGANISATIONS

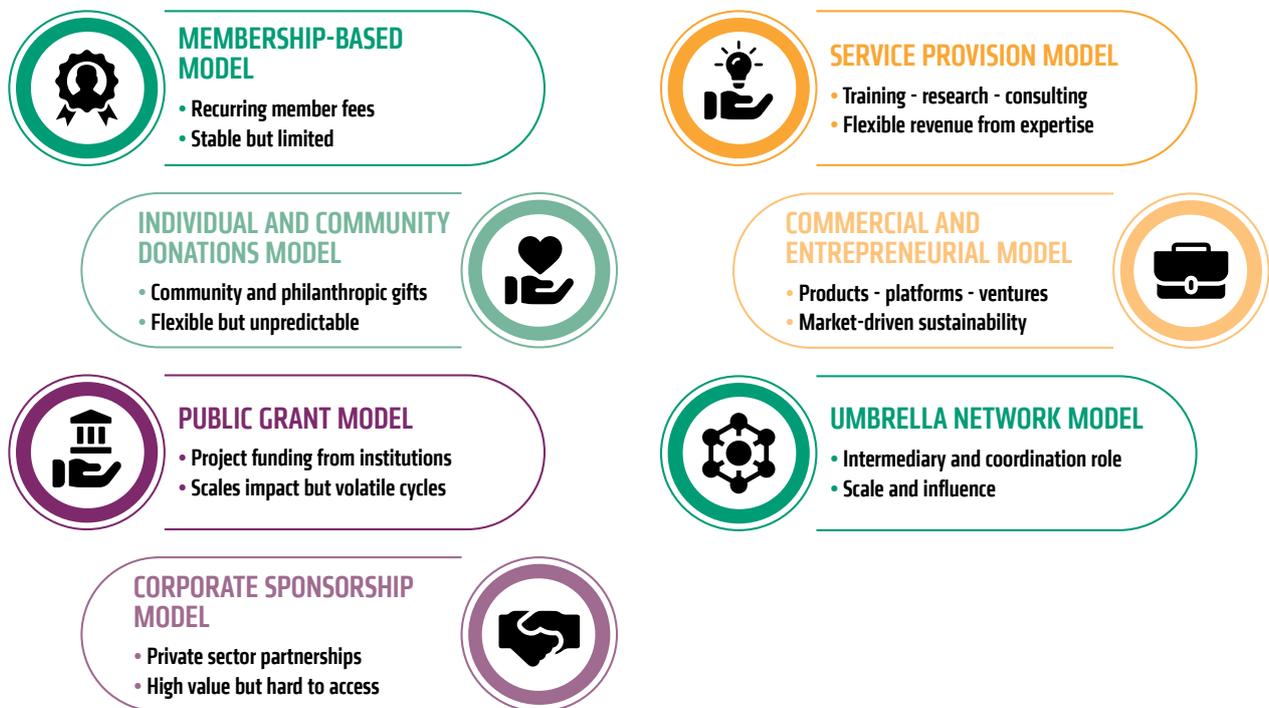
5 COUNTRIES



TYOLOGY OF DIASPORA ORGANISATION BUSINESS MODELS

The landscape of diaspora organisations is marked by its hyper-diversity, with entities adopting hybrid forms that reflect their unique transnational positioning. To bring structure to this complexity, this analysis identifies seven principal business model typologies. These models are not always mutually exclusive. Rather, they represent the dominant logic shaping the organisation’s financial architecture, depending on the type of the DO, its mission and operational focus.

The theory: Seven models



The reality: Hybridity



Most diaspora organisations combine several revenue streams to build resilience and reduce risk.



Type 1: Membership-based model

This is the traditional foundation of associative life, where organisations sustain their operations primarily through regular contributions from their members. This establishes a democratic framework of governance, prioritising community ownership and participatory decision-making, with members exercising voting rights and collective control over organisational direction.

Member contributions are typically structured as annual or monthly fees, providing predictable, albeit limited, revenue streams – a key advantage of this model. The Collectif des Marocains de France, operational since 1961, has sustained itself for over six decades with annual fees of merely €20. At a micro-scale, Stichting African Diaspora Education (SADE) relies on membership fees (€220) for a small but stable 10.9% of its revenue, supplementing its primary income from community donations (see Type 2).

However, the reliance on membership fees creates a fundamental paradox between community-based legitimacy and organisation viability. To ensure inclusivity and maintain their democratic mandate, organisations often set fees at a minimal level, but this can constrain operational capacity and limit the potential for professionalisation. This is seen in the challenges faced by the Coordination des associations Guinéennes de France (CAGF). With over 100 member associations paying modest fees, CAGF generates only €7,000 annually from memberships – not enough to hire even one paid staff member. The organisation must rely entirely on volunteers (7 regular, 15 to 20 occasional), which forms a barrier to professionalisation and expanding its operations and services. This creates a vicious circle: low fees ensure accessibility among members but lock the organisation into perpetual volunteer dependency.

The evolution toward tiered membership structures represents an important innovation within this traditional model. The Deutsch-Madagassische Gesellschaft's differentiated fee structure (€20 for students, €100 for individuals, €200 for organisations) demonstrates how diaspora organisations adapt to community heterogeneity. This tiering acknowledges economic disparities within diaspora communities whilst creating pathways for institutional support.

In addition, the success of this model is determined by the ability of the organisation to continuously expand its membership base. Economic and other shocks can therefore expose the inherent vulnerability of this model. For example, the Diaspora Libanaise Overseas (DLO) faced a critical challenge when its membership plummeted from 300 to just 60 following the COVID-19 pandemic.

This model, therefore, is often better suited to sustaining a community and preserving cultural identity than to implementing large-scale projects that require complex service delivery operations.

Type 2: Individual and community donations model



This model relies primarily on voluntary contributions from individuals, foundations and corporations within diaspora communities and beyond. It encompasses various activities ranging from individual philanthropy and online fundraising campaigns to more structured faith-based giving traditions.

A key advantage of this model is that it ensures alignment with diaspora communities' cultural or religious giving traditions, as well as promotes direct accountability to constituents. However, experience from diaspora organisations shows that financial precarity can be a common challenge.

SADE is a pure example at the micro-level, with 89.1% of its €2,021 budget derived from small community gifts. Its financial health is entirely contingent on discretionary giving, making it extremely fragile and operationally constrained. Operating at a slightly larger scale, Kaalmo Relief and Development Organization (KRD) has a €25,175 budget but a similar dependency, drawing 74.6% of its income from individual diaspora donations. This reliance has led to recurring deficits that have almost entirely eroded its equity, which stands at a mere €421. By relying mostly on donations and without the buffer of institutional funding or diversified revenue, organisations that predominantly use this model tend to operate hand-to-mouth (SADE) or slide into structural deficits that consume their reserves (KRD). This leaves them unable to withstand financial shocks, invest in capacity, or engage in the long-term strategic planning necessary for sustainable impact.

Spotlight practice

Innovating private donations through informal microfinance systems

A particularly innovative and culturally embedded form of community mobilisation is the use of rotating savings and credit, more commonly known as tontines. Known as *susu* or *esusu* in West Africa and the Caribbean, *chamas* in East Africa, *hagbad* in Somalia, or *tontines* in Francophone Africa, these informal systems constitute a powerful economic model for many diaspora communities without access to formal financial institutions.

The principle is simple: a group of members contributes a fixed amount at regular intervals, and the total sum is allocated in turn to each member. Within diaspora organisations, this model is adapted to meet members' needs. For instance, some organisations have established member-led microfinance arrangements, where each member contributes a small sum per month, part of which is retained individually, and expenses are deducted monthly from a collective pool.

These arrangements offer an interesting alternative for populations excluded from the formal banking system. They allow members to access significant sums of money they could not save alone, thereby financing entrepreneurial projects, school fees, or medical emergencies without resorting to high-interest loans. They act as a tool for empowerment, particularly for women, by offering financial independence and promoting the dissemination of financial management knowledge.

Beyond the financial aspect, tontines strengthen social cohesion, mutual trust, and solidarity within the group. The social pressure and obligation to contribute regularly also help to instil disciplined saving habits. The risk of default is mitigated by social sanctions (e.g. exclusion from the community) and the limited nature of the rotation cycles.

However, their informal nature, while attractive for its simplicity, is also a major challenge. It makes dispute resolution difficult and limits the system's ability to scale beyond a small circle of trust. Furthermore, these systems are vulnerable to external economic shocks and can be viewed with suspicion by formal institutions. Any attempt to link them to formal banking systems risks denaturing their voluntary character and distorting community members' contributions.



Type 3: Public grant model

This model characterises organisations that derive a substantial majority of their revenue through grants from public donors. Public sources include national ministries, local authorities, and international development agencies such as the Agence Française de Développement (AFD) or the European Union's Erasmus+ programme. Securing a grant often requires non-profit status as a baseline eligibility criterion, and also entails competitive application processes, project-based funding cycles, extensive reporting requirements, and limited coverage of core operational costs.

The Forum des Organisations de Solidarité Internationale issues des Migrations (FORIM) is the archetype of this model, with 72.7% of its revenue derived from bilateral aid agencies (primarily AFD) and another 18% from other French government grants. With government contracts comprising 60-80% of revenue, the organisation is able to achieve significant scale and policy influence.

However, high dependence on public grants requires careful navigation of political changes, which can lead to shifts in policy priorities and budget cuts. As an umbrella network (see Type 7), FORIM's primary challenge – a 30% reduction in AFD funding – highlights extreme risks and has direct implications for its ability to channel resources towards its 1,000 member organisations.

At a smaller scale, Stichting Codine illustrates the volatility of grant dependency; its revenue collapsed from €90,371 to €3,221 in a single year due to a gap in the EU project funding cycle, a shock that eroded 66.7% of its financial reserves. Stichting Codine often endures volatile “feast or famine” periods dictated by grant approval timelines, which make strategic planning, staff retention, and institutional development challenging.

As relatively few public grant streams are tailored specifically to diaspora engagement, DOs often broaden their positioning to fit a wide range of thematic fields. These commonly include social impact, diversity and inclusion, migration, arrival and integration, development cooperation, labour mobility, civil society, democracy and human rights, among others.

Type 4: Corporate sponsorship model



This model involves receiving support from private companies, encompassing a diverse mix of financial and non-financial resources. As in the public grant model (Type 3), corporate grants may also feature in this model, also requiring the DO to operate with a non-profit status in many cases. Beyond grants, corporate donors can provide additional financial mechanisms, such as impact investments and gift-matching schemes, in which companies amplify their employees' charitable contributions by matching them at a set ratio.

In addition to financial resources, private companies may also offer in-kind support in line with their core business services or products, as well as employee volunteering schemes that bring in highly skilled expertise into DOs without additional cost. For example, Orange Foundation financed the inauguration of a digital centre for the [Organisation des Femmes Africaines et de la Diaspora \(OFAD\)](#) in Massy, France. The foundation provided digital equipment for the centre, as well as computer training workshops delivered by a volunteer employee from Orange. This partnership enabled OFAD to strengthen its digital inclusion offer, while allowing the Foundation to advance its corporate social responsibility (CSR) objectives in digital literacy and local community engagement.

As with public grants, DOs must demonstrate alignment between their mission and the funder's priorities – in this case, the company's CSR objectives. The DO is expected to articulate and deliver a “win-win” value proposition for both itself and the private company. While the private company provides vital resources, DOs can at times be expected to demonstrate how the sponsorship enhances the company's brand, reputation or stakeholder engagement. For example, at a symposium organised by the [African Diaspora Network](#), companies receive tiered benefits (e.g. opportunities for brand visibility, privileged access to high-level networking circles) according to the amount of the sponsorship.

Despite these advantages, the corporate sponsorship model remains relatively rare among DOs in Europe, with the exception of some organisations that have invested years in professional network building. This suggests a high barrier to entry for private sector partnerships, which require a level of professionalisation and a clear value proposition (e.g. brand exposure) that most volunteer-led DOs cannot currently offer.



Type 5: Service provision model

This model involves generating revenue through the delivery of knowledge-based professional services, leveraging an organisation's unique diaspora expertise, cultural knowledge and transnational networks for commercial or quasi-commercial gain. Services can include consultancy, training, research and technical assistance or other knowledge-based services responding directly to the needs of diaspora members or communities.

For example, [France Amérique Latine's](#) tri-annual magazine represents a creative adaptation of service provision to diaspora contexts. The publication serves multiple functions: preserving Latin American cultural discourse, providing a platform for diaspora voices, and generating predictable revenue. This multi-functionality characterises successful diaspora service models, where revenue generation becomes integrated with mission delivery rather than a separate commercial activity. This model has allowed for the employment of two remunerated staff positions, demonstrating that by providing a service, organisations can professionalise and become financially self-sustaining, i.e. without depending on external sources such as public grants (see Type 3) or corporate sponsorships (see Type 4).

The accessibility of this model, however, varies significantly depending on the existing knowledge, skills, professional backgrounds, and internal organisation of the DO. For DOs that already host relevant expertise such as consulting, training, health, legal, or psychosocial support, the service provision model can be one of the more accessible and flexible revenue streams. Some larger or more established DOs facilitate this by structuring their activities around skills/knowledge-based committees or working groups, enabling them to offer fee-based services to those who can afford them while maintaining free or subsidised access for more vulnerable members. In such cases, service provision directly reinforces both financial sustainability and the organisation's social mission.

At the same time, organisations without an established professional track record may face greater challenges in monetising services. For example, the [Association Indépendante des Entrepreneurs de la Diaspora Africaine \(AsIEDAC\)](#)'s primary revenue source is a suite of personalised administrative and business development support packages (Standard, Premium, Golden Pass) offered to diaspora entrepreneurs. However, the organisation faces reputational challenges linked to broader institutional mistrust toward newly established non-profit organisations, particularly in contexts where misuse of similar structures has occurred.

Without established professional credibility, AsIEDAC cannot generate sufficient revenue from their service packages to hire full-time staff, forcing reliance on volunteers. This volunteer-based structure, while necessary given current revenue limitations, further erodes market confidence, as potential clients hesitate to pay premium rates for services delivered by non-professional staff. The organisation finds itself trapped: they cannot build the track record needed to attract paying clients without professional infrastructure, yet cannot afford this infrastructure without the revenue that paying clients would provide.

This dynamic illustrates that while service provision can be relatively easy to initiate where skills and credibility already exist, translating individual expertise into a sustainable organisational revenue stream often requires time, visibility, and trust-building. Increasingly, some DOs are able to accelerate this process through low-cost strategies such as professional use of social media platforms (e.g. LinkedIn or Instagram), personal branding, and incremental portfolio development. Nevertheless, long-term sustainability depends on the organisation's ability to institutionalise expertise, maintain quality standards, and align service delivery with both market demand and mission objectives.

Type 6: Commercial and entrepreneurial model



These innovative models generate revenue through market-facing products, platforms or enterprises rather than through the sale of services alone. Commercial and entrepreneurial activities are directly aligned with the organisation's social mission and represent a fundamental shift from traditional grant dependency toward market-based sustainability and impact creation/offerings. Organisations that adopt this model describe their approach as “a logic that is fundamentally commercial”, operating as traditional entrepreneurs with offerings specifically by or for the diaspora.

AFRIQU'Elles exemplifies this model through its online boutique selling products created by African diaspora women. This model achieves multiple objectives simultaneously: generating unrestricted revenue for the organisation, providing market access for women entrepreneurs, showcasing African creativity to international markets, and building economic networks within the diaspora. The e-commerce platform functions as both a revenue stream and a programme delivery mechanism, demonstrating perfect mission-market alignment.

DOs' commercial and entrepreneurial activities tend to follow a social enterprise logic. They typically pursue a double – or even triple – bottom line, seeking financial returns while equally prioritising social impact. This dual focus often limits revenue potential and introduces additional complexity into their fundraising strategies. Despite these limitations, a growing number of DOs pursuing commercial and entrepreneurial models is able to achieve long-term success by maintaining a strong alignment between their commercial activities and their social mission.

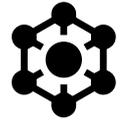
Focus box

Social entrepreneurship as a cross-cutting orientation

Across the models presented in this report, an increasing number of DOs are adopting social entrepreneurship structures to reduce long-term reliance on grants while maintaining mission-driven objectives. Rather than constituting a distinct business model, social entrepreneurship functions as a cross-cutting orientation that can apply to multiple business model types.

Unlike non-profits, which primarily rely on grants and donations and treat earned income as complementary, social enterprises generate revenue through the sale of products or services as a core financing mechanism. Unlike conventional businesses, where profit maximisation is the primary objective, social enterprises institutionalise social impact as a central mission and reinvest surpluses accordingly.

The shift is less about what is sold and more about how income is institutionalised, governed, and reinvested. Operating under a social enterprise typically requires clearer cost-recovery strategies, quality standards, and decision rules to manage trade-offs between financial viability and social mission.



Type 7: Umbrella network model

In this model, organisations function as coordinating bodies or federations that bring together numerous individual DOs. Their purpose is to enable resource sharing, act as intermediaries between large funders and smaller grassroots organisations, achieve economies of scale in administration, and create a unified policy voice.

FORIM is the primary example, serving as a national platform in France representing approximately 1,000 DOs through its 40 member networks. Its business model is to serve as a financial and technical intermediary, channelling public funds from agencies such as the AFD to its members through dedicated programmes. Other examples include OFAD, a network of 75 organisations focused on women's entrepreneurship, and CAGF, a federation of over 100 Guinean associations in France.

Umbrella network models are typically funded by public donors (see Type 3) and by their members (see Type 1). As such, they must continuously prove their value proposition in two directions. Upwards, to funders, they must demonstrate professional capacity for grant management, monitoring, evaluation, and reporting, which FORIM has successfully done for years. Downwards, to their member organisations, they must provide tangible benefits, such as access to funding, capacity-building workshops, and effective advocacy, that justify membership and participation.

THE REALITY OF HYBRID APPROACHES BEYOND PURE MODELS

In practice, the financial models delineated above rarely exist in isolation. The prevailing reality demonstrates that the majority of DOs adopt hybrid approaches, strategically combining multiple revenue streams to construct diversified and resilient funding portfolios. This hybridisation – combining membership subscriptions, public sector grants, service-generated revenues and philanthropic contributions – has evolved from an exceptional practice to become the strategic standard.

Each funding source carries distinct accountability requirements and operational constraints, but also bring about strategic assets that DOs can mobilise to further generate revenue: membership fees provide legitimacy, public grants enable scale, and service delivery generates operational flexibility.

The move towards hybrid financing models is more than a trend among DOs; it is a conscious and necessary strategy. In a volatile and competitive funding environment, diversification is a core component of building organisational resilience. By combining different types of income – each with its own risk profile, stakeholder group, and level of restriction – organisations can better weather shocks, such as funding cuts or project cycle gaps. This strategic blending of resources is becoming the dominant paradigm for DOs aiming for long-term sustainability.

Principles for picking the right hybrid mix

Organisational sustainability depends most on the alignment between the DO's mission, community characteristics, and chosen business model. In practice, finding the right hybrid mix entails several key principles, based on the experiences of DOs analysed for the study:

Align all funding streams with the organisation's core mission

The diaspora ecosystem is diverse in terms of scale – from SADE operating on a micro-budget of €2,021 per year, to FORIM managing an annual budget of €1.24 million. This range reflects a variety of organisational models – and therefore financial profile – shaped by the DO's mission.

Small-scale organisations are often designed to provide community spaces, preserve cultural continuity, and foster social cohesion. Their persistence despite severe resource constraints suggests they fulfil functions that members value beyond conventionally measured financial outputs. In contrast, large-scale operations are often characterised by their positioning as professional service providers or umbrella networks – a status that enables access to grants or charitable markets. This strategic positioning is not the only driver of scale; it can also emerge from the sheer size of a community's needs or a strategic decision to act as a national platform.

Regardless of the size and the organisational model adopted, aligning all funding streams with the DO's mission is a key success factor. Effective financial hybridity lies not merely in the *multiplicity* of revenue streams, but rather in their *strategic integration* guided by the organisation's mission. A robust hybrid financial strategy is more than merely aggregating separate income sources. Financial sustainability comes from an integrated portfolio where the different components are mutually reinforcing, not from a simple collection of disconnected funding streams.

If a DO aims to increase its operational and financial capacity, the development of basic business functions (e.g. key account management, marketing, project management) can influence its ability to identify and secure revenue streams. Scaling up requires significant investment in professional fundraising capacity, robust governance structures, and sophisticated impact measurement systems that meet institutional donor expectations.

Balance professionalisation with community legitimacy

Unlike traditional non-profits that can recruit purely on professional criteria, diaspora organisations must develop technical capacities while maintaining authentic community connections. Many DOs face a challenge: as they professionalise, hire remunerated staff, and access more funding streams, their ability to deliver programmes improves, but so does the risk of being perceived as satisfying the interests of donors and clients over the needs of the communities they aim to serve.

On one hand, building professional capacity – hiring paid staff, developing sophisticated financial systems, and implementing robust monitoring and evaluation – is essential for accessing institutional funding and delivering complex, large-scale programmes that can allow DOs to serve larger and more diverse communities. At the same time, as a DO professionalises, maintaining strong ties to the grassroots community remains equally important, as it ensures the DO preserves its legitimacy, nurtures its volunteer base, and retains its authentic voice.

Successful professionalisation is rooted in approaches where technical capacities are developed while intentionally maintaining organic community connections, for instance by recruiting staff from within the community or preserving strong volunteer-led governance structures. Moreover, organisations maintaining strong volunteer participation alongside professional development demonstrate greater resilience than those pursuing pure professionalisation strategies. This balance requires intentional strategies for volunteer engagement, community consultation, and democratic governance that are often limited in professional models.

Prioritise the development of strategic partnerships and alliances

Diaspora organisations are often at the intersection of multiple networks, with their alliances encompassing complex transnational relationships. These partnerships are the cornerstone of effective diaspora engagement. Successful organisations develop what might be termed “multi-directional embeddedness”, whereby they maintain simultaneous connections with host country institutions, origin country governments, international development agencies and NGOs, fellow diaspora communities and private sectors across multiple countries.

Partnerships underpin every financial model, as they allow DOs to access resources beyond their immediate reach. Sustained efforts to establish new partnerships, strengthen existing ones, and diversify partnerships can help unlock additional revenue streams. This can involve actively recruiting new members to expand a paying membership base, as well as approaching institutional funders – both public authorities and private

companies – to establish relationships. Partnerships are also vital in the service provision model and in the commercial and entrepreneurial model, as they serve as channels to reach prospective clients, customers and collaborators who can generate additional revenue.

Geographic strategy matters more than commonly acknowledged. Organisations based in capital cities or major metropolitan areas access corporate partnerships, skilled volunteers, and policy networks unavailable in peripheral locations. This suggests that establishing partnerships in key donor hotspots can have long-term strategic implications often underestimated in organisational planning.

A dive into hybrid models: Case studies from diaspora organisations



AiDiA is an initiative of the Business Empowerment Hub gUG and represents a new generation of diaspora organisations that place the economic and cultural capital of the African diaspora at the centre of its work. Founded in 2020 from within the Afro-diasporic community, AiDiA operates at the intersection of entrepreneurship, innovation and intercultural competencies. Its flagship format, the AiDiA Pitch, has grown into one of Europe’s leading business and cultural events, creating visibility for diaspora founders while catering to a broader organisational mission: institutionalising diaspora engagement into a model that aligns commercial discipline with intercultural competencies to create measurable economic value.

From the outset, AiDiA was built as a professionally governed organisation with a clear economic focus. Its team of over 30 consultants, tech experts, creatives and finance professionals embody the potential of the African diaspora as a highly skilled talent pool with bicultural fluency, market insights and professional networks across continents. This internal capability directly shapes its offerings: AiDiA does not only serve the diaspora community, but also leverages diaspora expertise as a competitive advantage within its business model. Internally, these capabilities enable high-quality programme delivery and operational credibility. Externally, they differentiate AiDiA in meeting institutional demand across incubation, consulting, ecosystem development and policy work.

Early growth strategies were intentionally driven through co-created programmes with corporate partners, particularly in tech and youth or female entrepreneurship, responding to a clear community demand for culturally grounded and professionally executed offerings. AiDiA’s business model has developed into three interconnected pillars:

1. **The Afro-Diasporic Startup Platform** generates revenue through sponsorship, programme fees, service provision, as well as public and private grants tied to entrepreneurship support.
2. **Political Diaspora Affairs** focuses on consulting, advisory services and public speaking for institutions seeking to engage diaspora know-how in sectors such as international development, labour migration or innovation.
3. **AiDiA Africa** is being established as a dedicated business unit to build economic ties between German and African business ecosystems through consulting, trade-related service provisions and cross-continental entrepreneurship programmes.

This diversified structure enables AiDiA to intentionally engineer revenue channels tied to products and services for specific stakeholder groups. Over the past five years, AiDiA has aimed at showing new and modern ways to implement diaspora engagement by reframing the diaspora as an economic constituency whose skills and knowledge generate tangible market value. This framing works to position AiDiA as a professional intermediary for innovation, competitiveness and co-creation partnerships between Europe and Africa.



Repat Africa provides a powerful – albeit nascent – example of the strategic integration of the commercial and entrepreneurial model and the membership-based model, both anchored on the organisation’s mission. Created in

2020, Repat Africa aims to accelerate the entrepreneurial and economic development of Africa by mobilising investments towards the continent.

Its core association operates on a modest budget from membership fees, which allow the DO to train its members and partners, organise events, and engage in research and development initiatives. In addition, its subsidiary, “Repat Invest,” functions as a social enterprise that allows the DO to move beyond simple revenue generation towards more sophisticated investment approaches. Its purpose is not to generate operational revenue for the core association, but to mobilise and channel diaspora capital towards productive investments on the African continent. In 2024, Repat Invest successfully raised €120,000 for Kemet Automotive and used this money as investment capital, demonstrating a clear pivot towards a commercial, impact-first model that leverages the diaspora’s financial power directly.

This example challenges traditional non-profit accounting and evaluation metrics. Repat Africa’s operational turnover is minuscule (€28,676), yet its mobilising power is significant. Its success cannot be measured by its operating budget alone; its primary function is that of a financial catalyst and intermediary. This blurring of the line between operational revenue and programmatic capital requires new frameworks for assessing the impact and sustainability of such social enterprises, focusing on the capital they mobilise and the economic activity they generate rather than their internal budget size.



As a network of diaspora professionals bridging Latin America and the UK, partnerships are at the heart of Red Global Mexico (RGMX) UK’s operating model. Its

two principal revenue generation streams are closely aligned with its mission to connect and empower diaspora communities, rather than pure financial returns.

The organisation’s primary source of income are annual membership fees, structured across three tiers to reflect members’ profiles and expected levels of engagement: £20 for students interested in academic initiatives; £35 for entrepreneurs, artists and professionals seeking engagement opportunities; and £85 for leaders aiming to maximise their impact and influence within RGMX’s network. In addition to membership fees, RGMX UK also receives donations from charitable institutions whose values and objectives resonate with its mission.

RGMX UK invests substantial time and resources into expanding its membership base, with a dedicated team focused on identifying and engaging Mexicans in the UK who may be interested in joining the network. In parallel, RGMX actively cultivates relationships with British institutions to enable mutually beneficial collaborations, leveraging the network's soft power, professional expertise, and strong community ties. A significant proportion of RGMX members are entrepreneurs – either leading their own ventures in the UK or holding senior positions in major companies, including Mexican entities operating in the UK.

Looking ahead, RGMX UK is actively pursuing new avenues for partnership-building and revenue generation. As part of a 2024 scoping study on the intersection between the private sector and diaspora engagement, EUDiF commissioned [The Social Investment Consultancy \(TSIC\)](#) to assess potential growth opportunities for RGMX UK. One promising avenue stems from the growing interest and engagement from Latin American professionals over recent years – a trend that RGMX could capitalise to expand its paying membership base. In addition, the organisation is positioning itself in emerging, high-impact fields such as artificial intelligence and climate change action, where cross-sector partnerships are proliferating and offer significant potential for collaboration.

The analysis highlighted the need for RGMX UK to scale up its strategic partnerships as a core pathway to financial sustainability. Key recommendations included actively pursuing grant opportunities for joint projects with partners, seeking sponsorship from businesses and philanthropic actors, and developing tailored project proposals highlighting shared goals and mutual benefits. The study further advised RGMX UK to strengthen its partnership-building activities by organising networking events and hosting fundraising events that showcase the organisation's hybrid model, track record and impact, thereby attracting greater support from both the private sector and civil society.

THE WAY FORWARD: CHALLENGES AND OPPORTUNITIES

An analysis of the financial and operational data from the profiled DOs reveals common challenges to financial sustainability. Many of these difficulties originate from limited internal capacity for fundraising, financial management and strategic resource allocation. These constraints are compounded by broader systemic barriers, including intense competition for a finite pool of public, private-sector and philanthropic funding.

At the same time, opportunities exist for DOs to strengthen their financial viability. Digital technologies offer new pathways to reach paying members, clients and funders across geographical boundaries, expanding the potential market for services and community engagement. Likewise, more structured advocacy and lobbying efforts can help shape policy agendas and funding frameworks. By taking a proactive, future-oriented approach to organisational leadership and succession planning, DOs can adapt their governance structures and business models to evolving sectoral dynamics and emerging financing mechanisms.

Challenges

Lack of technical capacity

Fundraising

Whilst numerous DOs identify revenue diversification as a strategic priority, the primary barrier appears to be technical capacity limitations. This starts as early as the fundraising stage, where a “chicken-and-egg” problem of professionalisation prevents DOs from accessing funding.

DOs benefit greatly from having staff capable of writing successful grant proposals, managing complex projects, and ensuring regulatory compliance – the very activities needed to secure stable funding. In many cases, however, the experience of several organisations demonstrates that budgetary pressures limit the recruitment and retention of such paid staff. As such, many DOs must rely on volunteers, which can limit their potential impact and make it more difficult to secure competitive funding. While project-based funding models are currently ill-equipped to address these challenges, some organisations are able to navigate them successfully by leveraging the expertise and commitment of their existing teams, as well as by building internal capacity for fundraising.

Other funding mechanisms

Additionally, many organisations lack information regarding alternative, more advanced funding mechanisms that can reinforce financial diversification, including impact investment vehicles, corporate partnership frameworks, or fee-for-service models. In many cases, they also lack the technical competencies required to navigate such mechanisms effectively, such as business planning capabilities, market assessment methodologies, or digital engagement strategies.

Regulatory frameworks

Many DOs also face knowledge gaps related to legal form, regulatory frameworks, and their implications for financing strategies. Legal status and national regulatory regimes shape what is operationally possible, for example, determining eligibility for certain public grants, the ability to generate income, or the use of volunteers. Limited access to legal and strategic advice can result in organisations adopting structures that restrict their long-term sustainability or limit access to appropriate funding streams.

The hidden costs of diversification

While the shift to diversified funding models is a positive and necessary trend, it is not without its challenges. The administrative burden of managing multiple, disparate revenue streams can be substantial. Each funding source, be it a government grant, a corporate sponsorship, or an online donation campaign, comes with its own unique application process, reporting requirements and stakeholder expectations.

Without organisational leaders and managers who have clear strategic framework and specialised financial management skills, the pursuit of diverse funding opportunities can lead to mission fragmentation, pulling the organisation in multiple directions and diluting its focus and impact.

Instability of funding from donors

The absence of stable and predictable funding constitutes a primary challenge across the sector. These constraints reflect not organisational shortcomings, but rather systemic barriers to entry and limited availability of financial resources, which multiple DOs have to compete for.

Although policy papers signal a growing formal commitment to the strategic role of diasporas in development, this recognition has yet to be fully operationalised. In practice, the African diaspora, for instance, is still too often positioned primarily as a beneficiary or contributor rather than as a strategic and operational co-creator. As a result, diaspora engagement is still consolidating its place as an established policy domain and is yet to secure consistent, long-term operational funding.

The recent 30% reduction in AFD funding allocated to FORIM has direct implications for the operational capacity of its 1,000 member organisations. For smaller entities such as CAGF, these budgetary reductions result in reduced capacity to support member projects, generating consequential effects throughout their networks. This financial volatility necessitates short-term operational planning, with organisations prioritising immediate financial sustainability over longer-term strategic development.

Structural and regulatory constraints

The broader ecosystem in which DOs operate often lacks the shared infrastructure, enabling frameworks, and tailored policy environments needed to support long-term organisational development. Existing regulatory and funding frameworks are frequently designed for either purely domestic non-profits or commercial entities, and struggle to accommodate the transnational nature of diaspora organisations. As a result, DOs may face fragmented legal and fiscal requirements, difficulties in implementing operations, and few opportunities to benefit from shared services or collective support mechanisms.

Opportunities

Digital transformation for greater impact

While effective community engagement often needs a foundation of physical interaction, the adoption of digital tools is enhancing how DOs operate. Digital platforms are increasingly being used for fundraising, community engagement, programme delivery, advocacy and internal coordination. This transformation creates significant opportunities. Commercial and entrepreneurial models, for example, can leverage e-commerce platforms to generate revenue while simultaneously promoting diaspora entrepreneurship. Virtual events, a practice accelerated by the COVID-19 pandemic, have enabled organisations to reach broader, more transnational audiences at a lower cost than traditional physical gatherings.

However, this digital shift also creates a risk of a “digital divide” within the sector. Less-resourced DOs that lack the capacity to invest in digital infrastructure and skills may find themselves increasingly marginalised as donor expectations and community engagement patterns increasingly shift towards digital formats.

The maturation of advocacy into professional lobbying

There is a discernible evolution in how some DOs approach policy engagement. The sector is witnessing maturation from ad-hoc advocacy and awareness campaigns towards more structured, professional lobbying activities.

This trend is particularly evident among Brussels-based networks that are strategically positioned to influence EU-level policy and funding decisions. For example, African Diaspora Network in Europe (ADNE)'s structure (10 employees, €10,000 lobbying budget, Policy Forum on Development membership) represents sophisticated positioning within EU policy frameworks. This model leverages Brussels' strategic advantage as the de facto EU capital, facilitating direct access to EU institutions, informal policy networks, and face-to-face engagement opportunities that, while theoretically available to all EU Member States, might be more challenging to access from peripheral locations.

By allocating specific budget lines for lobbying and participating in formal policy dialogues, these organisations are professionalising their approach to policy influence. This reflects a growing recognition that shaping the policy and regulatory frameworks that govern diaspora work is a critical component of successful fundraising.

Proactive succession planning for organisational longevity

A critical, often overlooked, factor for long-term sustainability of many DOs is succession planning. Many established DOs were founded by first-generation migrants and are deeply rooted in their experiences and priorities, which often centre on development projects in their countries of origin. In contrast, younger generations of the diaspora, who may have been born and raised in Europe, often have different conceptions of identity, belonging, and engagement. Their interests may be more focused on cultural promotion, professional networking, and addressing issues of identity and integration within their host societies.

Established organisations must evolve their missions, activities, and communication strategies to remain relevant to and successfully engage these younger generations, who represent the future of diaspora leadership and support. By taking a deliberate and proactive approach to leadership development and succession planning, building collective leadership models and governance structures that can endure beyond the tenure of the founders. For example, OFAD intentionally makes efforts to recruit younger women into leadership positions, recognising that generational renewal is essential for organisational vitality.

RECOMMENDATIONS FOR A MORE RESILIENT DIASPORA ECOSYSTEM

The findings of this report lead to a series of actionable recommendations designed to strengthen the sustainability and impact of diaspora organisations. These are structured for two key audiences: the diaspora organisations themselves, and the institutional stakeholders, including EUDiF, who shape their operating environment.

For diaspora organisations

- **Embrace strategic hybridity.** Move beyond opportunistic fundraising to intentionally design an integrated hybrid business model. Strategically plan how different revenue streams (e.g., membership, grants, services) can complement and reinforce one another to build a resilient and coherent financial architecture.
- **Invest in foundational capacities.** Prioritise investment in core organisational capacities, particularly entrepreneurship, business model development, professional financial management and digital literacy. These are not overhead costs but foundational investments that help DOs understand various revenue types (e.g. fees, subscriptions, profit sharing) and unlock access to larger funding opportunities.
- **Institutionalise leadership and governance.** Take a deliberate and proactive approach to leadership development and succession planning. Build collective leadership models, strengthen board governance, and regularly engage with diaspora youth leaders to ensure the organisation’s long-term continuity and relevance.
- **Leverage collective action.** Actively participate in and support umbrella network models and strategic alliances. Collaboration allows smaller organisations to access resources, expertise, and policy influence that are often beyond their individual reach. It is a vital strategy for achieving systemic impact.

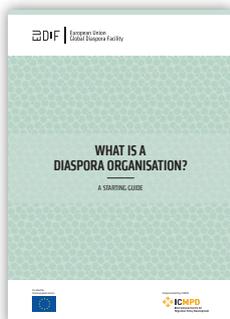
For funders and policymakers

- **Provide structural and flexible funding.** Perhaps as the most critical recommendation, the funding community must move beyond a predominantly project-based approach and provide multi-year, core operational support. Such funding is essential for DOs to break the “volunteer trap,” hire professional staff, build stable infrastructure, and engage in the long-term strategic planning necessary for sustainable impact.

- **Harmonise and adapt regulatory frameworks.** Advocate for and support the development of EU-wide legal frameworks, such as the proposed Cross-Border Associations Directive¹ that enable non-profit organisations to operate, organise, and be recognised across borders under a single legal personality. Current national regulations often force organisations into purely domestic models, stifling their ability to work effectively across borders.
- **Invest in “ecosystem infrastructure”.** Fund the development of shared service platforms that can provide smaller DOs with affordable access to professional expertise in areas such as financial management, grant writing, legal compliance, and digital strategy. Reinforce the capacity of effective umbrella network models to serve as intermediaries and capacity builders for the entire sector.
- **Promote and de-risk financial innovation.** Support the creation of intermediary financial vehicles, such as diaspora investment funds or social impact bonds, that can channel diaspora capital towards development goals. The analysis shows a clear gap in investment-based sustainability models. Stakeholders can play a crucial role in providing the patient capital, guarantees and technical expertise needed to de-risk and scale these innovative approaches.

1 [European Parliament resolution of 17 February 2022 with recommendations to the Commission on a statute for European cross-border associations and non-profit organisations \(2020/2026\(INL\)\)](#). It proposes an EU legal framework for cross-border non-profit organisations, including a “European Association” status. Key provisions aim to facilitate cross-border establishment and registration, grant EU-wide legal personality, allow the transfer of registered offices between Member States without dissolution, and reduce barriers to cross-border fundraising and access to financial services, while requiring that administrative and reporting obligations remain proportionate and non-discriminatory.

RESOURCES AND FURTHER READING



Starting guide: What is a diaspora organisation?

EUDiF (2024)

This publication provides a practical introduction to diaspora organisations, explaining how they are defined, how they evolve and the roles they play across countries of origin and residence. It outlines their key characteristics, main types and primary functions, offering a structured overview to help policymakers and practitioners better understand, engage and collaborate with diaspora organisations as partners in sustainable development.



Fundraising Toolkit for Diaspora Organizations

Danish Refugee Council, Maastricht University, United Nations University-MERIT (2021)

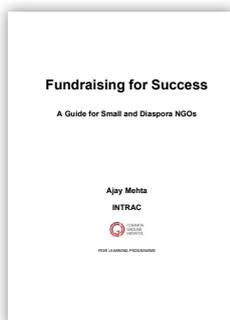
This toolkit aims to equip diaspora organisations with a comprehensive understanding of diverse funding sources, offering practical guidance on how to establish effective fundraising mechanisms. It also outlines strategies for identifying and accessing opportunities to diversify their sources of financing.



Learning by doing: Professionalisation through governance, leadership and project management

EUDiF (2023)

This publication consolidates the experiences of diaspora organisations supported by EUDiF as they aim to professionalise their operations and increase their efficiency and effectiveness. It covers a common set of areas to consider in the process of professionalisation: governance and leadership, project management, partnerships, membership, finance, and human resources.



Fundraising for Success: A Guide for Small and Diaspora NGOs

INTRAC (2012)

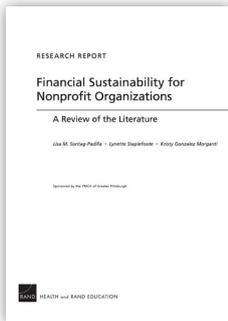
This guide aims to provide small and diaspora organisations with information, tools and tips on how to strengthen their fundraising efforts, outlining the main principles behind effective fundraising. The guide also provides information on how to develop a fundraising plan, as well as how to implement and monitor it effectively.



Join the DOTT: Diaspora organization Trainings Trove

IOM (2024)

This interactive resource provides practical tools, self-assessment resources, templates and success stories designed to help diaspora organisations strengthen their operations. It provides four key areas in which organisations can assess their capacity and access targeted training: (1) organisational development; (2) project management and diaspora interventions areas; (3) sustainable finance; and (4) networking, communications and partnerships.



Financial Sustainability for Nonprofit Organizations: A Review of the Literature

Sontag-Padilla, Staplefoote & Gonzalez Morganti (2012)

This literature review identifies key challenges that non-profit organisations encounter in achieving financial sustainability. It also synthesises lessons learned and effective practices for addressing these challenges, emphasising the need to firmly anchor programme development, community engagement and strategic partnerships in the organisation's core mission.

© – 2026 – ICMPD. All rights reserved. Licensed to the European Union under conditions.

The views expressed in this report are the sole responsibility of the authors and do not necessarily reflect the views of the EU or ICMPD.



European Union Global Diaspora Facility
ICMPD
2 Place du Champ de Mars
1050 Brussels
Belgium



www.diasporaforddevelopment.eu



EU-diaspora@icmpd.org



[@diaspora4devEU](https://twitter.com/diaspora4devEU)