

FX-price comparison for SDG:s and foreign aid

Significant resources are lost in inefficient transactions

Funding for sustainable development and foreign aid amounts to hundreds of billions of US dollars every year. A large part of these funds are sent across borders and are often exchanged between different currencies.

A number of services have been developed to provide price transparency for microtransactions (remittances). A variety of services compare the costs of sending smaller amounts of money. This has contributed to a very strong development of new solutions for sending money cheaper.

When it comes to larger transactions for organisations, there is currently no available benchmark service of a similar kind. Donors and partners organisations are today paying too much for these transactions. This means that important resources are lost even before they reach the intended target!

The solution - data for transparency and benchmarks

We will develop a simple and transparent service where organizations can see how to send funding in the best and cheapest way.

Activities

- Build a process for data collection, to gather benchmark data on transaction pricing. This should build as much as possible on big data possibilities and open banking developments (PSD2)
- Build a price comparison service that helps organisations compare transaction pricing, and assist them in a process of choosing service providers.

AidHedge provides organisations with a financial analysis of risks and costs related to currencies, transactions, inflation and more. A full transaction benchmark service would complement AidHedges more in-depth analysis well. The service could just as well be stand-alone, however, depending on partnerships etc.