

Innovative businesses as drivers of change

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Photo: picture alliance / NurPhoto / Noushad Thekkayil

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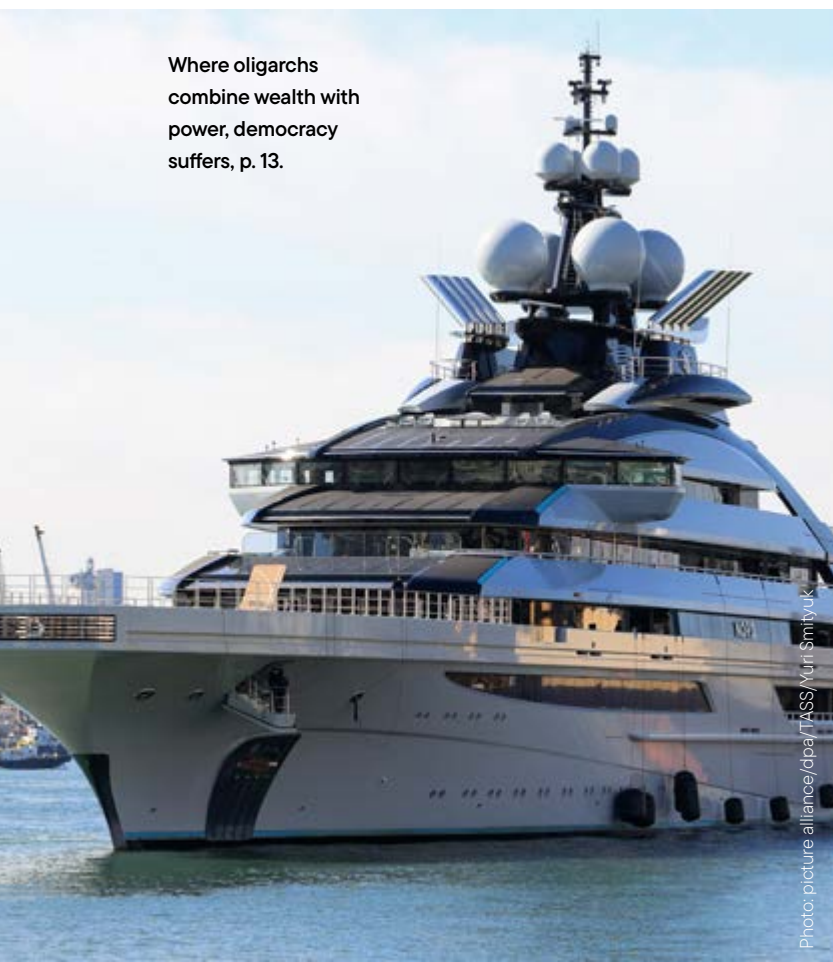


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The founding stories of Silicon Valley giants such as Google, Apple and Microsoft have shaped our notions of innovation and success. Yet success isn't just about making a profit. While most start-up stories do not result in billion-dollar valuations, they often have a positive impact on society. Around the world, start-ups offer services ranging from telemedicine and agricultural technologies to digital payments. They find it much more difficult to secure funding, yet it is precisely such socially responsible companies that are needed to bring about change. Their stories are worth telling, but we hear far too little about them.

ARTIST OF THE MONTH

Fanuel Leul

Fanuel Leul is a digital artist based in Addis Ababa, Ethiopia. His work blends African heritage, storytelling and speculative futures, creating Afrofuturist worlds inspired by history and culture. Working across digital painting, 3D art, comics and AI-assisted workflows, he explores themes of identity, memory and the future of African storytelling.

His work has been exhibited in Ethiopia, Morocco, Sweden and New York, and he was selected to participate in OpenAI's Sora artist programme. Through his practice, Fanuel seeks to preserve cultural memory while imagining futures shaped by African voices.

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Photo: Fanuel Leul



Good news

As the first country in Southeast Asia, Vietnam adopted a comprehensive AI law in March. The legislation aims to establish a regulatory framework that provides for extensive state oversight while simultaneously promoting innovation. At the core of the law is a risk-based approach that classifies AI systems into low-, medium-, and high-risk categories, with stricter requirements applying to high-risk applications.

Another key principle is the emphasis on human oversight, requiring humans to retain responsibility for important decisions. In addition, the law mandates clear labelling of AI-generated content and explicitly prohibits harmful applications such as deepfakes and illegal content, as well as threats to national security. At the same time, critics have previously warned that wide-ranging provisions of this kind could also be used to curtail political freedom of expression.

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of Africa's population will live in cities by 2050. While such rapid urban growth is often associated primarily with challenges, it also presents an opportunity to design metropolitan areas from scratch in a sustainable and inclusive way – provided that policymakers act early and proactively. This is the argument put forward by the feminist urban economist Astrid R. N. Haas *in an article for [The Conversation](#)*. A key priority, she argues, is to view cities as major engines of economic growth and to develop corresponding strategies for financing and investment. An advantage for African cities is the opportunity to learn from the mistakes made on other continents. In *our [February issue](#)*, we already explored how we can make urban life more liveable in the future.

ENERGY

Can East Africa refine its way out of this crisis?

The economic and political consequences of the disruption to oil supply chains caused by the war between the US, Israel and Iran continue to be felt across the African continent. In East Africa, the debate on energy security is currently centred on a new regional refinery – at a time when green energy and climate resilience should actually be at the top of the agenda. But what are the options?

BY ALPHONCE SHIUNDU



Photo: picture alliance / NurPhoto / Noushad Thekkayil

Some hope he will save Africa from current and future fuel crises:
Aliko Dangote at a panel discussion in Doha last year.

The transport sector in Kenya was paralysed for two days in mid-May by a nationwide motorists' strike against rising fuel prices – despite the government having allowed the sale of substandard fuel that had proven more readily available.

Elsewhere in the region, such as in Ethiopia and Burundi, long queues of vehicles waited at petrol stations for fuel. Governments urged citizens to take public transport. In Uganda, some petrol station operators report that they have closed their stations altogether as they can no longer afford the high prices. In Tanzania, the government introduced a diesel subsidy to mitigate the impact of rising prices.

As this situation drives up inflation and triggers an economic crisis with political repercussions, Yoweri Museveni and William Ruto, the presidents of Uganda and Kenya, met with Nigerian billionaire Aliko Dangote during the “Africa We Build” summit in Nairobi at the end of April. They discussed plans for a new regional oil refinery, estimated to cost between \$ 15 and \$ 17 billion and expected to process 650,000 barrels of crude oil per day.

“It appears that, in order to transition to clean energy, East Africa will first have to rely on dirty fuels to boost its economy.”

Having initially complained that she had not been informed about the meeting and its outcome, Tanzanian President Samia Suluhu Hassan also met with Dangote in Dar es Salaam in mid-May. Originally, Museveni, Dangote and Ruto had planned to have the refinery built in Tanga on Tanzania's Indian Ocean coast.

CRITICAL VOICES FROM UGANDA

Uganda and Tanzania have already formed a partnership to build a 1443-kilometre pipeline to transport crude oil from Hoima in western Uganda to Tanga.

In Uganda, critical voices have questioned the feasibility of the larger regional project, as Uganda has its own refin-

ery plans for Hoima District, albeit on a smaller scale (60,000 barrels per day).

President Museveni dismissed concerns when he met Dangote again in Entebbe in May. “We have no problem supporting a broader regional refinery that can guarantee energy security for the region, while Uganda also develops its own refinery,” he said.

DANGOTE PREFERS MOMBASA

Dangote has since announced that he prefers the Kenyan coastal city of Mombasa as the site for the refinery, rather than Tanga. The continent's richest man is interested in Kenya because it has higher demand for fuel and a stronger economy than other East African countries – and Mombasa's port is simply larger.

He has a point: the latest figures from Kenya, published in April 2026, show that the country spent around \$ 4 billion on importing almost 6.4 billion litres of petroleum products in 2025. Uganda imports about 2.5 billion litres of petroleum annually. Since Uganda's fuel is sourced through Kenya via Mombasa, both countries draw from the same market at comparable prices, but Kenya spends two to three times as much on oil imports as Uganda. Tanzania imported 4.2 billion litres of petroleum annually in 2023 and 2024 – however, this is only 75–80% of Kenya's import volume over the same period.

DEPENDENT ON THE MIDDLE EAST

Regardless of where the refinery is ultimately built, the efforts of the governments in question are necessarily aimed at reducing their dependence on imported petroleum products. Many East African countries currently source their oil from the Middle East, primarily from Saudi Arabia, the United Arab Emirates, Kuwait and Oman.

As the conflict between the US, Israel and Iran and the blockade of the Strait of Hormuz have shown, disruptions to the supply of petroleum products have far-reaching consequences, particularly for the economically weaker African countries. Though the Middle East is home to almost half of the world's proven reserves, it remains politically unpredictable due to ongoing conflicts and instability. Surely now, at the very latest, it should be clear to everyone that Africa needs to ramp up its own production capacity.

NIGERIA IS BENEFITING FROM ITS OWN REFINERY

That's why East Africa inevitably paid close attention whenever Dangote spoke about his refinery in Nigeria, which by the end of May had reached a production rate of 661,000 barrels per day, employed tens of thousands of

“In Nigeria, there are no longer lengthy queues at petrol stations, and local production has helped to stabilise prices.”

people and made Nigeria, Africa’s biggest crude oil producer, a winner in the current oil crisis.

There are no longer lengthy queues at petrol stations in Nigeria, and local production has helped to stabilise prices. Dangote has also built up strategic reserves to protect the country from sudden supply shortages. It is these ambitions and successes that he wishes to replicate in East Africa, where unemployment and fuel shortages are currently threatening the survival of governments and thus constitute a matter of national security.

However, questions may arise regarding the structural risk posed by a single individual controlling a significant proportion of the continent’s energy supply. In other words, the multibillion-dollar investment spearheaded by Dangote will inevitably draw Nigeria into the dynamics of relations between Kenya, Uganda and Tanzania. Should any of these countries happen to be ruled by an unscrupulous leader, the entire transnational energy infrastructure could be at risk.

GREEN ENERGY LAGGING BEHIND

These are legitimate concerns. And yet the central issue really revolves around the political decision to build an oil refinery at a time when climate resilience, green energy and reducing fossil fuel consumption should be at the top of the agenda.

To date, the financing of green energy has in some cases been slow to materialise, subject to conditions and limited in scope. And while renewable energy sources are abundant in Africa, they are still far too underutilised. For example, Kenya’s installed electricity capacity is at 3.2 GW, with almost 90 % of this coming from renewable sources, mainly geothermal, hydro, wind and solar energy. However, most of the country’s energy needs are not met by electricity, but by wood, charcoal and petroleum products.

Yet regional initiatives to promote green energy do indeed already exist: the governments of Uganda, Kenya and Ethiopia have introduced incentives, including tax exemptions, to import electric vehicles. The idea is to reduce demand for petroleum products, which is placing a strain on their foreign exchange reserves. However, Kenya has already reversed its policy in response to pressure – exacerbated by the difficult economic situation – to generate tax revenue and plans to levy VAT of 16 % on electric vehicles, lithium-ion batteries and electric bicycles.

At present, it appears that East Africa, in order to transition to clean energy, will first have to rely on dirty fuels to boost its economy and protect itself against increasingly frequent global shocks. However obvious this approach may seem at present, the region cannot afford to continue with it indefinitely if the aim is to achieve sustainable energy security.



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Oil drilling in Vaca Muerta, Argentina: plans are in place to expand the infrastructure for liquefied natural gas in this vast shale oil and gas field.

SUPPLY CHAINS

Europe is shifting its attention to emerging energy resources in Latin America

The months-long blockade of the Strait of Hormuz has led countries around the world to seek alternatives to the disrupted oil and gas supplies. As a result, supply chains are shifting: for Germany, for example, gas imports from Latin America are becoming an attractive option.

The impact of the recent war in the Middle East on the global economy is far-reaching. This is perhaps most clearly seen in the energy market, where the price of crude oil rose from \$60 in February 2026 to over \$100 per barrel in April and May. In the European market, natural gas prices rose by around 40 % between February and May, increasing from € 32/MWh to over € 45/MWh.

This means Europe is already facing its second energy crisis in just a few years. The first was triggered by Russia's invasion of Ukraine, which forced the rapid replacement of Russian oil and gas imports. EU Commission President Ursula von der Leyen subsequently declared "derisking" a guiding principle of European energy security in 2023, and diversification became a central component of procurement strategies. This was also the case in Germany.

GERMANY'S ALTERNATIVE GAS SOURCE IS DRYING UP

Following the cut-off of Russian gas supplies, Germany relied primarily on two measures: increasing pipeline gas imports from Norway and rapidly expanding LNG import capacity. Norway now accounts for nearly half of Germany's gas imports. However, Norway will soon reach its capacity limit, and no new gas fields are being tapped.

At the same time, starting in 2022, Germany has built several LNG import terminals that can be converted to handle hydrogen in the future. LNG is transported by ship and is not tied to fixed pipeline connections, which opens up new possibilities. However, new LNG supply chains to Germany remain vulnerable.

For example, since 2022 Germany has been negotiating a supply contract with Qatar for 2 million tonnes of LNG per year. However, Qatar's exports depend on ships being able to pass through the Strait of Hormuz. Compounding the issue is the fact that Iranian attacks in March 2026 caused massive damage to the large Ras Laffan LNG plant. This has once again disrupted the Qatari supply route. Today, more than 90% of Germany's LNG imports come from the United States.

SOUTH AMERICA BECOMES MORE ATTRACTIVE TO EUROPE

German industry and commerce are therefore likelier to turn their attention towards Latin America: the region is generally considered stable, and the Atlantic offers Europe safe shipping routes. In addition, European companies such as Shell, TotalEnergies and Repsol are already active in Brazil, Guyana, Mexico and Argentina.

That said, the energy policies of Latin American countries vary. Mexico, under climate scientist Claudia Sheinbaum, and Colombia – should a left-leaning government take office following the runoff election in late June – are likely to reduce their oil and gas exports and keep more energy within their domestic markets. Other countries, on the other hand, are preparing to export fossil fuels.

Brazil and Guyana are particularly important for the oil market. Both countries have significantly expanded their offshore production. Guyana's share of German crude oil imports rose from nearly zero in 2021 to six percent in 2025, surpassing Nigeria's share.

The LNG market is also growing. Trinidad and Tobago and Peru already export LNG to Europe, but their supply volumes are limited. The greatest potential lies in Argentina. The Vaca Muerta shale gas field is one of the largest in the world, and plans are in place to develop LNG infrastructure.

In late 2025, Argentina and Germany signed a preliminary agreement for LNG deliveries of up to 2 million tonnes annually beginning in 2027.

LNG COULD SERVE AS A BRIDGE TO THE ENERGY TRANSITION – UNDER THE RIGHT CONDITIONS

For many years, Germany has been promoting the expansion of renewable energy and the production of green hydrogen in Latin American countries. One could argue that the focus on LNG contradicts this. The two, however, are not necessarily mutually exclusive: LNG can serve as a

“EU Commission President Ursula von der Leyen declared ‘derisking’ a guiding principle of European energy security in 2023, and diversification became a central component of procurement strategies.”

bridge technology, and the export revenues can help to finance the energy transition in the region.

The additional revenue from oil and LNG could be channelled into wind farms, electrolysers and hydrogen pipelines, as well as into the production of climate-friendly steel, aluminium and fertiliser using low-emission hydrogen. This is supported by the fact that energy companies such as Petrobras in Brazil and YPF in Argentina are partly state-owned and are already investing in renewable energy, carbon capture and storage (CCS) and hydrogen.

Naturally, this outcome is by no means a given. Oil exports – and LNG exports in particular – can only contribute to the energy transition if governments and companies actually use the additional revenues for decarbonisation. Germany and Europe could work towards this goal. However, such efforts are only credible and likely to succeed if Europe's own climate protection targets (e.g. the EU Green Deal, Fit for 55) are consistently pursued.



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Friedrich Merz and Benjamin Netanyahu at a joint press conference in Jerusalem in December 2025.

ISRAEL/PALESTINE

A distorted idea of the “reason of state”

When justifying its support for Israel, Germany's Federal Government often speaks of our country's “special responsibility”. As a new book by law professor Kai Ambos points out, it misunderstands this responsibility.

 BY HANS DEMBOWSKI

Is Israel committing genocide in Gaza? South Africa brought this question before the International Court of Justice (ICJ) in The Hague in late 2023. The matter has a bearing on Germany, because the ICJ also launched a second trial a little later, when Nicaragua accused the Federal Republic of supporting that genocide by shipping weapons to Israel. So far, the ICJ has not passed a judgment in either case.

Amnesty International, Human Rights Watch and Omer Bar-tov, the Israeli Holocaust scholar, have nonetheless argued that Israel is indeed guilty. By contrast, Ambos, who teaches international criminal law at Göttingen University, refuses to make such a judgment himself. He states that doing so would require proving genocidal intent, which is very difficult. At the same time, he spells out clearly that Israel's excessive use of force is incompatible with international law. The scholar in-

sists that neither the war crimes of Hamas nor the Nazi genocide put Israel above international law in a way that might permit it to commit war crimes itself.

WHY GERMANY IS BOUND BY INTERNATIONAL LAW

The Federal Republic is bound by international law, as Ambos argues, because Germany's Basic Law explicitly endorses international law. The implication, according to him, is that unconditional support for Israel is only constitutional as long as Israel adheres to international law. It does not, and Ambos' book lists the various ways in which Israel is violating international norms. For example, it has denied people food, water and medical supplies. Disproportionate destruction of civil infrastructure is similarly illegal. Moreover, it is a war crime to build permanent settlements on occupied land.

The title of Ambos' new book is "Staatsräson nach Gaza" (Reason of state after Gaza). In 2008, Angela Merkel, then serving as chancellor, stated in the Knesset during a state visit that Israel's security had become part of Germany's "reason of state". Ever since, this term has been used to justify Germany's unconditional solidarity with Israel.

In Ambos' eyes, the choice of words was unfortunate. As a political term, "reason of state" predates democracy. It has authoritarian connotations and, according to the law professor, is incompatible with the rule of law. Its core meaning, after all, is that a sovereign power may do whatever serves to protect its state, regardless of whether such action is compatible with ethical and legal norms.

By definition, the term "reason of state" is therefore self-serving. Ambos warns that applying it to the protection of a country which is far away and not even a particularly close ally twists its meaning quite radically. Germans have indeed become used to an altruistic reading of this inherently selfish term, even though, as Ambos insists, Israel's security is not linked to any core requirements of German statehood.

Ambos emphasises that neither German legislation nor international law acknowledge something like a state's right to exist. What they safeguard is borders. Making an exception by protecting Israel's right to exist as a state, leads to legal confusion, the jurist warns. After all, the law must apply equally to every party.

The top principle in Germany's Basic Law is human dignity, as Ambos reiterates, not the dignity of the state. He therefore considers any reference to the reason of state to be unconstitutional unless it complies with the overarching constitutional principles which put democracy above state power. In his eyes, a constitutionally valid interpretation of the term "reason of state" is possible. For example, it can be

used to explain Germany's membership in the EU or NATO, two organisations which strengthen the Federal Republic but do not infringe upon its constitutional principles.

MISUNDERSTANDING THE REASON OF STATE

As Ambos sees it, the misguided notion of Germany's reason of state has harmful repercussions at international and domestic levels. Germany's credibility is being diminished, according to him, because the Federal Government is turning a blind eye to Israeli war crimes or – even worse – declaring such illegal action to be legitimate. It is thus not living up to its official commitment to international law and human rights. Ambos adds that German support for Israel looks like complicity to many people around the world.

Ambos reckons that some leaders of German businesses and government institutions may indeed be guilty of illegally supporting criminal action. After all, they facilitated the delivery of arms to Israel in spite of that country breaching international norms. Only law courts can pass valid judgments in these matters, the professor points out again.

In regard to domestic affairs, Ambos cautions that distorted reason-of-state thinking is leading to the restriction of the freedoms of expression and assembly. He rejects the argument that any pro-Palestinian slogan that includes the phrase "from the river to the sea" must obviously be genocidal hate speech, stating that those words can be compatible with a two-state solution, which is what German governments have been endorsing for decades. Legal measures that restrict people's right to express their views, including in public rallies, are unacceptable, the law professor insists. People must be free to express their views on Israel's history and founding without fear of repression.

In Ambos' eyes, there is indeed a special responsibility that Germany must bear due to our history of genocide and war crimes. It is to respect international law and to defend human rights. "The lesson of Auschwitz is universal protection of human rights," he writes. According to him, the Federal Government should change its course in a way that serves the security – and the rights – of everybody in Israel and Palestine.

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POWER AND WEALTH

The oligarchs' world is here. What can we do about it?

Oligarchs not only influence our world already – if they continue to fuse wealth and power, they can run it. Containing them is the central challenge of our time.

BY DAVID LINGELBACH AND VALENTINA RODRÍGUEZ GUERRA

Russian oligarch Alexei Mordashov's "Nord" yacht passed through the Strait of Hormuz in April 2026. Picture taken in the Eastern Bosphorus Strait in 2022.



While the world struggles with the closure of the Strait of Hormuz, with food and energy shortages being felt far beyond the region, a superyacht linked to Russian oligarch Alexei Mordashov passed through the strait undisturbed in April. Mordashov is linked to another oligarch: Vladimir Putin. It is a vivid image of how oligarchs navigate today's world: they cross borders that are closed to everyone else.

But Mordashov, owner of steel giant Severstal, is only one of many types of oligarchs. Today, they do not merely own mines, banks or pipelines. Increasingly, some control the platforms, data, cloud systems and AI capabilities through which modern states and societies operate.

“Eight of the world’s top 20 economies are run by oligarchs, and most of them have autocratic tendencies.”

Much of what is happening today can best be understood by acknowledging that we live in what we call an “oligarchs’ world order”: oligarchs are increasingly shaping the global economy and international politics to their advantage. The urgent task is to contain their ability to fuse wealth and power.

OLIGARCHS SHAPE POLITICS AND THE GLOBAL ECONOMY

By oligarchs, we mean people who fuse wealth and power: individuals able to convert extraordinary wealth into power and power back into wealth, across borders.

In recent years, both the number of oligarchs and their average wealth have grown, enabling them to acquire multiple forms of power. By our estimates, 47 oligarchs have served as heads of state or government so far in 2026, many of them ruling autocratic regimes.

Drawing on World Bank and national accounts data, we estimate that oligarch-run states accounted for less than one-fifth of global economic output at the end of World War II. Today they account for something closer to three-fifths. Eight of the world’s top 20 economies are run by oligarchs, and most of them have autocratic tendencies. They are no longer a peripheral phenomenon. They are increasingly turning democracy, development and the international order into instruments for protecting their wealth and power.

If this trend continues, authoritarianism will rise and the self-government of societies will become increasingly devoid of meaning. Too many citizens today – in the United States, for example – have come to accept oligarchs and their overreach as normal or as an entertaining distraction. They are neither.

SANCTIONS ARE NOT ENOUGH, CONTAINMENT MAY BE

The most superficially satisfying response to oligarchs’ wealth and power is eradication – through sanctions, prosecutions or asset seizures. However, this approach has proven severely limited in practice. Sanctions did not stop Mordashov from sailing his vessel through the Strait of Hormuz, nor have they meaningfully curtailed the power of Russia’s other heavily sanctioned oligarchs. Furthermore, it is structurally compromised: sanctions are a state instrument, imposed by outside powers, and subject to the same geopolitical calculation that oligarchs exploit.

What’s more: Oligarchs are rarely eliminated. They are merely replaced, as we have seen across resource-rich developing countries from Latin America to South Asia.

The necessary response is therefore containment: limiting their ability to convert wealth into power and power into wealth, while strengthening the institutions that constrain them. Two conditions are essential. First, containment must be global. Second, it cannot be left to governments alone; it requires a largely non-governmental response. We cannot expect governments already penetrated by oligarchs’ influence to lead the way out of it.

THE FUSION OF WEALTH AND POWER IS LEGAL – AND THAT’S A PROBLEM

Institutions designed to constrain the illicit accumulation of wealth through corruption already exist – from intergovernmental bodies such as the OECD to NGOs and investigative journalism networks that have exposed, through the Panama and Pandora Papers, just how deeply oligarchs’ wealth is embedded in the global financial system.

Yet all of these efforts have one fundamental limitation: they can only target what is illegal. The conversion of wealth into power – and of power into private wealth – is entirely lawful in most jurisdictions. In 2010, US courts even ruled that political campaign spending constitutes protected free speech, effectively enshrining the fusion of money and politics in law.

Containing oligarchs’ influence will therefore require the emergence of a new, distributed and largely non-governmental coalition: a network of journalists, researchers, civil

“Too many citizens today — in the United States, for example — have come to accept oligarchs and their overreach as normal or as an entertaining distraction. They are neither.”

society organisations and financial watchdogs that exposes oligarchs’ networks and coordinates resistance across borders. This network would not need to be a single organisation, but it would need to perform several shared functions, such as mapping oligarchs’ wealth-power networks, exposing their cross-border enablers, coordinating pressure on gatekeepers and raising the reputational and financial cost of converting wealth into public power.

The purpose of containment is simple but essential: to reinforce the boundaries between wealth and power and to preserve the capacity of societies to govern themselves. This effort can only succeed through institutions strong enough to resist capture.

DO WE HAVE THE NERVE TO BUILD FENCES?

Oligarchs grow stronger under conditions of uncertainty, rising inequality and weakening institutions. Their greatest advantage, however, is not wealth or power as such. It is the growing belief that nothing can be done about either. This is precisely why it is ever more important to act.

Two things are required. First, societies need a clearer understanding of how oligarchs think and operate. A containment network must deploy the tools of modern financial and technological systems, using financial transparency, data analytics and, where applicable, artificial intelligence to trace wealth networks and impose friction on the conversion of wealth into power and of power into wealth.

Second, societies need to establish firm boundaries: clear limits on the conversion of wealth into power and on the transformation of power into private wealth. The challenge is not wealth itself nor power alone, but the fusion of the two.

Containment will not eliminate oligarchs. The task facing contemporary societies is to prevent their dominance

from overwhelming the institutions on which stable, open societies depend. The question is no longer whether oligarchs will try to prosper and rule. They will. The question is whether free societies still have the nerve to put fences around them.

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E-MOBILITY

Powering Africa's trade: The promise of electric corridors

The use of electric vehicles (EVs) is growing in Africa. In addition to providing cleaner, more affordable transportation, they could become an engine of intra-African commerce if the proper infrastructure and economic conditions are put in place. Road to Africa, a multi-year effort to travel the continent's trade routes by EV, is exploring what it will take to power Africa's trade into the future.

BY KENNY SUZE

The EV industry is still in its infancy in Africa but growing rapidly. The Institute for Transportation and Development Policy Africa (ITDP), a civil-society organisation, reported in November that electric two- and three-wheelers grew by 38% year-over-year and electric cars by 28%. At least 30,000 EVs are active in Africa, according to ITDP.

While that number is still dwarfed by Africa's tens of millions of conventional vehicles, there is reason for confidence. The continent's EV market, valued at about \$ 450 million in 2025, could increase tenfold by 2030, according to analysts. In countries such as Zambia, for example, imports of EVs soared – albeit from a low base – after the government removed customs duties.

Behind this shift lies a commercial logic, as the ITDP has analysed. Simply put, electric motorcycles, delivery fleets, buses and taxis save money. For example, charging costs to travel 100 kilometres by electric two- or three-wheeler in

Kenya are estimated at about one dollar, compared to about six dollars or more by conventional vehicle. These figures date from before fuel prices surged following the energy crisis triggered by the Iran War.

EVs matter because they are more than just vehicles. They are rolling demands for electricity, software, batteries, charging services, maintenance jobs, insurance products, data analytics and new financing models. If this ecosystem is built deliberately, EV adoption can become not only a cleaner way to move people but an engine of intra-African commerce. The small but growing number of EVs in Africa represents a market being born and an industrial corridor opportunity for the African Continental Free Trade Area (AfCFTA).

THE ROAD TO AFRICA PROJECT

That opportunity became visible on 5 October 2025, in the lead-up to Africa E-Mobility Week, when a fleet of EVs left Nairobi for Addis Ababa under the banner Road to Addis. It



Photo: Thought Leader Africa / Road to Africa

The “Road to Africa” project is testing the infrastructure for e-mobility in Africa by undertaking journeys through several countries.

“Moving goods more quickly, cheaply and predictably across borders is what many economic stakeholders would like to see – and what they expect AfCFTA to deliver.”

was the first journey of the Road to Africa initiative, a multi-year effort to test, document and accelerate electric trade corridors aligned with AfCFTA. Road to Addis is an initiative by the media companies Intro Africa and Thought Leader Africa.

In order to discover what it takes to travel long distances by EV in Africa, the Road to Africa convoys target bottlenecks traders know well, such as road quality and border delays. They also check grid reliability, charging access and infrastructure gaps. During Road to Addis, artificial intelligence tools optimised routing and battery health. Engineers test-

ed charging equipment under extreme heat and documented what worked and what failed. Over the first half of the 1600-kilometre trip, energy costs were about one-sixth of those for petrol-powered vehicles, the initiative reported.

This summer, the journey continues with an expedition from Rwanda’s capital Kigali to Zimbabwe’s capital Harare and to Beira, the Mozambican city on the Indian Ocean. At the time of writing, the convoy had already reached Zambia’s capital Lusaka. The participants document infrastructure readiness, charging opportunities and the broader potential for sustainable transport.

Road to Africa's third expedition, Road to Nairobi, is scheduled for September 2026. The EV convoy aims to retrace the project's first trip from the opposite direction to see what has changed in the intervening time and what challenges remain.

IMPROVING BORDER PROCEDURES

Even before Road to Africa, one lesson had already become clear: without efficient borders, even the best EVs will get stuck at checkpoints. Moving goods more quickly, cheaply and predictably across borders is what many economic stakeholders would like to see – and what they expect AfCFTA to deliver.

When the AfCFTA's digital customs platform was introduced in 2025, one of its aims was to significantly cut document processing times by integrating with national tax systems and providing automated risk assessment. At the Beitbridge border post, located between South Africa and Zimbabwe, modernisation and the AfCFTA's digital customs platform have reduced truck clearance times from days to as little as three to six hours, according to trade unions in the AfCFTA. Such improvements must continue in order to keep border delays from being a stubborn brake on intra-African movement and trade.

STRENGTHENING ELECTRICITY INFRASTRUCTURE

There is still a long way to go towards a more sustainable, future-oriented infrastructure in Africa. Among other things, the power grid and charging infrastructure must be expanded and powered by renewable energy to the greatest extent possible. In Zambia, more than 80 % of electricity already comes from hydropower, and the state-owned energy provider Zesco has announced plans to expand its network of charging stations.

In addition, cross-border electricity trade needs to be facilitated. Several so-called power pools exist in Africa that connect the power grids of individual countries. They could form the basis for fully integrated regional markets, but currently still fall short of expectations.

A positive development is the emergence of new partnerships between energy suppliers and manufacturers to pool resources. In September 2025, for example, the South African energy supplier Eskom signed a memorandum of cooperation with the Chinese electric vehicle manufacturer BYD Auto South Africa. One of the goals is to expand public charging infrastructure.

EXPANDING ELECTRIC CORRIDORS

Electric corridors can play an important role in Africa's energy infrastructure. For energy suppliers and regional power pools, they create predictable electricity demand that justifies

grid updates and cross-border coordination. For investors, early corridors offer an opportunity for scalable projects.

The next steps require targeted coordination among the participating countries. In particular, governments should embed electric corridors within AfCFTA implementation by aligning standards and border procedures along key trade routes. This will help reduce costs and increase efficiency.

In this sense, Road to Africa should be seen as a gateway to a bigger vision: an Africa where electric vehicles do not merely reduce emissions but also integrate AfCFTA into daily life through faster mobility, smarter borders and industries Africans own. Electric corridors can help deliver that future.

LINKS

[Africa E-Mobility Alliance, 2025: Africa E-Mobility Report 2025: Trends, policies, and investments in electric mobility.](#)

[Institute for Transportation and Development Policy, 2025: Inside Africa E-Mobility Week with ITDP Africa.](#)

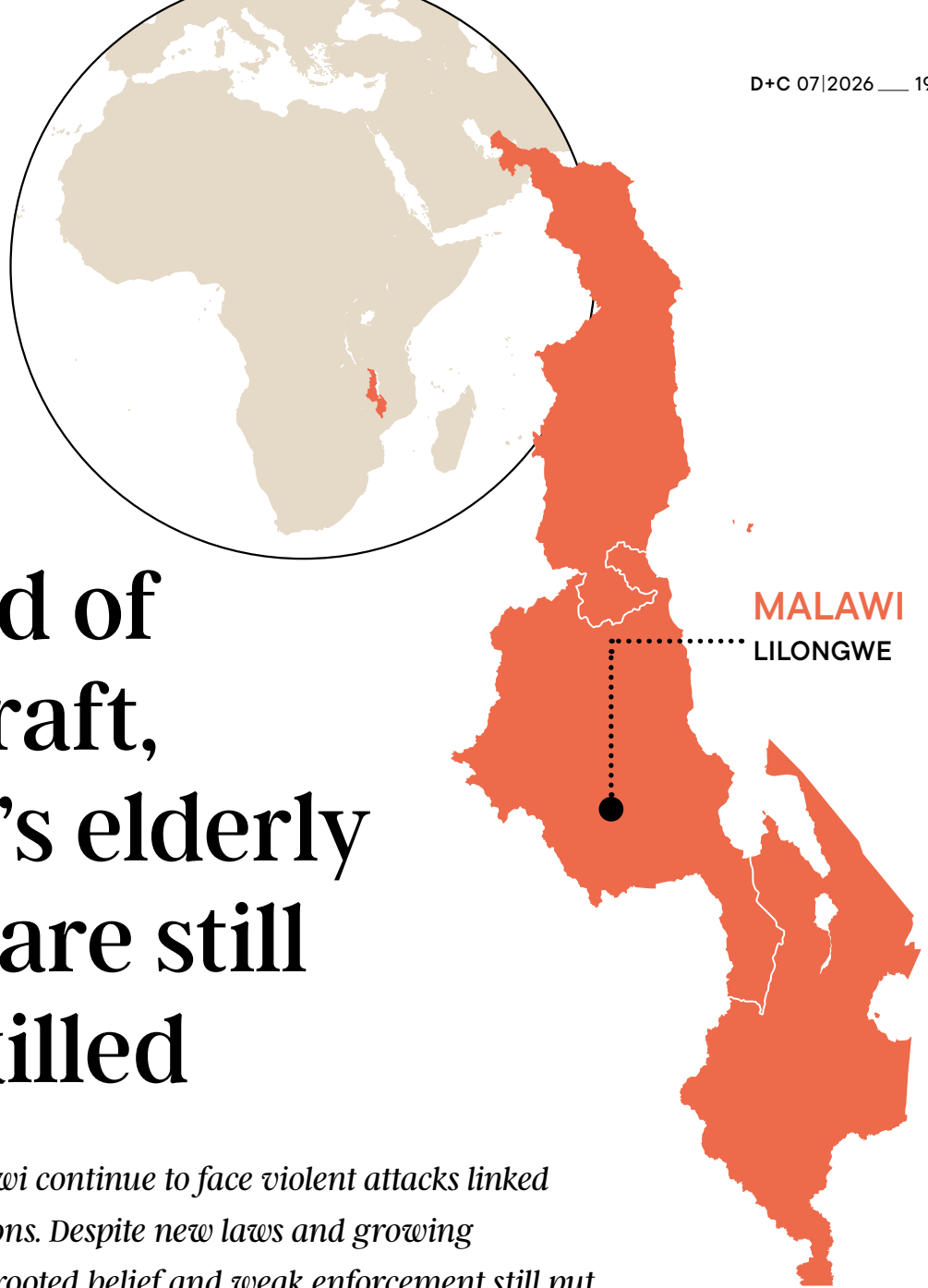
[Road to Africa on LinkedIn](#)



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HUMAN RIGHTS

Accused of witchcraft, Malawi's elderly people are still being killed

Elderly people in Malawi continue to face violent attacks linked to witchcraft accusations. Despite new laws and growing awareness, fear, deep-rooted belief and weak enforcement still put many older people at risk.

BY LAMECK MASINA

The deaths of two elderly women in Njema village in Mulanje District still haunt John Nasala. “The situation was totally out of control,” he recalls. “People were shouting, accusing them, throwing stones. No one wanted to listen. Our grandmother died on the spot.” That was in January 2021.

Nasala, a relative of one of the victims, 75-year-old Mary Malikita, says the violence followed the sudden death of 28-year-old Jonathan Jasi, a grandson of Malikita. Jasi had fallen ill, Nasala says, and was rushed to a private clinic where he was pronounced dead on arrival.

But some villagers were not convinced. “They said it was witchcraft,” Nasala says. This forced the mob to drag Malikita and another woman, 78-year-old Jessie Pasinezi, accusing them of causing Jasi’s death. They were stoned, beaten and later locked inside a house. The crowd urged the women to bring Jasi back to life, Nasala says.

Village Head Eliya Kankhomba says he tried to intervene but failed. “I made several attempts to calm the people and told them this was wrong, but the crowd was angry and would not listen. Some even threatened to kill me,” he says. The police intervention failed to save lives. Kankhomba

says Malikita was pronounced dead on arrival at hospital, while Pasinezi died days later from her injuries.

A DEEPER CRISIS

Cases like these are not uncommon in Malawi. In the first four months of 2026, at least 12 elderly people have been killed over witchcraft accusations in the country, according to media reports. In a recent case in April, an elderly man was allegedly beaten to death by his nephew in Dowa District. Since 2015, more than 300 older Malawians are estimated to have been killed over witchcraft accusations.

According to Andrew Kavala, Executive Director of Malawi Network of Older Persons' Organizations (MANEPO), these figures reflect a deeper crisis. "The continued attacks on older persons accused of practicing witchcraft are deeply alarming and completely unacceptable," he says. "As an organisation, we are treating this as both a human-rights violation and a public protection failure."

NEW LAWS, OLD BELIEFS

Malawi's legislation on witchcraft punishes those who accuse others of practising it with up to five years in prison. That aside, belief in witchcraft remains widespread in Malawi. According to a recent survey by Afrobarometer, more than 70 % of Malawians believe "a lot" in the existence of witchcraft. More than 60 % say that in their communities, elderly people are most often associated with it. "These attacks thrive where misinformation, fear and impunity exist," Kavala says.

Malawi passed its Older Persons Act in 2024, which criminalises abuse of the elderly. Enforcement remains a challenge, however, according to authorities.

MANEPO's Kavala says his organisation is taking measures to stop the attacks. "We are engaging law-enforcement agencies and policymakers to push for stronger protection mechanisms," Kavala says.

In the meantime, in Mulanje District, the deaths of Mary Malikita and Jessie Pasinezi remain stuck in many people's memories. "They were innocent," Nasala says. "But we failed to protect them."



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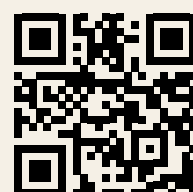
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Innovative businesses as drivers of change



It all begins with a good idea

Young, innovative firms don't just have an impact on the economy – some also resolve social problems and step in when the state fails to deliver. For the most part, we hear virtually nothing about them. It's time their stories were told.

What story springs to mind when you hear the words “successful start-up”? Perhaps a student – probably male – who develops a groundbreaking new technology while tinkering away in his hall of residence or someone’s garage and ends up becoming the globally influential CEO of a listed company worth billions?

This, at any rate, is roughly what the backstories of the major Silicon Valley players such as Facebook, Google, Apple, Amazon and Microsoft sound like – shaping our notion of what constitutes innovation and success. And yet their social impact is often questionable, to say the least: just think of the disastrous effects the algorithms of firms like Meta and X are having on the world of information. In fact, the richest companies are in many cases proof that growth should not be an end in itself. Meanwhile, the stories behind most start-ups that truly bring about positive change do not involve valuations in the billions or stock market flotations.

SUCCESS ISN'T JUST ABOUT MAKING A PROFIT

Around 10 years ago, everyone was talking about “impact start-ups”. Across the world, impact and start-up hubs were set up to support firms whose business models weren't just about making profits but also about solving problems. Investments in these companies grew.

In the countries of the Global South, such impact start-ups frequently fill genuine gaps in supply. In Rwanda, Ghana and Nigeria, vital medicines are transported to remote regions by drones these days. Companies in India have brought millions of solar panels to households and electric scooters to the streets. In many places, doctors diagnose a patient's condition remotely via telemedicine, farming is planned using AI apps, and payment transactions and delivery services are arranged on mobile apps. Countless small to medi-

um-sized firms worldwide provide products or services that give people access to things they wouldn't otherwise have.

THE MONEY ENDS UP ELSEWHERE

Yet the enthusiasm for impact start-ups appears to be waning at least in the financial sector. According to estimates in the latest *State of Impact report*, global venture capital (VC) investments in impact companies declined by around a quarter year-on-year in 2025, putting them at their lowest level for seven years. That same year, global VC investments soared by over 25 % and defence investment doubled. Three quarters of the venture capital for impact start-ups was invested in North America and Europe; a small part went to Asia, but just three percent found its way to the rest of the world. Anyone with a good idea in Africa or Latin America will almost certainly have to finance its realisation themselves.

However, it is precisely such local firms that can steer the economy in the right direction. Now more than ever, with public budgets under pressure the world over and international funding being slashed, we need companies with a sense of responsibility to bring about change. Their founders' narratives are certainly worth telling. Read in this edition how Imma Guixe from Ethiopia developed recyclable menstrual hygiene products on her sewing machine at home, and how a health crisis prompted Romita Ghosh in India to pursue medical research. They too had a novel idea and took a personal risk to turn their vision into reality. They are the real role models – yet we hear far too little about their stories.



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INDIA

Romita Ghosh uses AI to fight malnutrition



Photo: Romita Ghosh

The Indian tech entrepreneur has founded a health start-up that makes it easy to screen children for growth deficiencies. One of the biggest challenges was gaining the trust of those in charge, as she explains in a short interview.

ROMITA GHOSH IN AN INTERVIEW WITH ROLI MAHAJAN

Who are you and what start-up have you founded?

I am Romita Ghosh, a medtech entrepreneur and AI policy advocate. Ever since I went through a life-altering health crisis early in my life, I found myself focusing on one question: how can we make quality care proactive and affordable rather than just reactive? So, I founded iHeal HealthTech where we are building products and solutions for preventive care, especially for marginalised communities. Alongside this, I have founded MAAP (Malnutrition Assessment and Action Plan), a start-up focused on reducing malnutrition.

What problem does MAAP aim to tackle?

About one in three of the world's malnourished children lives in India, even as many urban communities are experiencing rising overconsumption. This contrast reflects a deeper inequality: while some children grow up with excess, others still face daily food insecurity and limited access to timely healthcare. Millions of children lack access to regular and accurate growth monitoring. Existing systems often rely on manual tools and fragmented data. All of these aspects result in delayed early intervention.

MAAP addresses this gap through AI-powered, smartphone-based screening. Frontline workers or parents can take a photo of the child, and the app estimates the child's height, calculates growth indicators, flags risks and suggests next-step nutrition actions. It also creates a digital record, so follow-ups are easier. Consequently, nutrition monitoring becomes faster, more consistent and easier to scale.

What was your motivation?

My motivation comes from a recurring pattern I've seen across healthcare systems and now in AI: those who need solutions the most are often the last to benefit from them. Children, particularly those in underserved communities, are often left behind. MAAP uses technology as an equaliser to ensure that every child can be monitored and supported early.

However, AI also runs the risk of replicating inequality, for example, through non-representative data and systems built without local context. MAAP therefore also reflects my commitment to building inclusive, context-aware AI for communities that are too often overlooked.

What were the biggest challenges?

Since MAAP is used in the field of child health and by government bodies, our solution requires high accuracy, rigorous clinical validation and alignment with public systems. Building trust and gaining validation to navigate these highly sensitive domains has been our greatest challenge. Another major challenge was to develop a solution in low-resource environments, in cooperation with users, that works reliably with varying lighting, connectivity, device quality and skill levels. Added to this is the constant coordination and mediation required to bring governments, tech experts and communities together. And then there's the pace gap: AI is evolving rapidly, but governance frameworks are still struggling to catch up. This creates a real risk of deploying systems that are powerful but hard to integrate.

What has helped you?

What helped me most was a combination of purpose, perspective and the people I work with. It can be challenging to be the only woman on a panel or the only one representing a global majority perspective. Many tech conversations are still shaped by Western contexts, which can make it harder to advocate for solutions grounded in different realities. But

“Those who need solutions the most are often the last to benefit from them.”

these experiences have strengthened me because I know why I am doing what I do. Meeting the right collaborators and being a part of global networks has definitely also helped my journey. I have had the opportunity to encounter and learn from various global and regional perspectives.

Where do you see your project in five years?

We hope that MAAP will scale up to become a global digital infrastructure for child health and nutrition, embedded across urban childcare systems, schools and public health programmes. It will reach 100 million children, enabling real-time growth monitoring and early intervention, both in India and beyond. MAAP can also help to shape policy by informing governance models, standards, audits and deployment frameworks. Hopefully it will also inspire more local leaders, especially girls, women and underrepresented communities to actively participate in designing and governing AI systems.

LINK

[Malnutrition Assessment and Action Plan \(MAAP\)](#)

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ETHIOPIA

“Menstrual health challenges in Ethiopia require a market-based solution”

In Ethiopia, two out of three women and girls don't have access to adequate menstrual products. Kaleab Getaneh Zewelde, co-founder and CEO of the social enterprise Mela for Her, explains why he believes that this challenge is best addressed by a sustainable business.

KALEAB GETANEH ZEWELE IN AN INTERVIEW WITH D+C

In Amharic, the word “mela” means “solution”. What solution does Mela for Her offer?

Mela for Her is dedicated to improving the lives of women and girls through access to affordable, sustainable menstrual health products and education, as well as employment opportunities. The company manufactures reusable sanitary pads and menstrual underwear. All products have been tested and well-received by Ethiopian women and girls. We also supply “dignity kits” containing menstrual products and hygiene essentials to vulnerable groups, such as refugees and displaced persons, in partnership with humanitarian organisations. Mela for Her is a women-led and women-centred enterprise, with more than 85 % of our team being female.

What was the motivation behind starting Mela for Her?

In Ethiopia, an estimated 70% of women and girls lack access to adequate menstrual products, and nearly half lack adequate knowledge about menstrual health and hygiene. This negatively affects girls' education, women's health, dignity and economic participation. My wife Imma Guixe, who has over 20 years' experience working in the international development sector, started experimenting with making reusable sanitary pads at home using just a single sewing machine. Given my own experience of working in the water, sanitation and hygiene (WASH) sector as well as my background in social entrepreneurship, we decided to transform



Photo: private

“In Ethiopia, an estimated 70 % of women and girls lack access to adequate menstrual products, and nearly half lack adequate knowledge about menstrual health and hygiene.”

this idea into a sustainable social enterprise. Since then, Mela for Her has grown into a collective effort, with many dedicated individuals, partners and supporters.

Why did you decide to start a business rather than trying to raise funds from international organisations?

We believed that the scale and complexity of the menstrual health challenges faced by women and girls in Ethiopia required a market-based solution rather than relying on donations and the distribution of free products. We established Mela for Her as a social enterprise that operates on sound business principles while prioritising social impact and affordability.

What new ideas or innovative approaches did you take, and what impact have they had?

We combine the distribution of menstrual products with menstrual health education, awareness-raising and political advocacy. One of our key innovations is our women-to-women model, which actively engages women in product development, manufacturing, sales, marketing and distribution. For example, we've trained women freelancers to sell our products in rural areas and earn up to 15% commission from each sale. Menstruation is often considered a taboo topic, particularly here. Our saleswomen go from door to door, speaking to women one-on-one in a safe setting. They raise awareness of menstrual health and explain how our products work.



Mela for Her designs and manufactures reusable sanitary pads and menstrual underwear.

What were the biggest challenges in the early years of Mela for Her?

Mela for Her was founded in March 2020, at the height of the Covid-19 pandemic. Launching a manufacturing business in a period of lockdowns, travel restrictions and supply chain disruptions was extremely difficult. Another major challenge was securing sufficient and affordable financing for a social enterprise operating in a relatively new sector, as well as access to foreign currency. Some of the specialised raw materials we require had to be imported, and limited access to hard currency often delayed the procurement and production of our products.

What helped you the most during those early stages?

One of our greatest strengths was the support we received from friends and professionals who believed in our vision and mission. As the company became operational, several individuals with expertise in manufacturing, social impact, gender and business development became actively involved and are now among the company's co-founders and advisors. Among them Maria Eva Moll Moncada, founder of



Photo: Mela for Her

Saleswomen from Mela for Her show potential customers their reusable menstrual health products.

the UK-based fashion consultancy Maemaze, who played a key role in establishing our manufacturing systems and production processes. We also received financial and technical support from development organisations, including the Swiss Agency for Development and Cooperation, the German Federal Ministry for Economic Cooperation and Development (BMZ) and the development agency GIZ through “Invest for Jobs” and Oxfam. In addition, the Ethiopian government’s policy of allowing duty-free import of raw materials for menstrual hygiene product manufacturers significantly reduced our production costs, which was particularly helpful during our early production efforts.

Where does Mela for Her stand today?

Mela for Her has grown from a small start-up into a well-established social enterprise with 42 employees. We have supplied quality menstrual health products to over 350,000 women and girls across Ethiopia, engaged 179 female sales agents for last-mile distribution and helped to establish higher quality standards for reusable menstrual products in the country. Today, Mela for Her is a well-known brand with a scalable business model and a strong foundation for future growth.

“We established Mela for Her as a social enterprise that operates on sound business principles while prioritising social impact and affordability.”



KALEAB GETANEH ZEWELDE
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Photo: Virú Group

PERU

Innovation and diversification helped a Peruvian company go global

Some small start-ups eventually become international businesses that provide jobs and employment opportunities in their countries. Yoselyn Malamud Kessler, CEO of the food group Virú, explains how the company became a major employer and why social and ecological responsibility remain at the heart of its business model.

YOSELYN MALAMUD KESSLER IN AN INTERVIEW WITH D+C

You are an industrial engineer and CEO of Virú, a global player in the food industry. When did you join the company and what does it do?

I joined Virú S.A. in 2004, becoming CEO of the Virú Group in 2013. Virú is an international food group providing high-quality vegetables and fruits, and it is a global leader in product innovation and development. We operate across three business lines: fresh, frozen and shelf-stable fruits, vegetables and value-added meals such as sauces or ready meals.

Virú was founded in 1994. What was the motivation for starting the company?

The company was established with the vision of using Peru's agricultural potential to produce high-quality value-added products for international markets. The idea was to create a fully integrated agribusiness capable of producing, processing and exporting premium fruits and vegetables while generating employment and development in the region. When the company started, it cultivated 150 hectares of white asparagus. Nowadays, the company has more than 14,000 hectares and 19,000 employees. We have diversified our crops, the main ones being artichokes, avocados, peppers, hearts of palm, blueberries and acai.

What innovative approach did you introduce to your industry?

Virú integrates the entire value chain. Our fields are located directly next to our processing plants, which ensures full traceability, consistent quality and food safety. We control the whole process, from farming to international distribution.

What were the biggest challenges in the company's early years?

In 1997 and 1998, the El Niño phenomenon severely affected the region. The company was badly hit, because at that time, it had only a limited amount of land, concentrated on a single crop and depended mainly on one export market: Spain. This experience was one of the most important lessons in the company's history and helped to shape a central strategy: diversification across crops, geographic regions, international markets and product formats. This strategy has helped mitigate risks, strengthen resilience and support sustainable long-term growth. Today, Virú is the largest canned and frozen goods producer in Peru, and our products have received awards at several global trade fairs.

What helped Virú most during those early stages?

What helped most was a long-term vision. Equally important were the dedication of the workforce and strategic investment in technology and automation.

You mentioned Virú's commitment to creating employment and driving regional development. The German development finance institution DEG (Deutsche Investitions- und Entwicklungsgesellschaft) provided long-term loans to Virú to foster sustainable, resource-efficient agricultural practices. In what ways does Virú contribute to positive change?

Our company is committed to creating a positive impact on society. We have received recognition from organisations such as the International Labour Organization for our people-centred management approach, responsible labour practices and our commitment to social responsibility. As part of our community programmes, we organise medical campaigns and educational and recreational programmes for children during school holidays. We also provide support to local schools and operate eight mothers' clubs.

“Today, Virú is the largest canned and frozen goods producer in Peru, and our products have received awards at several global trade fairs.”

Another important pillar is sustainability. We currently run several circular economy projects: we utilise organic waste as raw material for composting and recycle 100% of our solid waste. We also produce avocado oil from discarded avocados and asparagus flour from the main by-product of asparagus production.

In addition, we reuse water and generate renewable energy. Our water treatment plant carries out biological treatment processes, and we reuse the water to irrigate our fields. Through our photovoltaic system, we generate clean energy with zero emissions.

Where does the company stand today?

Today, Virú is recognised as one of Peru's leading agro-industrial companies and a pioneer in developing the country's agro-industry sector. It has ten processing plants and exports to more than 50 countries. We have offices in Spain, Italy and France. In 2023, we expanded into the US market by acquiring Superior Foods International.



YOSELYN MALAMUD KESSLER

is CEO of the Virú Group, Peru.

virugroup.com

The Quizat office in Damascus.



Photo: Rishabh Jain

POST-CONFLICT SOCIETIES

Building innovation from the rubble

In post-war Syria, start-ups have learned to work around power outages, low bandwidth and fuel shortages rather than wait for normality to return. That makes them not just businesses but part of the country's reconstruction.

BY RISHABH JAIN

“The electricity went out three times this afternoon,” says Hamza Hourani, Quizat’s co-founder. The team barely flinched each time, however. One person connected to a phone’s hotspot, another switched their laptop to a cached version of the platform. Work continued. This reflects something essential about how technology is being built in post-war Syria: not in spite of dysfunction but in permanent negotiation with it.

Driving through Damascus and into Homs, you still see the scars of war – collapsed facades, streets where rubble has simply been pushed to the side rather than cleared, apartment blocks with floors missing like punched-out teeth. And yet, in offices tucked into these same neighbourhoods, a generation of entrepreneurs is building ride-hailing apps, education platforms and food delivery networks. They are not waiting for reconstruction to finish. In many ways, they are the reconstruction.

The civil war decimated Syria’s economy, displaced more than half the population at its peak and left cities without reliable electricity or public transport. That a technology sector would survive – let alone grow – in these conditions seemed improbable. But the companies that emerged did so precisely because they designed their business models around the crisis.

NECESSITY AS A DESIGN PRINCIPLE

YallaGo, a ride-hailing app launched in late 2018, is one prime example. Its founder, Khaled Moustafa, built the platform for a country where global payment systems are inaccessible, internet connections drop without warning and fuel is chronically scarce. The app runs on minimal data and relies on GPS that functions independently of the mobile network. Payments are in cash, and routes are optimised for fuel efficiency. The platform is now so embedded in daily life that “calling a YallaGo” has become the generic term for ordering a ride. The company estimates that over 35,000 families now earn a livelihood through the platform.

The education app Quizat followed a similar logic. Syria’s school system was devastated by the war: qualified teachers fled, school buildings were bombed and millions of students lost years of learning. Hourani built a platform specifically for low-bandwidth environments and older smartphones – the devices most Syrian families own. The focus is on self-paced study and practice tests for university entrance exams, not live-streamed classes that would require a stable connection.

BeeOrder, a food and grocery delivery service, applied the same thinking to logistics. Rather than building city-wide de-

livery routes that depend on fuel and open roads, the platform operates hyper-locally: couriers serve specific neighbourhoods, keeping distances short and costs predictable even during fuel shortages or restrictions on movement.

What unites these companies is a shared constraint: they have to work within a broken system or not at all. This has forced them to develop capabilities – offline-first architecture, cash management, bandwidth optimisation – that most start-ups in stable economies never need to think about.

WOMEN ENTERING THE START-UP WORKFORCE

Another distinctive feature of the Syrian start-up scene is who is actually building it. The war has forced a huge number of Syrian men to flee the country, join the military or simply disappear. This grim reality has opened space, however imperfectly, for women to enter the workforce in new ways.

The majority of Quizat’s core team are women, Hourani says. This was not a policy decision but a reflection of who showed up and stayed. They develop and maintain the app, curate the question databases, coordinate with content contributors and run operations. According to data from Startup Syria, a community-based organisation tracking the sector, the share of women-owned start-ups in Syria rose from just 4.4 % in 2009 to 34.7 % in 2025.

Women are also driving for YallaGo. Suha Khaddour, a 51-year-old former section head at Syrian Telecom, now earns her family’s income through the platform. She has to cope with certain restrictions such as avoiding certain neighbourhoods after dark. But the job exists, and she is doing it.

“They have to work within a broken system, or not at all.”

THE DIASPORA RETURNS

For years, Syria’s technology sector operated in near-total isolation. Sanctions cut off access to global payment systems, cloud infrastructure and international investment. Founders like Moustafa managed partly by operating from Dubai, where they could access business tools unavailable inside Syria. But diaspora capital and networks remained largely out of reach.

That began to change after the Assad regime was ousted in late 2024. In February 2025, a group of Syrian-American engineers and entrepreneurs from Silicon Valley or-

ganised SYNC – the first major independent tech conference held in Syria. They expected perhaps 50 or 60 attendees. According to the magazine Rest of World, over 1000 people registered within days of the announcement going public, and more than 1200 were on the waiting list. The summit ultimately drew over 3000 people, with participants arriving from more than 15 countries. A second SYNC conference in Damascus followed just four months later, with workshops being delivered by industry leaders from California, Canada, Germany, France and the United Arab Emirates.

The goal, according to the organisers, is to help facilitate 25,000 new jobs in Syria's technology sector by 2030. But beyond the numbers, the conferences signalled something harder to quantify: that the global Syrian diaspora – long defined by its departure – is beginning to reconceive itself as a source of funding. Diaspora money now accounts for a big part of investments in Syrian start-ups, according to YallaGo founder Moustafa.

“The companies taking shape in Damascus, Homs and Latakia offer a lesson in post-conflict recovery.”

Some of it comes with unrealistic expectations: returnees bring visions that are shaped by Silicon Valley and do not always fit a context where a start-up's servers can be shut down by the government and switched back on only in response to public pressure on social media. But the diaspora experts also bring mentorship, networks and access to global markets that no amount of local ingenuity could replicate.

A DIFFERENT MODEL OF RESILIENCE

Syria's emerging tech sector does not detract from the scale of the country's crisis. Inflation remains severe, and many skilled Syrians are still leaving. The war's wounds are not healed by the existence of a ride-hailing app.

But the companies taking shape in Damascus, Homs and Latakia do offer a lesson in post-conflict recovery – one that development practitioners and policymakers would do well to examine. They show that entrepreneurship in fragile states is not simply a scaled-down version – with worse infrastructure – of entrepreneurship elsewhere. It is

something structurally distinct: shaped by constraints that become, over time, a form of expertise.

The offline-first design philosophy forced on Syrian developers by poor connectivity is increasingly relevant globally, as climate disruptions and conflict make infrastructure unreliable in more and more places. The hyper-local delivery model developed by BeeOrder in response to fuel scarcity is more sustainable and resilient to crises than the sprawling logistics networks of its well-funded Western competitors.

What Syria's start-ups have built, in other words, is a blueprint – imperfect, incomplete, but an indication of what real form innovation can take when it has no choice but to work.



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Photo: picture alliance / imageBROKER / John Wreford

The Southeast Asian company Grab has grown from a start-up into a multinational technology company offering a “super-app” for ride-hailing, food delivery and digital payment services.

TECHNICAL INFRASTRUCTURE

How start-ups are plugging infrastructure gaps in the Global South

From smart cold chains to telemedicine: start-ups in the Global South are no longer just manufacturing products or providing services – they’re also building the necessary infrastructure. This profound transformation requires suitable funding models.

BY WOLFGANG KRIEGER

In Nigeria, there's on average one radiologist for several hundred thousand people – a significantly lower ratio than in industrialised countries. This serious supply gap is symptomatic of many emerging economies. These days, the private tech scene is increasingly coming up with the solutions.

Rology, for example, is an Egyptian health-tech start-up that runs an AI-assisted teleradiology platform. It hooks hospitals up with radiologists around the world who analyse medical imaging data such as X-rays remotely and make a diagnosis. The company addresses the shortfall in radiologists and provides diagnoses more quickly and cheaply, especially in regions with limited medical infrastructure.

Models like Rology reflect a fundamental shift: start-ups in developing countries and emerging economies are no longer just developing products or providing individual services – increasingly, they're also building the underlying infrastructure. And it's a model that could also be exported to markets around the world.

AUTONOMOUS DRONES, SOLAR-POWERED COLD STORAGE FACILITIES

What is happening there these days goes significantly beyond the popular narrative of “leapfrogging” – the idea that a country can simply skip certain stages of technological development. Instead, we are witnessing the development of hybrid infrastructure from the bottom up: start-ups build the foundation on which entire ecosystems can grow, with artificial intelligence reaching directly into the physical world.

In Rwanda, for instance, AI controls the flight paths of autonomous drones operated by the US company Zipline. They transport vital medical supplies such as blood to remote areas. In Ghana, the start-up FreezeLink connects solar-powered cold storage facilities with intelligent monitoring systems. This creates infrastructure that is sorely lacking in many African countries to date and ensures that products remain cool throughout their journey from producer to consumer.

North Africa today is characterised by a unique dynamism. Countries such as Morocco, Tunisia and Egypt are seeing the emergence of a young tech-savvy generation that is forming the backbone of a new service infrastructure. Tunisia, for example, ranks among the world's top countries in terms of graduates in STEM subjects (science, technology, engineering and mathematics).

This pool of engineers and IT specialists means that cities like Casablanca, Tunis and Cairo are becoming central hubs for engineering and cybersecurity as well as for off-

shore services. Thanks to their geographical proximity to Europe, start-ups in North Africa are also ideal partners for European firms wishing to employ highly qualified remote teams to drive their digital transition. Similar developments can also be observed in other parts of the world.

DIGITAL INFRASTRUCTURE IN SOUTHEAST ASIA AND LATIN AMERICA

Such “bottom-up infrastructure” has long since become a global phenomenon. In Southeast Asia, especially in archipelagic states such as Indonesia and the Philippines, geographic fragmentation hinders conventional physical trade. In these situations, start-ups have created decentralised logistics and payment systems that are connecting millions of micro-entrepreneurs to the global market for the first time. These “super apps” essentially provide regions that never had access to traditional banking and postal services with a financial and trading infrastructure – in the form of platforms like Gojek in Indonesia or Grab in Southeast Asia, which combine payment, delivery and mobility systems and services in a single app.

The transformation in Latin America is similarly far-reaching. In Brazil and Mexico, fintech pioneers have established a financial infrastructure ecosystem that not only challenges the traditional sector but has actually overtaken it as far as inclusion is concerned. The digitisation of

“In Brazil and Mexico, fintech pioneers have established a financial infrastructure ecosystem that not only challenges the traditional sector but has actually overtaken it as far as inclusion is concerned.”

loans and insurances has enabled a degree of economic participation that was previously unthinkable due to rigid bureaucratic hurdles. At the same time, agri-tech start-ups are revolutionising farming from Argentina to Colombia by leveraging satellite data and AI to manage resources more efficiently. In an era of climate change, this is a

“Countries such as Morocco, Tunisia and Egypt are seeing the emergence of a young tech-savvy generation that is forming the backbone of a new service infrastructure.”

critical step forward in terms of infrastructure and involves a lot more than just selling software.

For such innovations to have a broad impact, governments need to adopt an attitude of regulatory openness or “regulatory patience”. One well-known example is the M-Pesa mobile payment system in Kenya; its success can be attributed in part to the fact that the regulatory framework initially allowed for flexibility and was only adjusted subsequently.

Regulatory sandboxes are one instrument that is frequently used in such situations. These are safe spaces in which companies can test innovative business models under real-world conditions before extensive regulation comes into force. Though such approaches have also been adopted in industrialised countries, they are often used in particularly flexible ways in the Global South.

This can lead to a “reverse innovation” effect whereby solutions devised in emerging economies act as a catalyst for change in other markets. It’s not so much about replacing existing systems in industrialised countries – it’s about incorporating or further developing new and often more efficient approaches.

OPPORTUNITIES FOR PRIVATE PROVIDERS OF DEVELOPMENT FINANCE

We are currently experiencing a geopolitical turning point. As states slash their development budgets, private investments are becoming ever more important. Venture capitalists and family offices that manage large private fortunes are increasingly closing the funding gaps left by public-sector actors.

German firms are also showing growing interest in investing in business models that address local problems and are globally scalable at the same time. Capital often has the biggest impact where it is scarce: one additional job created in an emerging economy can have a substantial structural leverage effect.

BOOSTING LOCAL VALUE CREATION

This is particularly true of models that create real value at the local level – for example, when local production ca-

pacities are developed along existing raw material chains. Companies such as Fairafric, a German-Ghanaian social business whose chocolate production facility in Ghana was funded by German development finance institution DEG (Deutsche Investitions- und Entwicklungsgesellschaft), demonstrate how value chains can be retained in the countries that grow the raw materials. This makes it possible for local people to earn a living, reducing Africa’s dependence on conventional raw material exports. In other words, technology enables local resources to be sold on the global market.

This shift means that the international community and private providers of development finance should view start-ups as relevant infrastructure operators. This requires a suitable funding architecture. It should include not only blended finance instruments that combine public capital – to cushion against risks – with private investments, but also circular models that reinvest returns directly in new local projects.

Those wishing to foster this process effectively should be willing to invest in the new digital and physical foundations. For European investors, the Global South is thus no longer just a market – it’s a key test laboratory for the infrastructure of the future.



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The company Spiro has deployed over 80,000 electric motorcycles across several African countries. Other start-ups have been less successful.

Photo: picture alliance / AP Photo/Henry Namnde / Henry Namnde

PUBLIC INFRASTRUCTURE

Why impact start-ups tend to work best where they are needed least

Many start-ups that promise social or environmental improvements tend to be particularly successful in areas that already have relatively good public infrastructure. In economically disadvantaged areas, however, failure is more likely. It is therefore important for African governments to improve the framework conditions for successful innovation, particularly in terms of infrastructure, regulation and financing.

BY OLUMIDE ONITEKUN

Some see impact start-ups as solutions to Africa's development problems. After all, these companies are designed to address pressing societal or environmental challenges, and many of them can point to successes. Solar mini-grid companies are supplying electricity to rural households that the national grid has never reached. Agri-tech platforms are connecting smallholder farmers directly to buyers. Health-tech ventures are bringing diagnostics closer to communities where doctors are scarce. And e-mobility companies like Spiro are putting electric motorcycles on roads in Kenya, Uganda, Rwanda and Nigeria, reducing fuel costs for millions of riders and cutting carbon emissions in the process.

These are real achievements: impact start-ups are fast, creative and much more willing to take risks than governments and traditional aid agencies.

But there is a paradox at the heart of this story. Impact start-ups tend to work best in places that already have capable governments, clear regulations, reliable infrastructure and growing consumer markets. In other words, they thrive where development is already working reasonably well. In the countries and communities that need new solutions most, where states are fragile, rules are unpredictable, infrastructure is absent, and people have very little to spend, even the most innovative start-up will struggle to survive, let alone grow.

WHY SPIRO SUCCEEDED AND EDUKOYA FAILED

Spiro's story illustrates the first side of this paradox well. The company has deployed over 80,000 electric motorcycles and operates more than 2500 battery-swapping stations across six African countries. These stations allow drivers of electric vehicles (EVs) to replace depleted batteries with fully charged ones, reducing the daily expenses of riders and their dependence on fossil fuels.

In Rwanda, Spiro has thrived in part because the government has set clear green mobility targets, maintained a stable regulatory environment and invested in urban infrastructure. Rwanda's deliberate policy choices created conditions where a start-up like Spiro could take root and grow.

The other side of the paradox is harder to talk about but equally important. In February 2025, Edukoya, a Nigerian ed-tech start-up that had raised Africa's largest pre-seed funding of \$ 3.5 million four years before, shut down. Pre-seed funding is the earliest stage of start-up financing, typically used to develop an idea, build an initial product and test whether there is a viable market for the business.

The company says it served over 80,000 students and answered more than 15 million academic questions. Its prod-

uct worked. But Nigeria's poor internet connectivity, limited access to devices, low household incomes and weak macroeconomic conditions made it impossible to reach the students who needed the service most. The founders concluded that their start-up was ahead of its time. What they really meant was that it lacked a supportive environment.

EXAMPLES OF OTHER FAILURES

Edukoya is not alone. Kenya's Sendy, a logistics start-up that raised over \$ 20 million, shut down after fuel price volatility, unreliable infrastructure and a difficult funding environment made its business model unworkable.

“The goal should be to create ecosystems in which start-ups, governments and communities can work together toward lasting change.”

Copia, also from Kenya, raised over \$ 103 million across seven funding rounds to serve low-income consumers through a network of local agents, tackling the last-mile delivery problem that has long held back e-commerce in rural and peri-urban Africa. It was exactly the kind of impact model that development investors celebrate. Yet the logistical complexity of reaching dispersed, low-income communities and the thin margins that come with it proved impossible to sustain.

These are not stories of bad ideas or poor management alone. They are stories of what happens when innovative solutions meet environments that are simply not yet ready to support them.

START-UPS CANNOT REPLACE PUBLIC INVESTMENT

This matters for how the world thinks about impact start-ups as development tools. There is a growing tendency among investors, development finance institutions and governments alike to treat impact start-ups as substitutes for public investment. If a start-up can provide clean energy, why fund a national grid? If an agri-tech platform can reach farmers, why invest in rural roads and extension services?

Evidence shows that this logic is flawed. Start-ups can complement public systems, but they cannot replace them. They can reach communities that governments have missed, but only if the basic conditions, such as electricity, connectivity, regulation and consumer purchasing power, already exist to some degree.

None of this means that we should give up on impact start-ups, however. The right conclusion to draw from the paradox is to view start-ups in the right context: they are most powerful when they are treated as one part of a larger development system.

THREE CONDITIONS FOR SUCCESS

Three things need to change to close the gap between where start-ups currently work and where they are needed most. First, governments need to invest in public infrastructure. Roads, electricity, broadband, ports and payment systems are not background issues. They are the foundation on which start-ups build.

“Start-ups can complement public systems, but they cannot replace them.”

According to the African Development Bank, Africa’s infrastructure needs amount to approximately \$ 181 to 221 billion per year. Meeting those needs could cost over \$ 100 billion in additional annual funding – a financing gap that is impacting businesses every day. A health-tech company cannot work well without clinics, data systems and trained health workers, and an e-mobility company cannot scale without a reliable charging or battery-swapping network, for example.

Second, regulations must be clearer and more supportive. Impact start-ups often work in sensitive sectors such as energy, finance, health, transport and agriculture. These sectors need rules, but the rules should not be confusing or unpredictable. Clear regulations help investors take risks and protect consumers and communities at the same time. Therefore, to increase the chances that innovations in a particular sector will benefit both investors and the public, the regulatory environment should encourage companies to develop solutions proactively and responsibly.

Third, financing methods need to be tailored to the problem a start-up is trying to solve. Many impact start-ups

need patient, or long-term, capital because they are solving long-term problems. Thus, venture capital alone is often not enough, especially for companies that need physical assets, local staff, warehouses or equipment. What is generally needed is a better mix of grants, concessional finance, local currency debt, guarantees, public procurement and private investment working together.

Africa’s development challenges are too large and too urgent for any single actor, whether state, start-up or donor, to solve alone. The most effective start-ups understand this: Spiro, for example, succeeded with help from the Rwandan government’s policy framework. This relationship between a functioning public sector and an innovative private sector is a model worth replicating across the continent. The goal should be to create ecosystems in which start-ups, governments and communities can work together toward lasting change.



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START-UP FUNDING

“Capital is not neutral”

Southeast Asia is home to some of the world's fastest-growing digital economies – and to large communities that are underserved in terms of healthcare, banking or digital services. For Integra Partners, a Singapore-based venture capital fund, this is an opportunity for investments with purpose. We talked to fund manager Jennifer Ho about the responsibility of capital holders and how investment decisions shape societies. Ho also provides some tips for start-ups seeking to attract private capital investment.

JENNIFER HO IN AN INTERVIEW WITH EVA-MARIA VERFÜRTH

A view of Singapore's Central Business District, which supplies large parts of Southeast Asia with capital.



Integra Partners was founded in 2016 with the aim of funding start-ups in the emerging digital space. Why did you focus on this niche?

In 2016, the venture ecosystem was still nascent in South-east Asia. Because the first generation of venture capital funds was only just emerging, the amount of funding was still very small. At the same time, internet penetration and smartphone adoption were increasing. A lot of underserved consumers were set to enter the economy.

“It made sense to support homegrown players, as they best understand the priorities and financial circumstances of local consumers.”

I grew up in Singapore but was in the US for most of my schooling and my first job, and I could see huge gaps between the services consumers had access to in the US versus those available to the average person in Southeast Asia, so the opportunity was obvious. Rather than waiting for international players to come to the region, it made sense to support homegrown players, as they best understand the priorities and financial circumstances of local consumers.

Underserved people tend to be from poorer communities. Why is this segment of interest to investment capital?

In this part of the world, the mass market – the largest and most underserved part of the population – is where capital can drive the most returns. We strongly believe that the big opportunities go hand in hand with both social impact and financial return. Look at Grab from Singapore or Gojek from Indonesia: both are immensely successful platform apps spanning mobility services, food delivery and digital payments. They have unlocked a huge opportunity by targeting people who are looking for employment, offering them an opportunity to work as taxi drivers or to deliver or sell food. Technology has the power to integrate excluded communities into the modern economy, and this offers investment opportunities. We focus on five key sectors – financial services, healthcare, agriculture and food, environmental wellness and small-business enablement – because these are the most integral to the everyday lives of people in Southeast Asia.

But why are these groups underserved then?

There is a caveat here. Underserved markets are underserved for a reason – they might be higher risk, have lower spending power or serving them is more costly. Often, it is all three. Many people believe that technology is a magic pill that can overcome all these barriers. The reality is that it sometimes has the power to do so, but not always. So I think it is investing in companies that are targeting underserved communities that have figured out how to overcome those barriers that drives returns.

Do investors have to make a trade-off between companies that are making a social impact and those that are going to become financially successful?

If you want to invest in start-ups that have the power to transform society, they need to be financially sustainable businesses. There are a great many start-ups in Southeast Asia that have the right mission and are affordable for the people they are targeting.

Why does Integra have this strong focus on a mission?

Capital is not neutral. It decides what gets built, who benefits and who gets left behind. That clearly places responsibility on the stewards of that capital. The choices they make have consequences beyond their own returns.

Speaking of responsibility, why does it matter to invest at an early stage?

Early-stage start-ups are the ones that drive innovation. Take the banking industry in the Philippines – it has existed for a very long time, yet there is a massive financing gap when it comes to small and medium-sized companies. This gap exists because incumbent players can make very comfortable returns by lending to large corporations. They have no incentive to take a risk on non-traditional borrowers.

Funding early-stage start-ups entails a lot of risks and insecurity. How do you make sure that the businesses you support will adhere to your mission?

Before we invest, we subject the start-ups to a thorough screening process. We look for founders who have a mission they want to support while also building their businesses in a financially sustainable way. We ask a number of questions: What is the impact they want to deliver? Will it truly make a difference to the lives of their customers? We also identify the potential risks. Will a lending company end up charging exploitative interest rates? Will a company that uses alternative data for credit scoring violate data privacy rules? Once we have identified those risks, we put policies in place with the founders to make sure we can control the predictable risks that their business model involves.

Can you give an example of a start-up you funded that has had a considerable impact?

Last year we invested in a company called FeedMe, which offers a business-in-a-box solution for small restaurant owners; it's basically a software for managing all day-to-day operations. Malaysia is a country obsessed with food – everyone has a recommendation for a chicken rice stall or a coffee shop that's been in operation for three generations. But it is also an industry with a very high failure rate in which smaller, independent companies face growing competition from chain restaurants.

FeedMe built a system that helps small restaurant owners take digital payments, track orders and manage inventories and shift workers, all in one affordable package. They are also about to launch a financing programme where loans can be offered at lower interest rates because FeedMe has insight into the payments going in and out of the restaurant and can deduct small daily repayments, which lowers the financing risk.

What kind of start-ups are you looking for, and how do you choose where to invest?

A lot of founders think they need to have the right answer to every box on the standard checklist: big addressable market, strong founding team, traction, good product. But there is no such thing as the perfect investment in the world of start-ups. We are looking for founders and companies that get one thing right, whether it's a deep understanding of their customer or a product that stands out. That one exceptional quality is what makes the risk worth taking and allows us to overlook many other shortcomings. Conversely, we would turn down companies that give the impression they are looking for a problem to solve with their technology, or companies where we believe the only path to growth requires compromising on initial principles.

Who invests in Integra Partners?

Our investor base is quite global. It ranges from development finance institutions (DFI) such as Deutsche Investitions- und Entwicklungsgesellschaft to family-run firms



Photo: CleanHub

CleanHub, a plastic waste management company funded by Integra Partners, is helping to build a circular waste recovery system in India's Andaman archipelago.

from both Europe and Asia – some are driven purely by financial considerations, while others have a dual financial and impact angle. Generally, they know Southeast Asia well enough to see that these two are not in conflict.

What is your relationship with the Deutsche Investitions- und Entwicklungsgesellschaft (DEG)?

DEG has gone above and beyond for us. They were one of the anchor investors in our second flagship fund: they came in at first close, which helped bring other investors off the sidelines and attract enough capital to actually start investing. They have also provided a lot of technical assistance. For example, they gave us funding to work with our impact consultancy, Steward Redqueen, on designing policies that work well for early-stage companies. They have introduced us to other potential investors, provided technical assistance to our portfolio start-ups and connected our start-ups with others in their global network. For example, one of our start-ups – CleanHub – works in plastic waste management, a massive problem in coastal Southeast Asia. DEG connected them to a similar company engaged in plastic waste management in Africa. The African company is already much larger and more technologically advanced – essentially where CleanHub would aim to be in a few years.

“Capital is not neutral. It decides what gets built, who benefits and who gets left behind.”

What advice would you give to founders looking to raise funding?

The first thing I would ask is whether venture capital (VC) is even the right type of funding. Because venture capital has received so much attention and because alternative financing such as small business loans is so scarce in emerging markets, many founders assume VC is simply what you turn to when you want to build something. But venture capital is looking for a very specific type of opportunity, the potential to reap high returns, and investors will push to scale rapidly. As failure rates are high, VC funds are looking for investments that can possibly make up for the failures. Ask yourself: do you need investment, or could you grow more slowly and possibly more sustainably?

If you have decided that VC is the right fit, then preparation matters enormously. A founder who is structured, fol-

lows up, has a clear story and knows their numbers is usually the founder who runs their business the same way. Momentum also matters. If you have a great meeting with an investor and then disappear for a month, you will have lost the value of that relationship.

Integra Partners has a notably high proportion of women for a firm in the financial sector. Was that intentional?

The honest answer is that it wasn't planned. We looked for the best people for each role, and this is the team we found. That said, I do believe diverse teams bring diverse strengths, and something unexpected happens every day in the world of start-up investing. Founders panic because a key engineer ends up in hospital. Three crises hit simultaneously. Because the unexpected is constant, what you want is a team whose perspectives and talents are diverse and whose judgement you trust.



JENNIFER HO

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GLOSSARY

A small guide to the world of start-ups

Never heard of “angel investors”? How do financing rounds for start-ups actually work? And what’s the difference between B2B and B2C? An investment manager explains some of the most important terms from the start-up world.

BY SARAH HEINZ

START-UP

refers to a young, innovative company that creates a new product or service with the aim of rapid growth. A start-up often faces high upfront costs and limited early revenue, so it typically requires significant (external) funding to scale. A start-up is generally considered a private company, since its shares are usually not yet publicly traded on a stock exchange.

FOUNDER/ ENTREPRENEUR

is the person who initiates and builds a start-up and may act individually or as part of a founding team. A serial entrepreneur is someone who repeatedly founds and builds new companies.

LIFE CYCLE OF A START-UP

A start-up typically progresses through several stages in the development of its product or service. It usually starts with an idea, then moves to researching product-market fit – in other words, determining whether a sufficient market exists for the product – and turning that initial idea into a viable product. The path to product-market fit is not a linear sequence of steps, but an iterative cycle between product development and learning from market feedback.

Thus, with a go-to-market strategy, the start-up acquires initial customers and generates its first revenue streams while continuously adapting the product.

With customers secured, the company focuses on expanding its business operations to drive consistent revenue growth and move towards profitability. Later stages often involve geographic and market expansion to capture a larger market share and build a leading position. What started as a tiny team evolves into a larger organisation with more formal structures. Ultimately, possible ↗ exit paths for founders and investors include an ↗ IPO (initial public offering) or an ↗ acquisition, though the company may also choose to remain private and independent.

Throughout its life cycle, a start-up typically requires significant capital to reach critical milestones. These funds are raised in ↗ financing rounds, and the related process is called “fundraising”. Start-ups prepare a “pitch deck”: a short presentation that introduces the company and its product, team, business model, financials and an outlook to potential investors and partners.

FINANCING ROUND

is a structured process in which a company raises capital from external investors, typically in exchange for equity (ownership stakes in the company) or, less commonly, debt. These rounds are often led by one or more lead investors who negotiate the terms of the round and set the valuation. Lead investors commonly conduct due diligence on the start-up and may take a seat on the board of the company to support and monitor its development.

The financing rounds can be classified into early stage, early growth and growth stage. There is no fixed number of financing rounds that every start-up has to go through – the number and type of rounds vary depending on the capital requirements and the company's development.

- **Pre-Seed and Seed (Early stage):** The start-up is in its earliest stage of development and typically generates little to no revenue. Investors participating in pre-seed and seed financing rounds accept high risk and high failure rates in exchange for the potential for substantial returns.
- **Series A (Early growth):** The start-up has proven initial demand and now focuses on scaling the product and refining the business model. It may generate early revenue.
- **Series B, Series C, Series D, ... (Growth stage):** The start-up has established product-market fit and consistent revenue growth; the focus shifts to scaling up operations and expanding into new markets to capture larger market shares. Investors in Series B and later financing rounds generally face lower risk and lower failure rates but also have more modest return expectations.

SECTOR

describes the market segment or industry in which a start-up operates. There are also terms that describe a company's target market – the group to whom the company sells its product or service. The most important terms are:

- **B2B (Business-to-Business):** A company sells products or services to other businesses.
- **B2C (Business-to-Consumer):** A company sells directly to individual consumers.
- **B2B2C (Business-to-Business-to-Consumer):** A company sells to another business, which then sells a product or service to an end consumer.
- **B2G (Business-to-Government):** A company sells to public sector organisations or government entities.

INVESTORS

Most investors invest in start-ups in return for a percentage of ownership in the company (equity). Typical start-up investors include:

- **Angels / Angel investors:**
individuals who invest their own private funds in start-ups. They frequently contribute valuable experience – often as former entrepreneurs – and provide access to professional networks and mentorship.
- **Incubators and accelerators:**
organisations that provide support for start-ups. Incubators help founders turn an idea into a product, while accelerators help them to rapidly scale their business at a later stage. Both provide mentorship, physical workspaces, networks and structured workshops.
- **Venture capitalists (VCs):**
investment firms that typically invest larger amounts and manage the funds from other investors such as institutions, corporations, family offices (organisations that manage the wealth of high-net-worth families) or individuals. Alongside capital, most VCs offer start-ups strategic support and an extensive network to accelerate growth.
- **Institutional investors:**
these can be, for example, pension funds, insurance companies, sovereign investors, family offices, banks and financial institutions.
- **Corporates / Corporate investors:**
companies that invest in start-ups for financial, strategic or combined reasons. They often seek access to new technologies, innovations, products and markets, as well as information on them, through these investments.

If a start-up does not require external funding, it is “bootstrapped” – financed with founders’ own capital and early revenues.

VENTURE CAPITAL (VC)

is a form of private equity financing provided to early- and growth-stage high-potential companies that are considered too risky for traditional bank lending. A venture capital fund consists of multiple start-up investments, either following a generalist approach across sectors or focusing on a specific sector.

DUE DILIGENCE

is a structured process of investigating and verifying the information, potential and risks associated with a company, investment or transaction. It typically covers several elements, such as commercial, financial, legal and tax due diligence.

VALUATION

refers to the estimated value of a start-up at a specific point in time. Given various uncertainties, such as limited data, it is no easy task to estimate the (future) value of a company. In the very early stages, start-ups typically have no established revenue streams and often exist only as an idea and a founding team, which makes traditional valuation methods difficult to apply. Factors that influence valuation include, for example, team quality, (forecasted) revenue and (potential) growth, product and market opportunity. The valuation is typically set by the lead investor(s) in a financing round and is important as it directly affects ownership of the company, potential returns, influence and risk.

A start-up valued at \$ 1 billion or more is called a “unicorn”, whereas a start-up valued at \$ 10 billion or more is called a “decacorn”.

EXIT

means the process by which founders and investors sell their ownership in a company, the so-called liquidity event. A liquidity event usually occurs in one of the following forms:

- **Trade sales / acquisition**
The company is sold to another company.
- **IPO (Initial Public Offering)**
The company becomes publicly traded on the stock market.



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