



# DOING MORE WITH LESS

**How a \$1 billion UNDP initiative can offset a \$60 billion aid decline.**

***As official aid shrinks globally, UNDP's timbuktoo initiative offers a different path forward.***

On 1 July 2025, the official closure of USAID after more than six decades of global operations marked a turning point in international development financing. Similar announcements by other Western countries resulted in significant reductions in foreign aid, with consequential effects on developing countries. These developments created artificial shocks, prompting urgent reassessment of development pathways long assumed to rely on external assistance. Yet this moment of contraction also presents an opportunity. This paper argues that it is possible to 'do more with less' and that, in times of crisis, human ingenuity remains the most valuable development asset. Drawing on UNDP Africa's experience, it advances a clear proposition: while aid may be shrinking, impact does not have to. It further contends that this requires a deliberate shift towards catalytic, system-building investments that mobilise innovation, crowd in capital, and scale locally grounded solutions. In this context, the UNDP timbuktoo initiative emerges as a timely and practical platform designed to harness Africa's entrepreneurial talent, convert innovation into productive capacity, and transform today's aid shock into a foundation for long-term resilience, self-reliance and inclusive growth.

## Introduction

On 1 July 2025, the official closure of USAID was announced after more than 60 years of operations across the world. This follows a series of similar announcements from other Western countries including the United Kingdom, Germany and France, leading to significant reductions in foreign aid. These cuts have not spared the United Nations: UN entities are already facing shrinking core resources, increased earmarking and growing pressure to deliver complex mandates with fewer and less predictable funds.

These announcements, and the actions that followed, have sent shockwaves through policymakers, development practitioners, government workers and UN staff across the globe. Governments are reassessing development pathways once assumed to be externally financed, while national institutions

and partners are grappling with the urgency of finding new, more sustainable models to safeguard development gains. In this moment of transition, UNDP stands ready to work alongside governments as a trusted partner, supporting the reimagining of development pathways that are nationally owned, resilient and fit for a more constrained financing environment. Together, we are committed to ensuring that hard-won development impact is not eroded by shrinking resources, but instead preserved and scaled through innovation, partnership and smarter use of capital.

It is precisely in moments of disruption that the possibility of ‘doing more with less’ becomes real and where human ingenuity proves to be our greatest asset. At UNDP Rwanda, our resolve is clear: while aid may be shrinking, impact does not have to. The end of “business as usual” must usher in an era of bold reinvention, one that discards the box entirely, challenges long-held assumptions, and protects development impact even in the face of declining resources.

Reimagining development in this context does not necessarily require the creation of entirely new programmes. Rather, it calls for a sharper focus on and deliberate scaling of existing initiatives with the potential to deliver transformational impact. We do not need to look far, nor reinvent the wheel; instead, we must deepen and accelerate what is already working. This is why the UNDP timbuktoo initiative, which offers a pathway to channel the energy, innovation and ingenuity of Africa’s youth into productive, scalable systems, stands as a shining example of an initiative that can transform today’s aid shock into a catalyst for long-term resilience, self-reliance and inclusive growth.

## Background: drawing parallels between the Timbuktu Empire and UNDP’s timbuktoo initiative

The ancient city of Timbuktu was once Africa’s intellectual and commercial epicentre. Scholars from across the known world gathered to exchange ideas, and merchants built vast trading networks that connected continents.

Archaeologists have excavated Timbuktu and found evidence of a sophisticated trading empire. Future researchers will not need shovels; they will browse digital records showing how 1,000 African start-ups, launched through initiatives like timbuktoo in the late 2020s, transformed healthcare, agriculture, creativity, mining, climate action, trade, smart cities, tourism, manufacturing and finance across the continent. Historians will ask: with such clear evidence of Africa’s entrepreneurial capacity, why did traditional development models overlook the power of venture catalytic investment for so long?

This transformation is rooted in the same forces that once made the Timbuktu Empire a powerful and connected enterprise. In other words, the inspiration for the timbuktoo initiative stems from what made the Timbuktu Empire a global force in its time: investment in knowledge, trade and human capital. When Emperor Mansa Musa carried so much gold through the region in the 14th century that he crashed markets, he demonstrated Africa’s capacity to generate extraordinary wealth through enterprise. The question was never about capability; it was about the development model and how the world chose to finance Africa’s future, and the dependency created around it.



**Timbuktu Empire**  
14th Century



**timbuktoo**  
Late 2020s

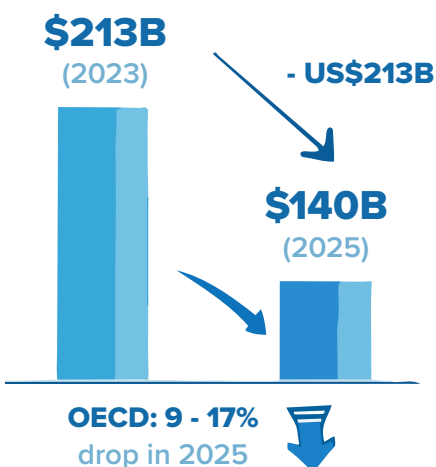
## A US\$1 billion UNDP model exploring financial leverage

Today, the model of financing development in Africa is being fundamentally rethought by necessity. The global aid architecture is contracting at an unprecedented pace. Peak aid reached \$213 billion in 2023, but will fall to \$140 billion by the end of 2025: a \$73 billion collapse in two years. The OECD projected that official development assistance will drop by 9–17 per cent in 2025 alone. US President Donald Trump’s executive order terminated 5,200 USAID programmes. The UK slashed its aid budget from 0.5 per cent to 0.3 per cent of national income. Germany cut €4.8 billion. Even the UN system is contracting by 30 per cent.

The human cost is immediate: 1,000 food kitchens closed in Sudan; HIV services halted across 50 countries; and 5.7 million more Africans projected to fall into extreme poverty by 2030. Yet this crisis reveals something crucial: for most African countries, USAID cuts represent less than 1 per cent of their respective gross national incomes. In 2023, development assistance to Africa totalled \$73.6 billion—less than remittances (\$90.8 billion), foreign direct investment (\$97.1 billion) or tax revenue (\$479.7 billion). Aid was never Africa’s primary source of finance; it simply received disproportionate attention. Reimagining development requires shifting attention to what works in Africa.

What if, instead of trying to replace \$60 billion in grants spent once, we invest just \$1 billion of catalytic capital in businesses that generate value year after year? What if every dollar compounds? This is timbuktoo’s premise: UNDP’s initiative to mobilise \$1 billion in catalytic capital to create 10 million jobs and transform 100 million livelihoods through 1,000 African start-ups.

### Global Aid is Shrinking



### A New Approach Catalytic Investment

**\$ 1 Billion**



**10 Million**  
Jobs

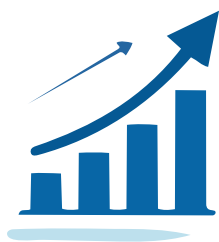


**Transform 100 Million**  
Livelihoods



**1,000 African**  
Start-ups

## Concrete impact of youth entrepreneurship and the timbuktoo initiative



Africa is a land of entrepreneurs. With the world's youngest population, **over 60 per cent of people are under 25**. Young people have the potential to transform challenges into opportunities. Youth in sub-Saharan Africa are already more entrepreneurial than their peers elsewhere: more than one in five working-age Africans are starting a new business, and more than three quarters of youth plan to start one within five years, compared to fewer than one in five in the European Union (Global Entrepreneurship Monitor 2024/2025 Global Report; Brookings Institution, Foresight Africa 2024).

Consider Zipline, founded in 2014 by four young entrepreneurs, including Harvard graduate Keller Rinaudo Clifton and Stanford robotics specialist Keenan WYROBEK, which launched operations in Rwanda in 2016. By 2025, the drone delivery company had flown 100 million autonomous miles, completed 1.4 million deliveries, and now delivers 65 per cent of Rwanda's blood supply outside Kigali. With a valuation of **\$5.1 billion**, Zipline has expanded to seven countries, created hundreds of high-skilled local jobs, and reduced maternal mortality by 51 per cent while serving over 45 million people.<sup>1</sup>

One example of timbuktoo's model in action is in healthcare. Dr Funmi Adewara experienced Nigeria's crisis first-hand as a child requiring multiple surgeries in overcrowded facilities. After 15 years in the UK's National Health Service, she returned in 2017 to found Mobihealth International. Through timbuktoo's HealthTech Hub based in Rwanda, Mobihealth was selected for acceleration and received **\$25,000** in catalytic support. That early **\$25,000** in catalytic support contributed to MobiHealth securing a new partnership with Airtel Nigeria, reaching a potential 60 million customers and a **\$1.5 million** project preparation facility from the African Export-Import Bank (Afreximbank), expected to unlock up to **\$65 million** in further investment for expansion across five African countries. Today, Mobihealth operates 20 solar-powered telehealth clinics across Nigeria, with partnerships spanning African Export-Import Bank, Airtel Nigeria (millions of subscribers), and Union Bank (300 branches). Its US\$1-per-month plan brings specialist care to villages that previously had none. Across the inaugural cohort, **\$375,000** in equity-free catalytic grants helped fifteen startups mobilise **\$4.2 million** in follow-on capital, with a further **\$15 million** in active pipeline for nearly three quarters of the cohort's leverage ratio exceeding 11:1 (timbuktoo HealthTech Accelerator Cohort 1 Final Report, 2025).

Now imagine this scale of impact not as an exception, but as a system. The UNDP timbuktoo initiative is built on precisely this ambition: to support 1,000 start-ups over the next decade, an average of 100 high-impact ventures every year, each capable of transforming lives, markets and public systems at scale. This is a clear call to action for African governments and development partners determined to safeguard development impact in a constrained aid environment: invest in the timbuktoo initiative, and help turn innovation into a durable engine of resilience, self-reliance and inclusive growth across the continent.

The maths is compelling. If 1,000 start-ups each create 50 jobs and reach 500 users, 50,000 new jobs will be created and 500,000 people will be reached directly; 200,000 families will gain new income. For every dollar UNDP and African governments invest through timbuktoo, we mobilise nine more from private investors. By 2035, that initial **\$1 billion** could catalyse **\$10 billion** in total. Meanwhile, impact investment surpassed **\$1.5 trillion** globally in 2024, with over 50 per cent of investors expanding African portfolios.

<sup>1</sup> [This is evidence of what scale of impact is possible for startups operating in Africa.](#)

## Timbuktoo is more than an initiative - it is a movement.

UNDP's timbuktoo differs from typical investors. It works directly with all 54 African governments. When a Kenyan start-up succeeds, we help it scale to Tanzania, Uganda and Rwanda without years spent navigating regulatory hurdles. Timbuktoo's 10 specialised hubs; HealthTech in Kigali, FinTech in Lagos, MineTech in Lusaka, Creative in Cape Town, GreenTech in Nairobi, Manufacturing in Ethiopia, Smart Cities in Morocco, AgriTech in Ghana, TradeTech in Cairo, and Tourism/EdTech in Dakar, Senegal combined with 14 University Innovation Pods, create continental pathways for entrepreneurs.

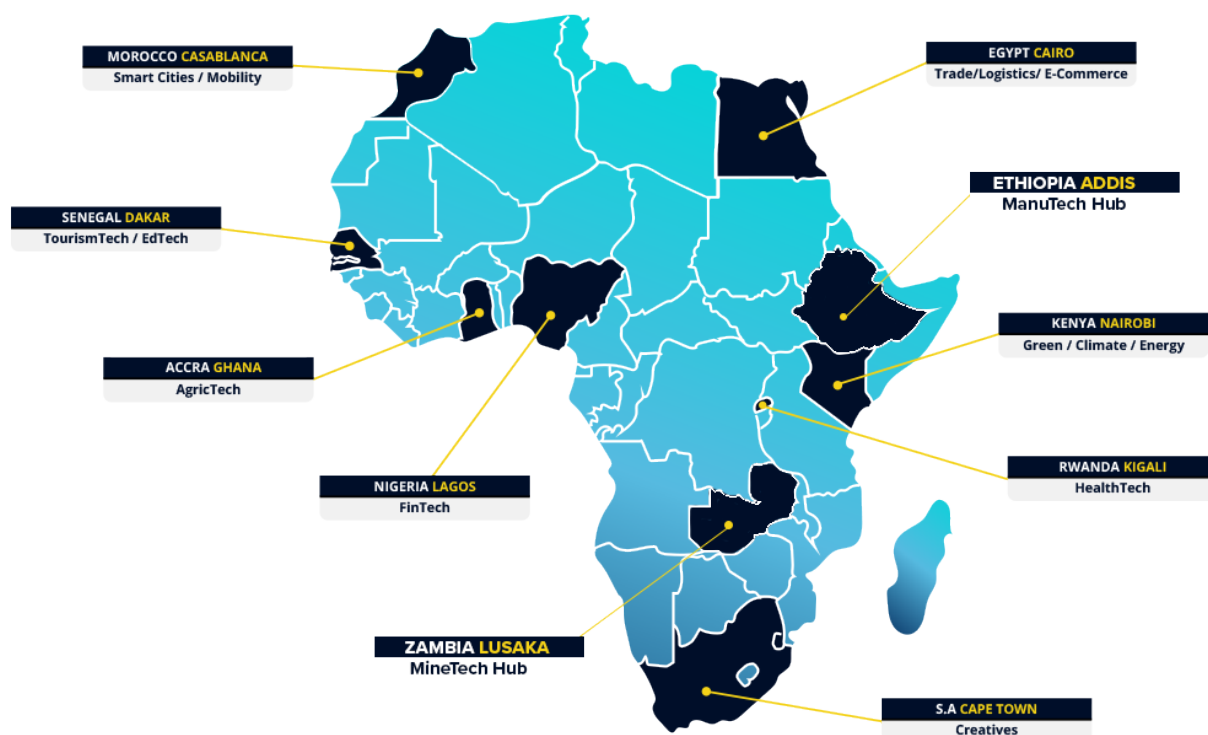
Challenges remain significant. Female-led start-ups received just 2 per cent of funding in early 2025. Infrastructure gaps persist. Regulatory barriers slow progress. The transition will not be smooth. But the alternative - waiting for aid that will not return - is not viable.

Aid was not wrong. For decades, it saved lives and built infrastructure. But the model assumed indefinite external support. That assumption is now obsolete, because the support system itself has disappeared. What is emerging is partnership, not dependency. African entrepreneurs bring innovation and local knowledge. UNDP brings networks and government relationships. Private investors bring growth capital. This is not charity reimaged; it is capitalism directed towards inclusive growth.

In the rooms where this future is being built - the University of Rwanda UniPod and the timbuktoo HealthTech Hub - the proof points speak for themselves, not as abstract observations from the outside looking in. Each one is a powerful interface connecting solution providers with opportunity, and opportunity with impact.

Walking through the UniPod, you do not see dependency. You see engineering students designing IoT (Internet of Things) solutions for smallholder farmers. At the HealthTech Hub, you do not hear requests for handouts. You hear pitch meetings where entrepreneurs negotiate terms with investors who believe in their business models. These are not aid recipients. They are founders building the infrastructure that will serve their communities for decades.

The difference is not just philosophical; it is measurable. And it is happening right now, in rooms where the future is being coded, prototyped and launched.



# Conclusion

The shift from aid dependency to entrepreneurial self-reliance demands immediate economic restructuring across four fronts. First, African governments must redirect 5–10 per cent of innovation budgets towards venture-building infrastructure, while establishing sovereign co-investment funds that leverage private capital at 1:1 ratios creating fiscal multiplier effects that far exceed traditional grant allocations.

Second, development partners should abandon low-return grant models in favour of catalytic investments that mobilise nine dollars of private capital for every one dollar of public funds, as demonstrated by timbuktoo's 1:9 leverage ratio. Third, the private sector must commit matching capital, recognising that Africa's annual remittance flows of **\$130 billion** and the correlation between entrepreneurship development and GDP growth represent untapped investment opportunities with strong risk-adjusted returns. Fourth, regional bodies must harmonise regulatory frameworks to reduce transaction costs and enable cross-border capital flows within the AfCFTA architecture.<sup>2</sup>

With US humanitarian contributions collapsing by **88%** from **\$17 billion** to **\$2 billion**, the economic case is unambiguous: each dollar invested in entrepreneurial ecosystems generates **\$4.50** in economic value. This figure is grounded in direct observation of the timbuktoo HealthTech portfolio and informed by a Social Return on Investment approach, reflecting value creation dynamics already visible across the ecosystem, where catalytic grants can unlock substantially larger financing facilities and investment pipelines, as illustrated by the case of Mobihealth. By contrast, traditional aid averages less than **\$0.30** in sustainable impact. The question is no longer whether Africa can afford this transition; it is whether Africa can afford not to make it.

Those future historians excavating our digital records will find something remarkable: not the collapse of an aid system, but the birth of something far more powerful. When Mansa Musa crashed gold markets in the 14th century, he proved Africa's capacity to generate extraordinary wealth. Six centuries later, history may be repeating itself, but this time with a different script.

- From Kigali to Lagos, Nairobi to Accra, entrepreneurs are not asking for rescue; they are building partnerships.
- Not US\$60 billion spent once, but **\$1 billion** invested in businesses designed to compound.
- Not charity that creates gratitude, but capital that demands results.
- The timbuktoo experiment goes beyond replacing what was lost; it is about discovering what should have been there all along.

The artefacts are already being created. Future archaeologists will decide what they mean, whether they mark the moment Africa was finally seen as an investment opportunity rather than a charity case, or whether old patterns simply found new forms. Either way, the shovels are in the ground. And this time, they are wielded by African hands.

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<sup>2</sup> [The 1:9 ratio refers to the broader timbuktoo private capital mobilization model. It is separate from the HealthTech Cohort 1 11:1 ratio \(see page 4\) and reflects a different measure of mobilization.](#)