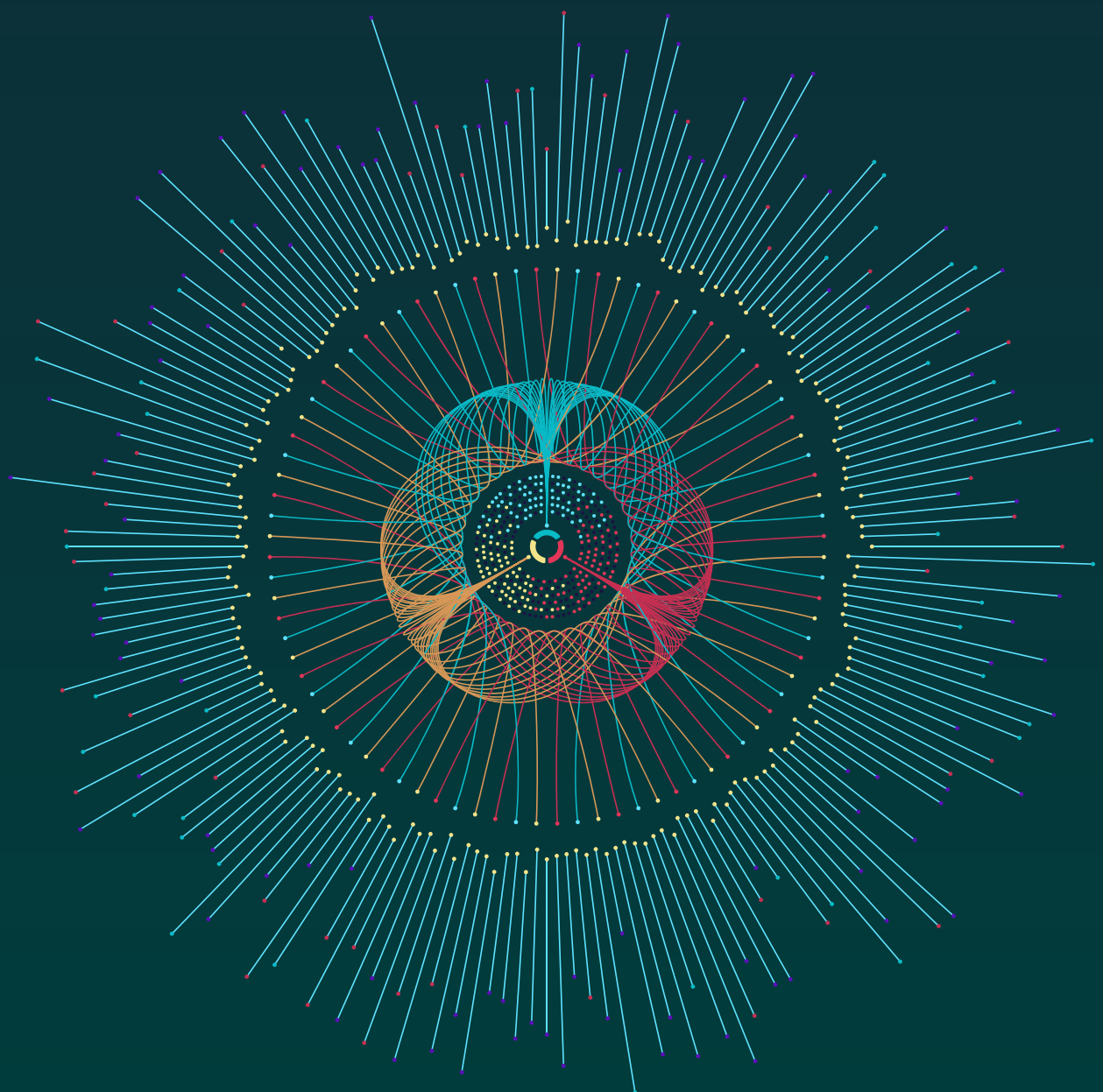


Behind the Buzz: What AI Really Looks Like in Emerging Markets



Authors

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BFA Global is an impact innovation firm that combines research, advisory, venture building, and investment expertise to build a more inclusive, equitable, and resilient future for underserved people and the planet. We partner with leading public, private and philanthropic organizations, global and local, to catalyze innovation ecosystems for impact across emerging markets.

SECTION 1

Introduction

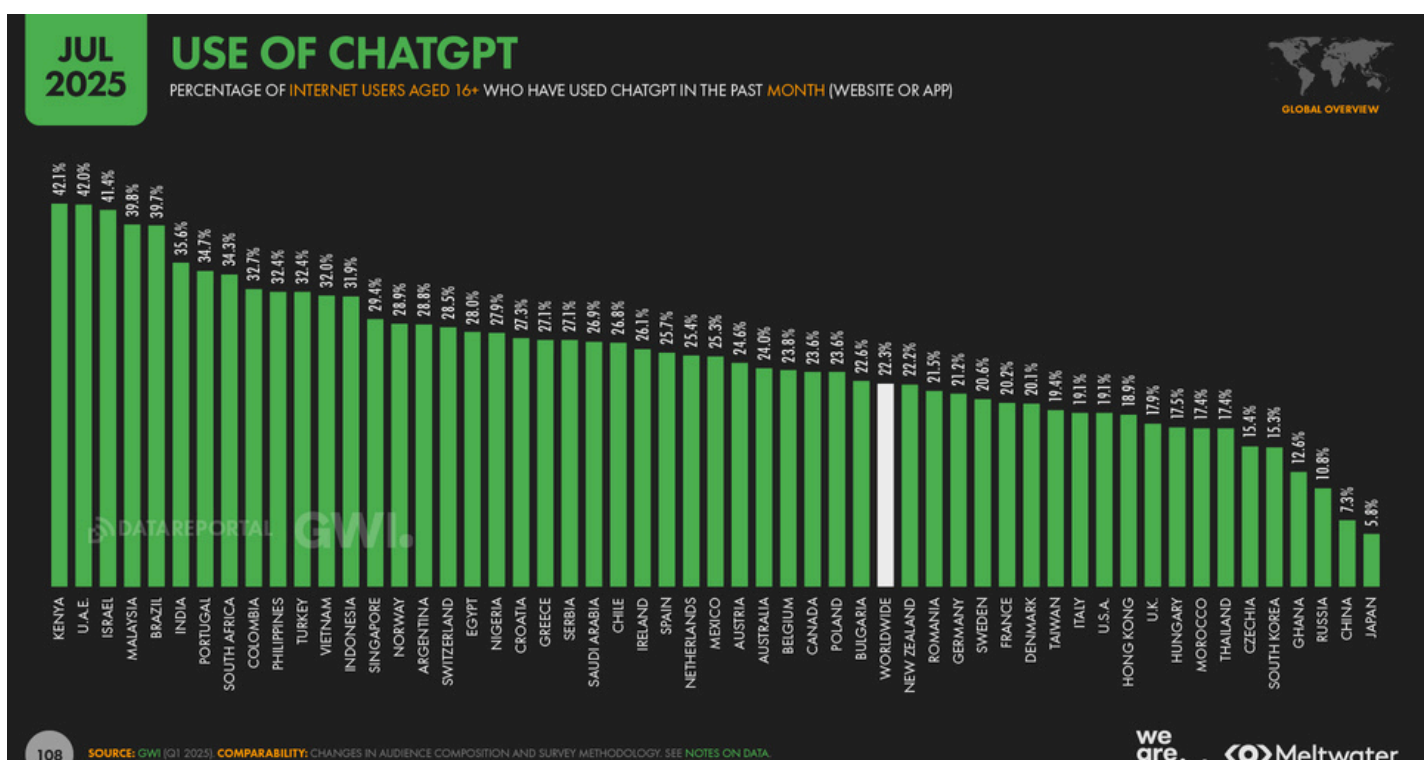
Reading the Western media, we hear a lot about how AI is going to affect the world economy: it's going to replace virtually all of the jobs, nobody will need to work, we will all live on a basic income while our robots and AI do all the work. AI-themed startups are raking in unprecedentedly vast amounts of money while promising to optimize e-commerce and internal corporate functions.

While there's debate about whether these job-killing predictions are realistic in the Global North, is the same story unfolding in emerging markets? Are we facing a giant apocalypse of jobs? Are AIs going to take over producing and servicing everything? Or is the impact of GenAI potentially shaping itself in a different way?

We spent some time using AI tools to help us research the claims around AI that startups are promoting in emerging markets, which gave us an appreciation of the type of problems founders are tackling. We also reviewed the portfolio companies in the BFA Global network ([Catalyst Fund](#), [ClimaFii Alliance](#), [Jobtech Alliance](#), and [TECA](#)) and spoke to some of the founders about their intentions, aspirations, and fears for GenAI. What we found: the narrative in emerging markets is more optimistic. Very few startups claim to replace existing coders, customer service workers, or other jobs.

Instead, startup founders are promoting AI to solve real-world problems, step in for scarce resources, augment existing workers and create new value in the economy. With their focus on practical solutions, few AI startups in emerging markets are working on foundational models, which almost all depend on the huge investment already underway in developed countries. On the other hand, the lack of resources in emerging markets causes startups to focus on practical solutions to real-world problems.

We're also seeing consumer behavior shaping up a bit differently in emerging markets. While users have long caught up with developed countries in the use of internet tools like search and social media, they [are now jumping ahead in the use of GenAI](#), according to Datareportal.



To achieve this success, AI startups need access to data from their local contexts. While many public data systems are still analog or fragmented, digitization is progressing and with thoughtful design, it can empower users and innovators alike.

While this analysis does not give us greater insight into whether GenAI will rise up and kill us all, it does provide an interesting pointer to the way that GenAI could shape a different course, potentially helping these countries finally accelerate their growth and cross the middle-income trap to deliver broad-based economic prosperity.



SECTION 2

What do we mean by “AI startups”?

In the global rush to capitalize on artificial intelligence (AI), definitions are more than academic. They shape what gets funded, who gets spotlighted, and how ecosystems evolve. Nowhere is this more crucial than in emerging markets, where capital is scarce, infrastructure uneven, and opportunity high. When every startup calls itself “AI-driven,” how do we distinguish between hype and substance?

This question matters for BFA Global and others working at the intersection of innovation, finance, and inclusion. Mislabeling can misallocate funding, distort policy, and obscure the real impact potential of AI in solving LMIC-specific challenges. In this section, we set the stage for our landscape analysis by defining AI practically, outlining what qualifies as an AI startup, and offering a classification framework to evaluate the growing landscape in emerging markets.

WHAT QUALIFIES AS AN ‘AI STARTUP’?

By contrast, a startup that uses ChatGPT to auto-fill its email responses is not an AI company, it is a startup using AI. The distinction is subtle, but vital.

Here's how we classify AI startups in this review:

TIER	DEFINITION	EXAMPLE ACTIVITIES
Tier 1: AI-Native ¹	AI is the product	Builds proprietary models that are the core function of the company: e.g. crop diagnostics, fraud detection
Tier 2: AI-Enabled	AI meaningfully enhances product delivery	Substantially reduces the cost, improves the quality or enables the existence of company products and services: e.g. interactive training product in local languages
Tier 3: AI-Assisted ²	Uses AI tools, but not core to product	Meaningfully improves the company's operations, but not in a way that is unique: e.g. financial analytics, marketing copy generation, pitch-deck rebranding

¹ <https://www.solutelabs.com/blog/ai-native-or-ai-enhanced>

² https://en.wikipedia.org/wiki/AI_washing



SECTION 3

AI startups are emerging, but capital is not flowing (yet)

The global AI boom is a highly concentrated, capital-intensive infrastructure race from which developing countries are structurally excluded due to constraints on bandwidth, capital, human resources and data. Nonetheless, emerging markets are seeing a rise in AI startups and some of these are attracting VC funding.

The sheer number of AI startups is staggering, over 70,000 globally. Today, over 85% of global private AI investment is captured by the United States, China, and the European Union, with a significant portion funneled into Silicon Valley alone (Stanford HAI, 2025). This leaves the vast majority of the developing world with a marginal share of funding. As a result, many emerging markets are not participating in the current AI boom on equal footing.

The data reveals a stark shortage of investment in AI startups in emerging markets, highlighting a structural disconnect rather than a simple lag in investment cycles.

- **Africa:** The continent's tech ecosystem, while resilient, operates on a scale of magnitude smaller than the global AI market. Total venture capital funding for all tech startups in Africa in 2024 was estimated to be between \$1.1 billion and \$2.2 billion, depending on the source and methodology.³ A more specific figure comes from Maxime Bayen, a colleague at BFA Global and curator of the data platform '[Africa: The Big Deal](#)', who estimates that total funding in the first half of 2025 reached \$1.4 billion, aligning with the higher end of the previously mentioned range.⁴
- **Latin America:** The region's venture landscape showed signs of stabilization in 2024, with total tech funding reaching around \$4.2 billion⁵. This marked a modest recovery from the previous year, mainly driven by the fintech sector. However, the region's participation in the global AI boom remains marginal. AI startups in Latin America attracted only around \$200 million in venture capital funding in 2024.⁶
- **India:** India's technology ecosystem demonstrated a significant resurgence in 2024, with total venture capital funding reaching approximately \$13.7 billion, a 43% year-over-year increase. Within this recovering market, dedicated AI startups raised about \$390 million, while the broader deeptech sector, where AI is a key enabler, attracted a substantial \$1.6 billion.⁷

The immense gap between the capital available to a handful of U.S.-based AI infrastructure companies and the entire venture ecosystems of developing countries makes resource-intensive direct competition impossible. Consequently, their innovation must be directed elsewhere toward the application layer, where deep local knowledge and unique data can be leveraged to solve specific, locally relevant high-value problems that global giants are ill-equipped to address. This reframes the narrative from one of "catching up" to one of strategic specialization and context-specific success.

³ [Venture Capital Investment Trends in Africa: 2024 Recap and 2025 Projections - Afrilabs](#)

⁴ [Africa: The Big Deal 2025](#)

⁵ [Latin America Venture Capital Report 2025 | Startuplinks](#)

⁶ [Latin America Venture Capital Report 2025 | Startuplinks](#)

⁷ [India's venture capital funding rises 43 pc to USD 13.7 bn in 2024](#)

Region	Total VC (2024, USD)	Total AI Private Funding (2024, USD)	AI Funding as % of Global AI Total	AI Private Funding as % of Regional VC
U.S.	~\$209 B ⁸	~\$109.1 B	~72%	~52%
China	~\$20 B ⁹	~\$9.3 B	~6.0%	~46%
Europe	~\$50 B ¹⁰	~\$19.4 B	~13%	~39%
Africa	~\$2.2 B	~\$200 M	<0.2%	~9%
Latin America ¹¹	~\$3.6 B	~\$200 M	<0.2%	~5%
India ¹²	~\$13.7 B	~\$1.2 B	~1%	~9%
Global	~\$368 B	~\$150 B	100%	~43%

Note: Data is compiled from multiple sources with varying methodologies and timeframes, intended to show scale rather than precise equivalency. AI funding for Africa is based on our estimation from different sources. China's VC figure reflects a specific government fund. Resources: crunchbase.com, Stanford AI index 2025, and partechpartners.com

⁸ [2024 global VC investment rises to \\$368 billion as investor interest in AI soars, while IPO optimism grows for 2025 according to KPMG Private Enterprise's Venture Pulse](#)

⁹ [China Leads Asia's Venture Downturn — But Other Countries Didn't Help](#)

¹⁰ [Europe's VC Funding Stayed Flat In Q1, Even As Healthcare Added A Third](#)

¹¹ [Latin America Venture Capital Report 2025 | Startuplinks](#)

¹² https://www.bain.com/globalassets/noindex/2025/bain_report_india_venture_capital_report_2025.pdf



SECTION 4

How real are AI startups in emerging markets?

Every year, hundreds of startups across the world add “AI” to their decks and databases. Reports might show 669 “AI startups” in Africa¹³ or 1,200 across Latin America¹⁴, but a closer look reveals a deeper question: how many are truly building AI systems and how many are simply AI-assisted?

We used Generative AI research agents, including Grok, Perplexity, and Gemini, to build a defensible estimate in a data landscape where no single, definitive census of AI startups exists. These tools performed extensive scans of the public digital domain, including company websites, press releases, and news articles, to compile an exhaustive long-list of any entity across Africa, Latin America, and South Asia that publicly claimed to use AI in its marketing or product descriptions. This intentionally broad approach ensured maximum coverage, creating a foundational dataset for subsequent validation.

Finally, to segment the market, we applied our three-tier classification framework to differentiate between genuine innovation and market hype. We evaluated a representative sample of companies from each region against a detailed set of technical and business criteria to categorize them as **AI-Native**, **AI-Enabled**, or **AI-Assisted**. While we believe this methodology provides a snapshot of a complex field, we realize it's also limited by the public information available and the potential limitations of using GenAI for internet research (known and unknown). We welcome feedback on the methodology and the results.

➤➤➤ HOW MANY ARE THE REAL DEAL?

Using a cross-analysis of data from Grok, Gemini, and other ecosystem scans, we estimate that in emerging markets, startups that publicly claim AI as part of their product, pitch, or market positioning mostly fall into three categories. Fewer than 10% qualify as truly AI-Native, while the majority are AI-Enabled or AI-Assisted, depending on how deeply AI is integrated into their product or operations. (See Annex Table A1 for detailed startup counts across regions and tiers.)



Less than 10% of AI-claiming startups qualify as AI-native companies



Around 30% are genuinely AI-enabled with functional AI applications



Over 55% are likely AI-assisted with minimal proprietary AI capabilities

¹³ [Afrilabs 2024 AI Startups Mapping in Africa](#)

¹⁴ [México lidera crecimiento de empresas de Inteligencia Artificial en LATAM](#)

This gap between perception and practice doesn't just distort investor expectations; it dilutes credibility and sets entire ecosystems up for disappointment. In fragile innovation ecosystems, where capital, trust, and capacity are already limited, mislabeling distorts funding flows, dilutes policy understanding, and stifles the growth of genuine expertise. Donors may end up funding style over substance, governments may craft policies based on inflated sector perceptions, and technical talent may be drawn into maintaining illusions rather than building core innovations.

A striking example comes from the U.S., where the SEC recently charged a firm for falsely advertising AI-driven hiring tools that were little more than manual processes dressed up in buzzwords. In emerging markets where regulatory oversight is thinner, similar exaggerations could go unchecked, creating echo chambers of innovation without outcomes.

Promising startups that solve local problems and augment work, not replace it, are offering a blueprint for inclusive, applied innovation. VCs and other investors are taking note - some examples include companies in BFA Global's own portfolios.¹⁵

¹⁵ <https://jobtechalliance.com/blog/?filter=true&category=why-we-invested-2>



SECTION 5

Problem driven startup culture in emerging markets

One striking difference in many emerging-market startup ecosystems is that entrepreneurs are often problem-first rather than tech-first. Founders in Africa, South Asia, or Latin America typically aren't chasing AI for AI's sake or trying to build the next abstract algorithmic breakthrough. Instead, they are rooted in pressing local needs, whether it's healthcare access, farming challenges, financial inclusion, education gaps, or climate threats and they view AI as a means to an end.

While we don't have a particular example to put forward, we draw inspiration from the rise of mobile money, a mobile-phone based banking solution that was developed for the basic phones that most people in Africa could afford at the time. The solution employed a ubiquitous internal standard (USDD and SMS) yet solved a crucial gap, effectively bypassing the need for payment cards and bank branches. The result according to the [GSMA's 2024 State of the Industry Report](#), indicates that there are over 2.1 billion registered mobile money accounts globally, processing over 100 billion transactions in 2024, more than \$1.68 trillion in value (compared to 440 billion transactions from Visa/Mastercard). Sub-Saharan Africa remains the epicenter of this movement, with over 1.1 billion mobile money accounts. Global payment giants like PayPal or Visa have not been able to unseat M-Pesa in its domain because it is so finely tuned to local needs and contexts. Indeed, mobile money services are now adding AI for fraud detection, credit scoring (via phone data), etc., a good example of problem-driven evolution.

BFA Global's hypothesis is that **emerging markets may be the best testing grounds for applied AI globally**, not because they lead in foundational model development, but because they offer:

01

Clear problem-solution fit

Startups don't hunt for use cases, needs are urgent and visible

02

Constraint-led focus

Limited resources force founders to choose tools that deliver results, not just funding

03

Social ROI incentives

Investors, donors and governments back ventures solving tangible issues

04

Behavioral familiarity with leapfrogging

Customers, startups, and investors are willing to adopt new tech that helps them jump ahead

05

Human capital leverage

In contexts where productive employment is a major development challenge, startups are incentivized to design AI tools that enhance rather than replace human labor, maximizing productivity and job impact.

This orientation helps filter out noise. In emerging markets, startups can't afford to build flashy AI demos that don't deliver. The bar for utility is high, and that makes the ecosystem stronger.

Perhaps most importantly, the problem-driven innovation culture in emerging markets can serve as a connective tissue between the AI frontiers of the Global North and the needs of the Global South. While Silicon Valley and Beijing push the boundaries of model size and compute power, emerging markets are stress-testing what it means to use AI meaningfully, where it matters most. This creates an opportunity for mutual learning, where the Global South brings grounded use cases, behavioral nuance, and scalable solutions, and the Global North brings tooling, funding, and infrastructure. The result is not just trickle-down innovation but a more balanced AI ecosystem that reflects the diversity of human problems and the ingenuity of global solutions.



SECTION 6

Emerging markets focus on job augmentation, not replacement

The global conversation about AI and employment is dominated by a narrative of widespread job displacement. Projections from leading institutions in the Global North paint a picture of significant disruption, with reports from McKinsey and Goldman Sachs suggesting that up to 30% of current jobs could be automated by 2030. The OECD estimates that 27% of jobs in its member countries are at high risk of automation. This "jobs apocalypse" narrative is fueled by high-profile corporate actions. In 2024, Swedish fintech giant Klarna made headlines for replacing the work of 700 customer service agents with an AI assistant¹⁶. Similarly, in 2023, IBM announced plans to replace nearly 8,000 back-office and HR roles with AI.¹⁷

Across emerging markets, the predominant narrative among AI companies is one of augmentation, where AI is deployed as a tool to empower the existing workforce. This Human-in-the-Loop (HITL) philosophy¹⁸ is a recurring theme. In South Africa's manufacturing sector, DataProphet CEO Frans Cronje is clear that AI's role is to upskill machine operators and fill critical expertise gaps, not replace them. His goal is for staff to move from routine analysis to higher-value tasks like innovation, creation and ideation¹⁹. This sentiment is echoed by major corporations like India's Godrej Enterprises Group, which uses AI to augment human capabilities, not replace them on its shop floors²⁰. In Brazil's legal sector, JusBrasil co-founder Luiz Paulo Pinho emphasizes that his company's AI legal assistant was created to provide reliable, data-backed answers to lawyers, ensuring that AI without criteria does not become more of a problem than a solution.²¹

Beyond augmenting existing roles, many tech leaders see AI as a powerful engine for job creation, either by enabling entirely new business models or by creating the very jobs that power the AI economy. Thousands of human data-annotators work for companies such as Sama and Digital Divide Data, training AI models. Yet this work is controversial, not only because it will eventually put these same humans out of a job. The work itself is low paid and often highly stressful, training AI away from harmful responses.

Nonetheless, this rosy-eyed view is not universal, particularly in the IT and Business Process Outsourcing (BPO) sectors. In India, Atomberg founder Arindam Paul warns that AI could wipe out 40-50% of white-collar jobs if not managed properly, cautioning that corporates focused only on the bottom line "forget that without jobs and money in consumers' hands, there will be no topline".²² This risk is quantified by firms like HCLTech, which predicts AI could lead to a 75% headcount reduction in contact centers in India's BPO sector.²³ This prediction is particularly stark when considering that India's call center industry employs over two million people, meaning such a shift could put upwards of 1.5 million jobs at risk in that sector alone.²⁴

¹⁶ [Klarna AI assistant handles two-thirds of customer service chats in its first month](#)

¹⁷ [IBM to Pause Hiring for 'Back-Office' Jobs That AI Could Kill - Bloomberg](#)

¹⁸ [What is Human-in-the-loop? | TELUS Digital](#)

¹⁹ [The next step in digital transformation: is Artificial Intelligence production-ready for green sand foundries?](#)

²⁰ [World AI Appreciation Day: Artificial Intelligence is quietly reshaping Indian industries](#)

²¹ [Jusbrasil launches Jus IA to increase confidence in the use of artificial intelligence in law | TI INSIDE Online](#)

The predictions and priorities of emerging markets contrast starkly with those of the developed world, revealing a fundamental divergence in how AI's impact on labor is perceived and addressed.

Feature	Developed Economies (Global North)	Emerging Economies (Global South)
Primary Narrative	Efficiency and Replacement: The focus is on how AI can optimize existing, highly formalized workflows, leading to a debate centered on cost savings and headcount reduction (e.g., Klarna, IBM).	Leapfrogging and Creation: The focus is on how AI can be used to build entirely new systems, solve foundational development challenges (in health, agriculture, finance), and create economic pathways that never existed before.
Level of Exposure	High: A greater share of the workforce is in cognitive-intensive, white-collar roles that are immediately susceptible to AI disruption and augmentation.	Low: A larger informal sector and more manual/service jobs lead to a slower, more muted initial impact. The disruption is less immediate but the future effects less predictable. The demographic youth bulge in Africa could face a dearth of white-collar job opportunities, leading to social unrest.
Key Barriers	Reskilling and Change Management: The primary challenge is retraining an existing, highly skilled workforce for new, AI-augmented roles within established corporate and legal structures.	Foundational Infrastructure: The primary barriers are more fundamental: lack of reliable internet and electricity, data scarcity, and a widespread digital skills gap that limits access to AI's benefits.
Job Impact Focus	Net Effect Debate: The conversation is heavily weighted by high-profile examples of job cuts, leading to significant public anxiety about a net loss of jobs, despite counterarguments about productivity gains.	Transformation and Upskilling: While displacement risks are acknowledged, the discourse is more heavily focused on job transformation and the urgent, national-level need for mass upskilling to prevent being left behind in the global AI economy.

²² [AI could wipe out '40-50% white-collar' Indian jobs: Atomberg founder warns about 'end of the middle class' - The Economic Times](#)

²³ [Tech outlook: Indian IT firms face margin heat as AI impact meets macro slowdown; companies delay hikes, cut costs and chase deal conversions in negotiator's market - Times of India](#)

²⁴ [Top 10 Call Centers in India - Tomato.ai](#)



SECTION 7

Data availability as a critical enabler

Where data flows, AI follows: regions and sectors with richer data availability are seeing more successful AI applications. Conversely, a lack of data is often the choke point for AI innovation in emerging markets. When data is scarce or siloed, AI startups simply can't build or train useful models. Let's break down data types and real examples:

- **Health data** (e.g. Ubenwa in Nigeria): Ubenwa developed an AI model to detect infant asphyxia by analyzing newborn cries. The team achieved 95% accuracy using a dataset of 1,400 local recordings, but even that wasn't enough for clinical deployment.²⁵ They needed more real-world data for validation and began raising funds for additional hospital trials. This underscores a broader point: when startups gather local, context-specific data, they can build AI that truly fits their environment. Without it, performance declines and risks of bias increase, especially when relying on imported datasets from very different settings.
- **Satellite and weather data** (e.g., agriculture and climate apps): Startups are using remote sensing and weather data to manage agricultural risks. For example, Amini, a Nairobi-based venture, aggregates satellite, drone, and IoT data to offer AI-driven insights to African farmers and insurers.²⁶ Its CEO notes Africa remains "the most data-scarce continent," with much agricultural data still locked in paper files or not collected. By generating local datasets (e.g., high-res farm imagery, sensor readings), Amini trains models to forecast pest outbreaks or floods via SMS alerts. Other pilots also use satellite data and ground sensors to deliver flood warnings in data-poor areas.²⁷ The broader point: emerging market startups often rely on open data, as local government datasets are limited.
- **Mobile phone and transactional data** (e.g., fintech, credit-scoring, job matching): In emerging markets, mobile network and mobile money data serve as proxies for creditworthiness where formal records are lacking. AI models analyze transaction logs, call/SMS records, and smartphone usage to score users and enable lending to previously unbanked populations. In jobtech, AI matches informal workers with gigs using mobile and social data.^{28,29} The promise of these systems highlights a theme: **when an emerging market sector generates lots of digital data (mobile transactions, etc.), it opens the door for AI solutions** that solve local problems. Nonetheless, concerns remain around model reliability and data privacy.

The table on the next page illustrates this data-centric reality, classifying startups by the intensity of their data dependency—a measure of how critical data is to their core functionality and scalability.

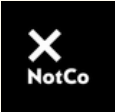








²⁵ [This Nigerian AI health startup wants to save thousands of babies' lives with a simple app](#)

²⁶ [This Nairobi startup is using AI to add data science to African agriculture](#)

²⁷ [AI can be used to predict flood patterns, help food security in Africa](#)

²⁸ [AI Credit Scoring: How Mobile Money is Lending to the Unbanked](#)

²⁹ [AI can be used to predict flood patterns, help food security in Africa](#)

Startup examples	Sector	Data Dependency	Data Sources Utilized
 RxAll (Nigeria)	Healthtech	Critical	Proprietary spectral scans, open government pharma databases
 NotCo (Chile)	Foodtech	Critical	Proprietary food chemistry, recipe, and taste profile data
 Krutrim AI (India)	Foundational Models	Critical	Proprietary Indic language corpora (2 trillion tokens)
 Apollo Agriculture (Kenya)	Agritech/Fintech	Very High	Satellite imagery, proprietary field data, mobile money data
 Qure.ai (India)	Healthtech	Very High	Private hospital medical images, open government health data
 Cropin (India)	Agritech	Very High	Open government weather/satellite data, telco data
 *MazaoHub (Tanzania)	Agritech	Very High	Proprietary soil sensor data, satellite imagery, geospatial climate data
 *Afriwork (Ethiopia)	HR-tech / Ed-tech	High	Proprietary user profiles, employer job descriptions
 *GreenWheels (Kenya)	Mobility / Fintech	High	Proprietary user performance data, proprietary training materials
 *BAG (Rwanda)	HR-tech / Ed-tech	High	User-uploaded product/customer data, proprietary user assessment data
 *Robin	Communications	High	Proprietary company data (meeting notes, Slack), market intelligence (news, research)
 DataProphet (South Africa)	Industrial AI	High	Proprietary IoT sensor data from manufacturing clients

*BFA Global portfolio company

Beyond these sectors, we see that data availability often dictates where AI startups thrive. In emerging markets, sectors like finance (thanks to mobile money) and agriculture (thanks to satellite data) have seen relatively more AI activity, whereas sectors like education or governance, which have less digitized data, lag behind in AI usage.

In summary, data is the fuel of AI, and many emerging market AI startups are running on fumes. Where that fuel is available or can be pooled (as in mobile finance), we see sparks of innovation, where it's absent, even well-intentioned AI initiatives stall. A key recommendation for ecosystem builders is to invest in data generation and openness: whether through digitizing public services, supporting data annotation efforts, or brokering data-sharing agreements (for instance, helping a health startup get access to anonymized hospital records). If emerging markets can improve the quantity, quality, and accessibility of local data, we can expect a flowering of impactful AI solutions to follow.



SECTION 8

Conclusion

➤➤➤ JOIN US IN SHAPING THE FUTURE OF AI IN EMERGING MARKETS

The story so far shows tremendous potential: We have entrepreneurs on the ground who understand local needs and are eager to apply AI; we have examples like M-Pesa and others proving that leapfrog innovation is possible; we have a youthful population ready to learn digital skills. The next steps involve scaling up what works: more data sharing, more talent training, more smart capital, and sandbox environments to experiment safely. If stakeholders can come together (the entrepreneurs with their grit, the investors with patient capital, and the policymakers with vision and infrastructure), AI in emerging markets can leap from pilot stage to transformational scale in the coming decade.

BFA Global's perspective as an ecosystem catalyst is to invest in and support applied, problem-driven, technically sound ventures that pass both the impact test and the AI substance test. We are already doing so through our venture support for climate resilience startups ([Catalyst Fund](#), [ClimaFii Alliance](#), [TECA](#)) and through the [Jobtech Alliance](#), where we recently published this [practical handbook for jobtech platforms to use AI](#). We believe emerging markets have unique advantages – they can avoid the mistakes of others, adopt AI in greenfield areas, and focus AI on truly high-impact outcomes (job creation, climate resilience, social inclusion) rather than, say, making people click more ads.

In conclusion, the age of AI offers emerging markets a chance not just to catch up but to redefine tech leadership on their own terms. The path will require clarity of purpose (cutting through the hype), collaboration, and persistence. But the vision is compelling: AI algorithms diagnosing diseases in remote villages, predicting droughts so governments can respond, customizing education for children who never had personalized support, all created by homegrown innovators. To get there, let's prioritize quality, context, and impact.

As we move forward, stay tuned for subsequent deep dives from BFA Global on specific angles like AI for jobs in Africa, AI and climate adaptation, and frameworks for investors to evaluate AI opportunities in emerging markets. We'll also be working with partners and portfolio companies across our initiatives and beyond to help them make their impact dreams a reality through AI.

The journey is just beginning, and with the right approach, emerging markets can turn the AI hype into genuine hope, delivering solutions that work not only in Silicon Valley demos but also in the daily lives of billions of people striving for a better future.

ANNEXURE

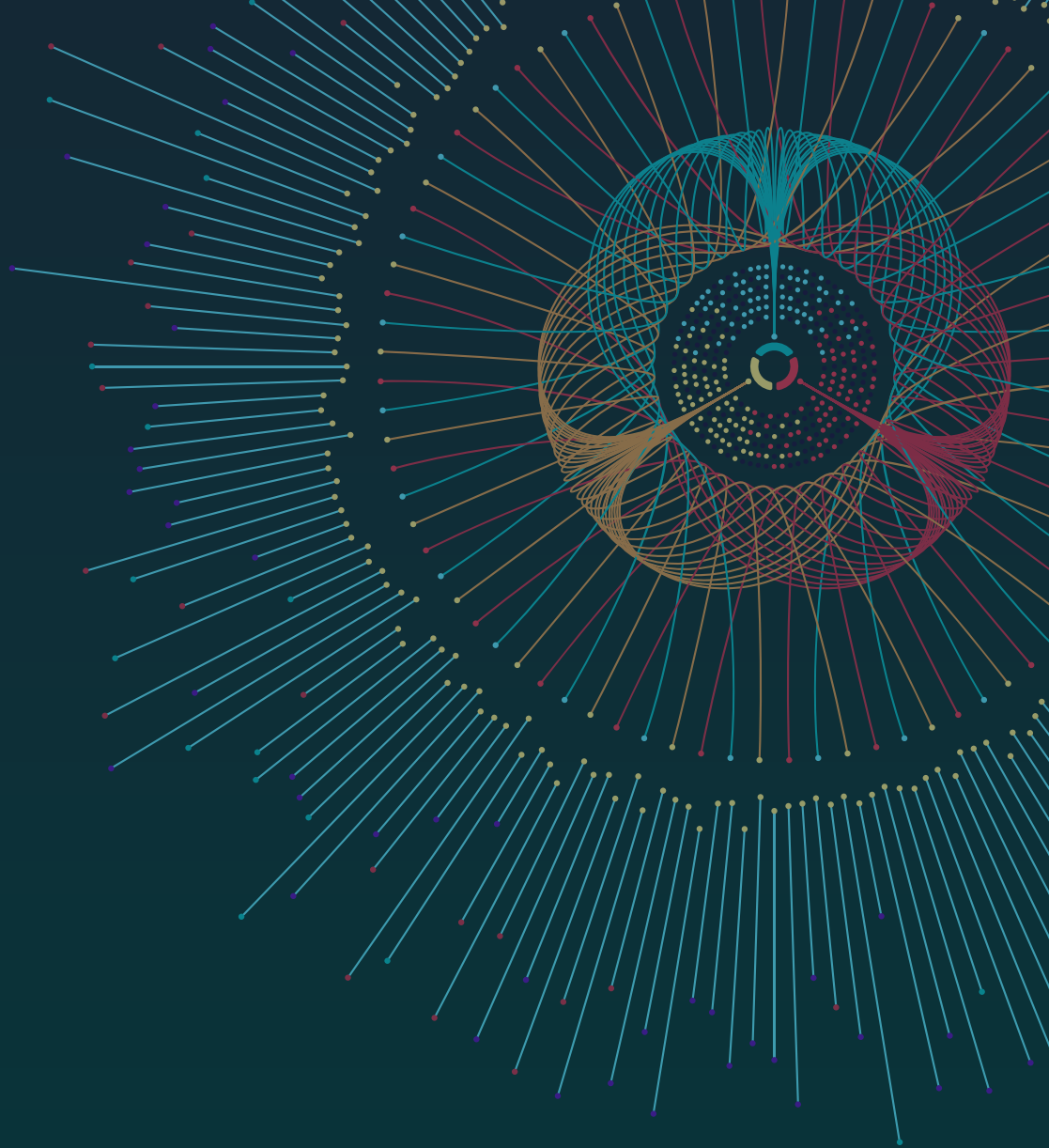
Table A1. Estimated AI startup distribution by region and tier

Region	Total AI-Claiming Startups*	Tier 1: AI-Native	Tier 2: AI-Enabled	Tier 3: AI-Assisted
Africa	~700	~30–50 (5–7%)	~150–200 (25–30%)	~400–450 (60–65%)
Latin America	~1,200	~60–100 (6–8%)	~300–400 (30–35%)	~600–700 (55–60%)
South Asia	~3,000+	~250–300 (8–10%)	~900–1,000 (30–35%)	~1,700–1,800 (55–60%)

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