Affordable/Green Housing
Adoption Chain/Innovation Ecosystem
(Ron Adner – Tuck School)

Must be a Positive Value Proposition for each participant

• Capacity to participate
• Willingness to participate
• Opportunity cost and limits for each member – relative benefits compared to available alternatives
• Time to execute for each member
• Who is the customer and what problem are you solving for them? *(is the buyer really the primary customer?)*
• The developer is not the leader of this value chain – developers appear when most of the value chain elements are “yellow” or “green” and simply need to be connected
Why so few developers in Africa?

- Developers are not “innovation leaders”
- Execution risk is very high
- Difficult entry – new entrants need to build track record and credibility
- Capital limitations
  - Too many “yellow bubbles” in the adoption chain
  - All timelines are unpredictable
  - Long pre-development period
- Affordable is hard enough, green affordable is a “non-starter” for most

What can we do?

- Coordinated government programs that are sustainable and support ecosystem
  - IFIs can help
- Professionalize affordable housing development at all levels – education, training, incubators – to develop a specialized industry with long term capacity
- Engage communities and stakeholders in the process
- To attract more capital, promote broad social, environmental and economic impact of housing
LET'S KEEP TALKING