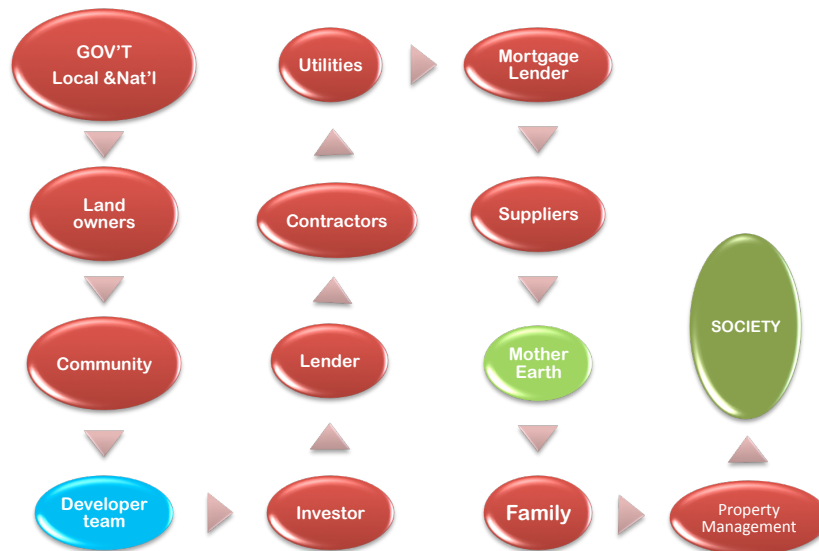


# Affordable/Green Housing Adoption Chain/Innovation Ecosystem

(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

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**LETS KEEP TALKING**