

LIGHTING AFRICA 2008

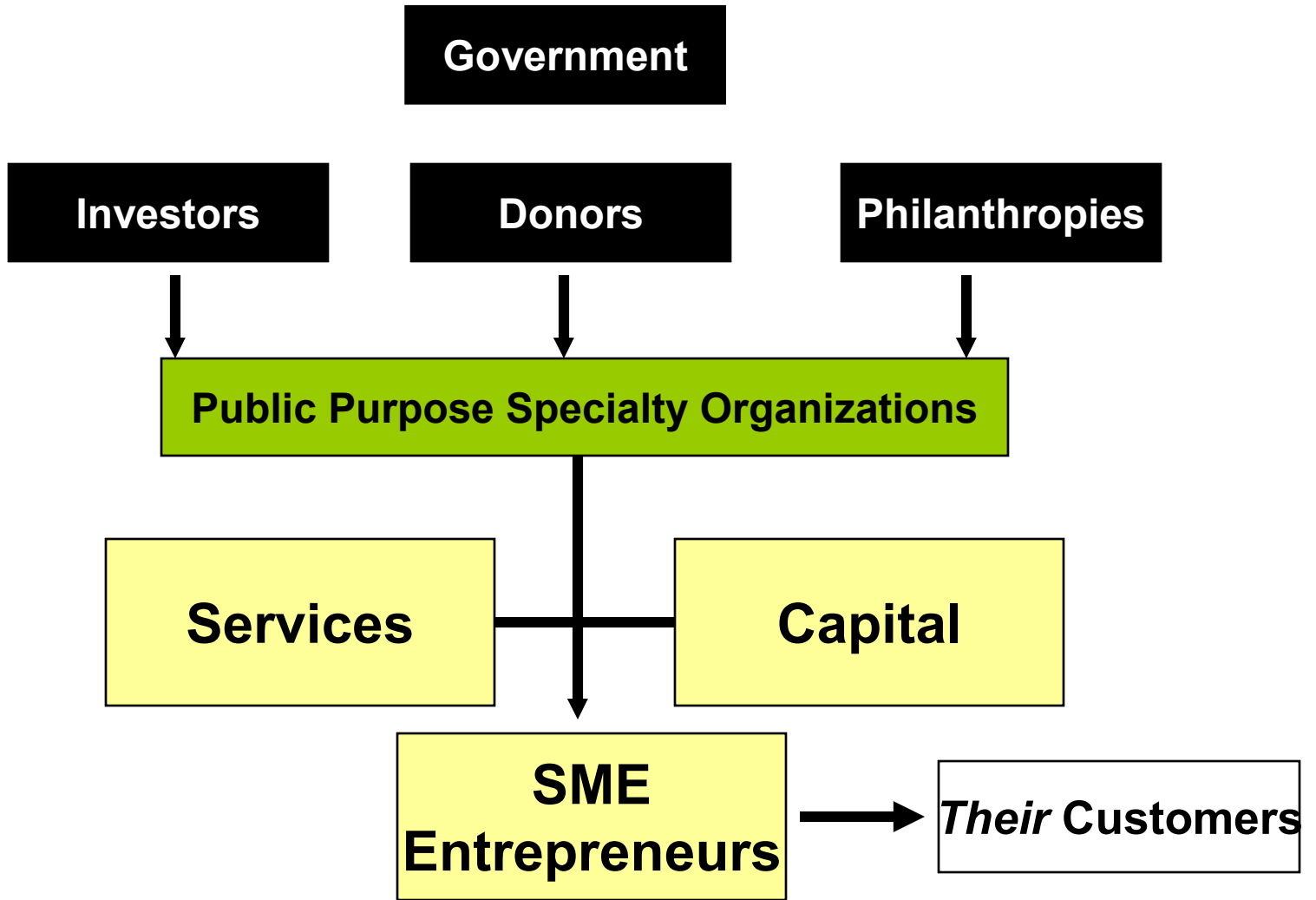
Tools for Effective Partnerships

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Partnerships

- **Relationship between two or more parties.**
- **Usually parties identify and share a common goal.**
- **Partnerships could take either of two forms i.e.**
 - **Formal – written, binding agreements**
 - **Informal – written or verbal but not binding**



Partners involved in Lighting Africa Program

- **Lighting Africa involves various partners including:**
 - **governments**
 - **investors**
 - **financiers**
 - **private firms/entrepreneurs**
 - **end-users**
- **Absence of any one of these partners is detrimental to the program. Hence the need for effective tools to exist to sustain the partnership.**

Effective Tools of Partnerships

- **This session is about partnering for market acceleration:**
- **1st Tool - The ‘government factor’**
- **Government policy framework, regulations and enforcement is key.**
- **What is the shape of the macro economic environment?**
- **Are investors’ money going to get eroded through inflation? Exchange rate, tax, etc**
- **Peaceful and stable environment**

Effective Tools cont'd

- **2nd tool is awareness**
- **This enhances uptake and development of the market and product**
- **Are end-users aware of existence of solar lantern as an alternative to the kerosene lamp? What about financiers?**
- **Is government prepared to run a market penetration program for its citizens' acceptability of the product?**
- **What are the social, environmental and commercial impact of the product?**

Effective Tools cont'd

- **3rd tool – Effective Communication**
- **The program must be communicated well enough to all partners if it is to be embraced.**
- **The poor villager cares less about a solar lantern unless its value is well communicated to him/her. E.g. its displacement of indoor pollution and health impact, impact on education**
- **The financier must understand the technology and its marketability for good returns.**
- **Talking to a commercial bank manager about various components of a solar lantern may result in he/she dozing off in your presence. He/she wants to hear the payback period and translate your language in financial terms such as Internal Rate of Return and breakeven.**

Effective Tools cont'd

- **Government must be advised on health benefits of using alternative sources of lighting**
- **Indeed frontiers of knowledge can be a major barrier. Hence knowledge management is key.**
- **Technocrats will have to sit people down to convince them to accept change**

Effective Tools cont'd

- **4th tool – Finance**
- A very important tool in the Enterprise-centered module – Lighting Africa program
- As an example: Investor (IFC) – Financier – Entrepreneur “X” – End-user
- Cash is King!!!

Effective Tools cont'd

- 5th Tool – the stakeholder interest
- Every substitution product is likely to replace someone's interest. E.g. solar lamp threatens the kerosene lamp seller's business. What about the kerosene seller?
- People's interests must be addressed within the partnership.

Conclusion

- Lighting Africa is launched
- IFC as a player in this partnership has committed its resources
- What are African governments prepared to do?
- Are financiers convinced and prepared to commit funds in these enterprises?
- Are entrepreneurs ready to embrace this business opportunity?
- Are end-users prepared to switch and embrace alternative sources of lighting energy?
- We are all partners and the decision is ours!!!

Thank you all!

