

## AFRICA 2030: AN ENTERPRISE-LED FUTURE AKON LIGHTING AFRICA

PRESENTED BY: AVANT-GARDE NETWORK GOBEE GROUP AT: CHADBOURNE & PARKE LLP 1301 AVENUE OF THE AMERICAS NEW YORK, NY 10019-6022 SEPTEMBER 23 | 6-11 P.M.

## SOUNDS LIKE A PLAN by STACY CHINEME ESIMAI

Avant-Garde Network is at it again, putting together worthwhile networking events for young professionals and entrepreneurs in NYC. This time, it is part of their exciting panel series: Africa 2030. Africa has been dubbed as 'last frontier' in the world's emerging markets. These panels of widely varying topics, co-sponsored by Gobee, are particularly exciting because all eyes (investors, entrepreneurs, and skeptics alike) are on Africa as we march towards an enterprise-led future. On September 23, 2015, we all gathered to a riveting panel discussion on Akon Lighting Africa, as power is at the core of Africa's imminent development.

Held at the NYC offices of Chadbourne & Parke LLP, and moderated by Ikenna Emehelu, a partner at Chadborne, the event had panelists that included Thione Niang, Co-Founder, Akon Lighting Africa; Dirk Muench, Managing Partner, Persistent Energy Partners, LLC; and Matt Tilleard, Managing Partner, CrossBoundary, LLC. With a popular name like Akon's (an African native), we were all ready to learn and ask pressing questions on how the Akon team is and plans on tackling lighting Africa. Referred to as the Dark Continent, did you know that more than 50 percent of Africa's population of 1.17 billion is in pitch darkness and without light? That's a whopping 600 million people!

To date, the Akon Lighting Africa team has worked in 15 African countries and counting. Mr. Niang explained that the Akon team first engages with each federal government to understand what their power shortfalls are and discuss expectations in terms of providing electricity to their residents. National budgets for energy and power are then communicated and agreed upon to help scope the magnitude of each project. To build trust between both parties, governments are asked to pick five villages, mostly in remote areas for a test run. The Akon team then deploys resources to install solar panels in public spaces, such as street lights. Solar panels are

sourced from Chinese companies and are held in strategic distribution locations all over Africa for quicker deployment timelines of two weeks to 90 days. An interesting fact is that the Akon team trains local young professionals to help with the installation and maintenance of these solar panels. This in turn creates jobs and combats chronic unemployment common among young adults in Africa. For a more sustainable talent pool, the Akon team recently established a Solar Academy in Africa that graduates energy engineers and related human capital.

During Q&A, panelists were asked thought-provoking questions. With a history of lower quality, substandard goods making their way into Africa, Mr. Niang was asked how the Akon team ensures that installed solar panels are of high quality and not intentionally produced to lower standards due to bribery and corruption. He explained that the business climate in Africa is not worse than any other market and that his team takes trips to China to ensure that solar panels offered in Africa are not inferior but rather "the best." The solar market offers warranties for 15 - 25 years for panels which means power output for panels cannot dip below 80% of rated power until after that time. Much is to be seen as we wait to track the utility and success of these panels over time; we currently do not have the luxury of hindsight.

Mr. Muench and Mr. Tilleard were asked to discuss some of the challenges they face offering solar panels to small businesses and households as opposed to dealing with governments. A distinct challenge at the private sector level is the issue of affordability and non-payment. There is a need to eventually build a history of creditworthiness. In the meantime, solar panels are financed and repaid monthly. Companies such as ones represented by Mr. Muench and Mr. Tilleard have the ability to remotely switch off solar panels for non-payment and switched them back on when accounts are brought to current status.

Another challenge encountered is that energy laws and regulations tend to favor incumbent providers, which are often state or government owned entities. Tariffs for utility kilowatts hours are high and add to overhead costs while stifling healthy competition. Even with these added costs, the alternative costs of buying fuel to power generators, etc. are often higher and environmentally unsafe. Multiple audience and panelists' comments showed that collaboration is underway to create a forum between incumbent providers and newcomers as an energy exchange provides an eco-system that benefits everyone in the long run.

While Akon's celebrity brings much needed press to the issue and draws our attention to the ongoing discussion of efforts to solve this problem, Lighting Africa is not an Akon project alone; it is going to be a collective effort over several years with all hands coming together to dwarf this giant problem. Other teams, for example, have researched the problem of lighting at the intersection of engineering, innovation, and culture. One such innovation, the Soccket (under the umbrella of the start-up company Uncharted Play), comes from the collaboration and hard work of Harvard undergraduates and MIT researchers. Harnessing the power of play, soccer balls with charge cells in them convert the kinetic energy stored from kicking a soccer ball multiple times during a game into light energy. We are all rooting for Africa and Africans all over the world. After-all, energy and power are critical to the development of the world's last frontier.

Stacy Chineme Esimai, CPA, CFE is a contributing editor for Applause Africa (<u>www.applauseafrica.com</u>) and writes about topics that affect Africa, Africans in the diaspora, learning, and personal finance, among other special interest topics. <u>www.elimmile.com</u>; Twitter: @ElimFinance