



FACT SHEET: SOLAR AND LED ENERGY ACCESS PROGRAM

At the Clean Energy Ministerial in Washington, D.C. on July 19th and 20th, leaders from the International Finance Corporation (IFC), Italy, and the United States launched a new program to bring clean, high-quality energy services to the 1.6 billion people current lacking access to modern energy – simultaneously alleviating poverty, improving human health, and reducing emissions of greenhouse gases.

The **Solar and LED Energy Access Program (SLED)** aims to transform the global market for affordable, clean, and quality-assured off-grid energy devices by addressing fundamental barriers to market development. With an initial focus on replacing dirty, fossil-fuel-based light sources like kerosene lanterns with solar-powered LED lights, the program will facilitate access to improved lighting services for 10 million people within five years by building on existing programs like World Bank Group's Lighting Africa project.

Key activities will include:

1. **Catalyzing commercial financing for product manufacturing and distribution services.** Direct financing provided under SLED will leverage the private sector investment needed to develop and demonstrate near-commercial business models and technologies for clean, off-grid energy services. The resulting investments will benefit local markets by demonstrating commercial viability, driving prices lower through economies of scale, improving delivery models, and enhancing after-sales service capacity. They will lead to greater quality, consumer satisfaction and acceptance of clean energy options.
2. **Ensuring quality.** Drawing on technical and strategic guidance from the U.S. Department of Energy and support from research and testing institutions in participating countries, SLED will work to overcome quality control issues that have hindered the widespread penetration of LED lighting through implementation of a quality-assurance program that tests and labels marketed products.
3. **Educating consumers.** In targeted countries, SLED will finance actions to raise awareness about the importance of purchasing quality-assured renewable energy systems and supporting consumers in making informed choices.
4. **Advising companies.** SLED will provide technical support to companies to strengthen internal capacities, enable them to raise capital, and enhance their ability to market suitable, low-cost clean energy systems to people without access to electricity.
5. **Engaging policymakers.** Working through forums such as the Clean Energy Ministerial and with ministries in investor and participant countries, SLED will support activities to engage policymakers in creating or strengthening a favorable policy environment to further encourage the growth of local commercial markets for off-grid clean energy servicers.
6. **Addressing sustainability.** Working with industry and governments, SLED will address sustainability issues, such as the waste concerns related to the disposal and recycling of batteries in solar lighting appliances.

Participants as of July 20, 2010

The project was first announced in December 2009 by U.S. Secretary of Energy Steven Chu, accompanied by Prestigiaco and Indian Environment Minister Jairam Ramesh. The five-year energy access program became active at the Clean Energy Ministerial with the official receipt by IFC of a US\$10 million Italian grant. Over five years, Italy has pledged to invest an additional US\$20 million and the United States has pledged US\$10 million for SLED activities. IFC will manage the project in consultation with donor partners.