

World Bank Group Launches New Initiative to Light Africa; Announces Competition for Design and Delivery of Innovative Lighting Products

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Johannesburg, September 5, 2007 - The World Bank Group today launches an initiative to provide modern lighting to the 250 million people in Sub-Saharan Africa who have no access to electricity. Jointly managed by the World Bank and IFC, *Lighting Africa* aims to develop market conditions for the supply and distribution of new, nonfossil fuel lighting products, such as fluorescent light bulbs and light emitting diodes, in rural and urban areas of the region that are not connected to the electricity grid.

The “energy poor” in Africa spend about \$17 billion a year on fuel-based lighting sources, such as kerosene lamps, that are costly, inefficient, and provide poor quality light while polluting and posing fire hazards. For these consumers, lighting is often the most expensive item among their energy uses, typically accounting for 10 to 15 percent of total household income. Hence there is a potentially huge market for modern lighting products that are safe and reliable, that provide higher-quality light, and that are cost-competitive with fuel-based lamps, and powered by renewable energy or mechanical sources.

Lighting Africa, which is supported by a number of donors, including seed money from the Global Environment Facility, seeks to attract the international lighting industry, as well as local suppliers and service providers, to this market.

Lars Thunell, IFC Executive Vice President and CEO, said, "In partnership with the private sector, IFC will help develop sustainable business models to supply good quality lighting to the poorest of the poor in Africa. Our goal is to give families and small business owners clean, modern, and affordable alternatives to fossil fuel lamps."

S. Vijay Iyer, World Bank Energy Sector Manager for Africa, said, "Modern lighting will mean improved air quality and safety for millions of people in Africa. It will mean longer reading hours for students and longer business hours for small shops. *Lighting Africa* will directly contribute to the Millennium Development Goals. It is a cornerstone of the World Bank's Clean Energy and Development Investment Framework and the Africa Energy Access Scale-up Plan."

More than 350 companies have already expressed interest in the initiative.

Gerard Kleisterlee, President and CEO of Philips, said in a recent speech, “The rural lighting market, like

many markets for low-income people in developing countries, is not very well known or explored. It is essential that governments and international organizations such as the World Bank, NGOs, and various companies get together in a network to work out the appropriate business models.”

Vincent Loh, Chairman, Kenya Renewable Energy Association, said, "The Development Marketplace competition provides a unique opportunity for local African companies to participate in the development of lighting products and services tailored to local market needs and conditions."

The first phase of *Lighting Africa*, which starts today, will have three priorities:

- Launch a **competition** for the design and delivery of innovative, low-cost, high-quality, nonfossil lighting products that target low-income consumers in Sub-Saharan Africa. Ten to 20 winners will receive grants up to \$200,000.
- Initiate **market research** in Kenya, Ghana, Tanzania, and Zambia to better understand consumer demand, behavior and preferences. The research will also look at local supply, marketing, and distribution channels. Initial results of this research are expected early 2008.
- Inaugurate a **business-to-business Web portal** where manufacturers, distributors, and marketers from all over the world can create partnerships, conduct business online, and access the latest market information.

For more information, visit the *Lighting Africa* website at: <http://www.lightingafrica.org>.

A Competition for the Design and Delivery of Innovative Lighting Products

The Development Marketplace team of the World Bank Group launches today a grant competition entitled “Innovations in Off-Grid Lighting Products and Services for Africa.” The competition will reward project ideas that address the various off-grid lighting needs of Sub-Saharan Africa, including alternative distribution models, new clean lighting technology, stronger production chains, and improvement of the policy environment.

Ten to 20 winners will receive grant funding up to \$200,000.

The competition is open to a broad range of innovators around the world, including private businesses, nongovernmental organizations, universities, government entities, and individuals.

Lead sponsors include the Energy Sector Management Assistance Program, the Global Environment Facility, and the Public-Private Infrastructure Advisory Facility. Other supporters include Good Energies Inc., the governments of Norway and Luxembourg, the European Commission, and the Renewable Energy and Energy Efficiency Partnership.

The deadline for submitting proposals is 23:00 GMT on October 31, 2007.

For more information on how to apply, visit the *Lighting Africa* Web site at: <http://www.lightingafrica.org>.

About the World Bank

The World Bank is a vital source of financial and technical assistance to developing countries around the world, with the mission of global poverty reduction and the improvement of living standards. It is not a bank in the common sense. It is made up of two unique development institutions owned by 185 member countries — the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). Each institution plays a different but supportive role in this mission. The IBRD focuses on middle income and creditworthy poor countries, while IDA focuses on the poorest countries in the world. Together, they provide low-interest loans, interest-free credit, and grants to

developing countries for education, health, infrastructure, communications, and many other purposes. By doing so, the World Bank concentrates on building the climate for investment, jobs and sustainable growth, so that economies will grow, and investing in and empowering poor people to participate in development. For more information, please visit www.worldbank.org.

About IFC

IFC, a member of the World Bank Group, fosters sustainable economic growth in developing countries by financing private sector investment, mobilizing capital in the international financial markets, and providing advisory services to businesses and governments. IFC's vision is that poor people have the opportunity to escape poverty and improve their lives. In FY06, IFC committed \$8.3 billion, including loan participations, to 284 investments in 66 developing countries. For more information, please visit www.ifc.org.

About Development Marketplace

The World Bank's Development Marketplace (DM) is a competitive grant program that funds innovative, small-scale development projects. These projects not only deliver results, but also have the potential to be expanded or replicated elsewhere. Since its inception in 1998, DM has awarded over US\$50 million to roughly 1000 projects through global, regional and country-level Marketplaces. For more information, please visit www.developmentmarketplace.org.