

## PRESS RELEASE

### CrossBoundary Access open sources project financing tools used to finance over \$80m of mini grids in Africa

- *Mini grids are the least cost method to provide electricity to 260 million people in Africa and have a critical role in achieving universal energy access on the continent.*
- *However, mini grids are complex infrastructure assets. It typically takes 12-24 months to structure and finance a mini grid project.*
- *CrossBoundary Access is open sourcing the project financing tools they have used to finance over \$80m of mini-grid projects to accelerate universal energy access in Africa.*

**31 October 2023, Nairobi** — CrossBoundary Access, in partnership with Shell Foundation, the UK-registered charity, is open sourcing the project financing tools they have used to structure and finance over \$80m of mini-grid projects. CrossBoundary Access has shared a [project finance model on its website today](#) and will share template project financing term sheets later this year. CrossBoundary Access believes open sourcing financial tools and approaches across the sector will accelerate the flow of capital needed to achieve universal energy access in Africa.

The International Energy Agency (IEA) forecasts that the number of people in Sub-Saharan Africa without power – 600 million – will be largely unchanged by 2030. Mini-grids – self-sufficient electricity grids that can serve households and businesses – have a critical role to play in bridging the gap. They are the least-cost method to bring electricity to over 260 million people.

However, mini grids are complex infrastructure assets that typically take 12-24 months to finance. Mini grids are small (typically less than \$500,000 in capex), have unfixed long-term cash flows such as revenue, diesel expenditure, battery replacements, etc., and are typically mixed with other non-infrastructure assets and activities. The process of ring-fencing mini-grid assets into standalone investment vehicles, and fixing and allocating revenues, costs, and risks over a typical 10–20-year infrastructure investment horizon is a highly intensive process. Detailed, interlocking financial models and project contracts are required to create bankable mini-grid projects.

CrossBoundary Access is open sourcing the two interlocking financing tools it has developed over the last 6 years – a financial model and project term sheets – to accelerate the flow of capital into the mini-grid sector. The open-source movement was first pioneered by the software industry in the 1990s. CrossBoundary Access believes the

energy access sector should adopt its own open source model to accelerate industry collaboration. Continuous sharing and improvement of the sector's financing tools is needed to attract and deploy capital into mini grids.

[Read more on why CrossBoundary Access and Shell Foundation believe open source can accelerate universal energy access in Africa in this article.](#)

**Terry Otinga, Senior Investment Associate and Open-Source lead at CrossBoundary Access**, says, “We are excited to share these tools and are especially eager to exchange lessons learnt with developers and investors. This will bring us a step closer to closing the energy access gap in Africa. That’s what open source is about.”

**Kwaku Owusu-Achaw, Business Development Director at the Shell Foundation**, says, “We are thrilled to partner with CrossBoundary Access to share this innovative financing approach. We hope that this is useful for the sector and gives developers the tools to raise capital and improve energy access in Africa.”

**Humphrey Wireko, Managing Director at CrossBoundary Access**, says, “We appreciate Shell Foundation’s support in this initiative. In order to reach the 300 million people in Africa best served by mini-grids, we need a lot more mini-grids being built and more investors providing capital to this sector. Hopefully this helps make that happen.”

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### **About CrossBoundary Access**

<https://crossboundary.com/access/>

CrossBoundary Access is Africa’s first blended finance platform for mini grids. CrossBoundary Access uses an innovative blended finance approach to invest in mini-grids and provide 24/7 grid-quality power to households and businesses in rural Africa. CrossBoundary Access reached first close in June 2022 with \$25 million from ARCH Emerging Markets Partners Limited, Bank of America, and Microsoft Climate Innovation Fund. In September 2023, the platform secured an additional \$10 million from AfDB’s Sustainable Energy Fund for Africa (SEFA). CrossBoundary Access continues to raise and deploy a total of \$150 million of blended project finance over the next three years to bring clean energy to one million people in Africa. CrossBoundary Access is a member of the CrossBoundary Group.

### **About Shell Foundation**

<https://shellfoundation.org>

Shell Foundation is an endowed, UK-registered charity that catalyses clean energy innovation and unlocks inclusive investments in Africa and India, empowering millions of underserved customers – of which half are women – to earn a living income. Shell

Foundation, with co-funding from the UK government through the FCDO, funded the open source project to encourage more investments in mini-grids, which can power whole communities, helping small business owners, rural agricultural households, and urban transporters, the key focus customer groups for the Foundation.

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