REPUBLIC OF KENYA

Ministry of Information, Communications and the Digital Economy

Kenya's Approach to Public–Private Partnerships for Data Centres

Enabling digital infrastructure through strategic partnerships

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THE OPPORTUNITY

Africa's data-centre demand is set to at least triple by 2030

3.5–5.5×

Demand growth 2024–2030

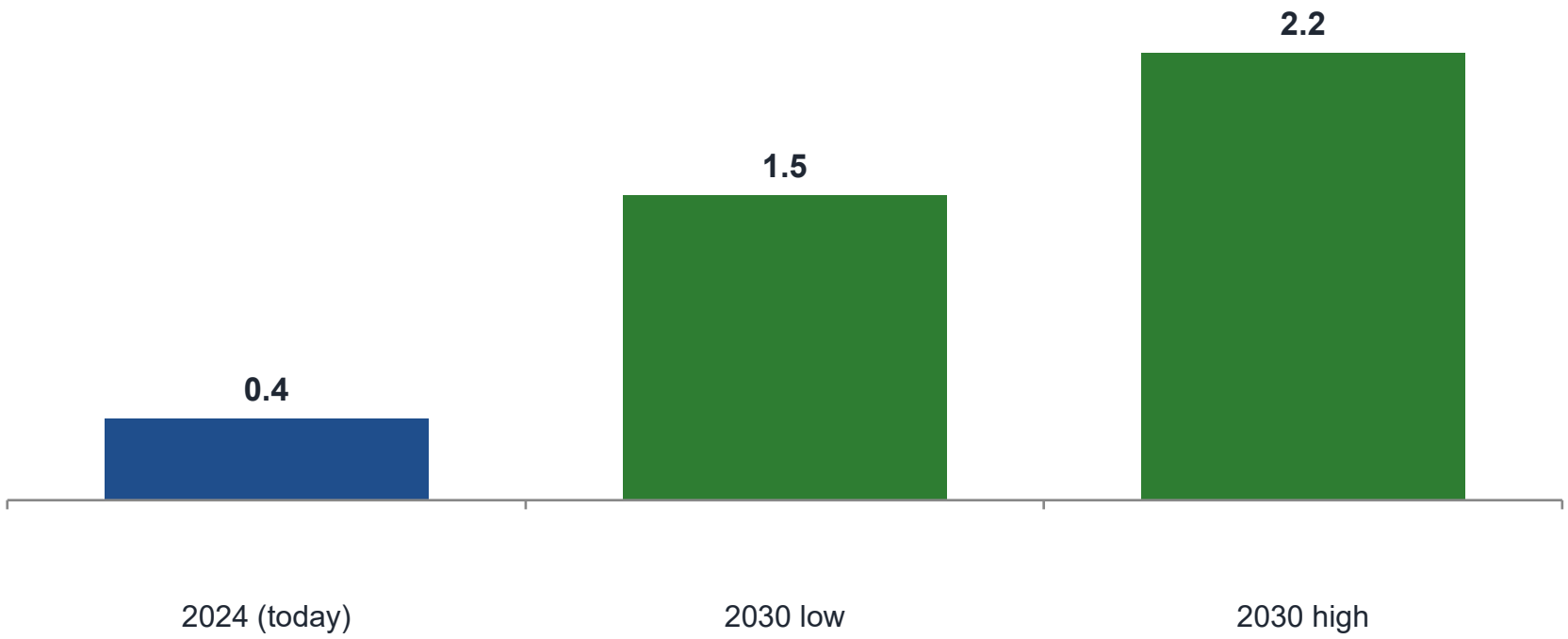
$10–20bn

New investment needed by 2030

$20–30bn

Value-chain revenue pool

Installed data-centre capacity, Africa (GW)

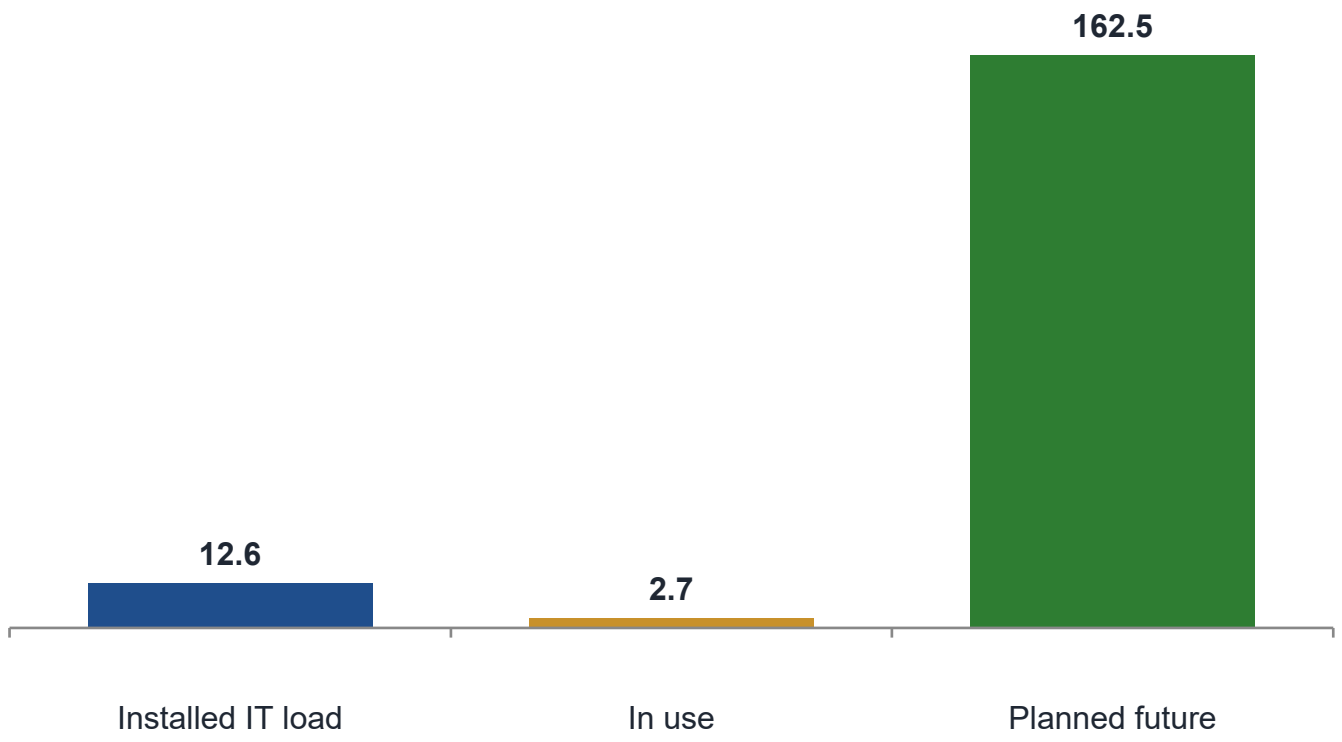


Source: McKinsey, Building data centers for Africa's unique market dynamics (2025). Existing continental capacity >500 MW with ~1.7 GW in the 2024–2028 pipeline.

WHERE KENYA STANDS TODAY

Real capacity, large headroom, a strong pipeline

Commercial data-centre capacity survey — 7 facilities (Dec 2025–Feb 2026)



~78% headroom

Only 2.74 MW of 12.6 MW installed is in use — ample room for anchor demand today.

13× pipeline

162.5 MW planned is a major share of the ~500 MW modelled EAC-wide 2030 demand.

Policy in place

Kenya Cloud Policy 2025 and its implementation guidelines are approved and active.

Source: State Department for ICT & Digital Economy — Data Centre & Cloud Services Division survey (iColo, Safaricom, Konza NDC, iXAfrica, PAIX, Africa Data Centres, Telkom).

CHOOSING THE RIGHT DELIVERY MODEL

When is a Public–Private Partnership appropriate?

A PPP is most effective where government participation reduces investment risk while leveraging private-sector capital, expertise and speed.

A PPP may fit where:

- Significant upfront investment is required
- Government seeks to accelerate delivery
- Long-term public demand exists (e.g. Government Cloud)
- Private expertise improves efficiency and innovation
- Risk can be allocated to the party best able to manage it

...but not every data centre needs one

Commercial facilities serving private markets are often best delivered through fully private investment. The PPP model is reserved for strategic national infrastructure — where a public anchor, policy certainty or enabling works are what unlock the deal.

RISK ALLOCATION PRINCIPLES

Four mechanisms that make projects bankable

1	**Government anchor tenancy**	The public sector as a committed early client gives lenders predictable, creditworthy demand.
2	**Long-term service agreements**	Multi-year offtake contracts underwrite revenue and lengthen the investment horizon.
3	**Performance-based contracts**	Payment tied to uptime and service levels aligns incentives and protects public value.
4	**Scalable, modular design**	Staged, modular CAPEX lets capacity — and capital — grow with proven demand.

FINANCING & BANKABILITY

How data-centre PPPs get financed

Bankable projects layer catalytic public and concessional capital to crowd in — not crowd out — private investment.

Anchored demand	Offtake agreements + creditworthy anchor tenants
Government anchor equity	Signals sovereign confidence; de-risks first phase
Concessional DFI capital	Development-finance lending on patient terms
Guarantees & viability-gap funding	Risk-mitigation instruments that close the gap
Private long-term capital	SWFs and institutional investors at scale

Why it matters here

Africa attracts ~1% of global venture capital

even as AI took ~61% of global VC in 2025.

Catalytic capital multiplies private money:

a $1bn commitment can mobilise a >$2.5bn pool.

This is the space multilateral finance is built to fill.

Common constraints — and practical solutions

Common challenges

- High electricity costs
- Limited power reliability
- Fibre-connectivity gaps
- Financing constraints
- Lengthy approvals

Practical solutions

- Renewable-energy integration
- Dedicated substations
- Anchor government demand
- Development-finance support
- Streamlined approvals
- Retrofit vs greenfield — up to 30–50% cheaper

THE MODEL IN ACTION

Kenya's facilitator model is already attracting private capital

Kenya is now receiving unsolicited private-sector proposals, under the PPP Act 2021, for green, solar-powered sovereign-hosting facilities — where the developer seeks regulatory facilitation and a possible government anchor-tenancy rather than public capital.

1

Private-financed

Investment and delivery risk sit with the private partner — no government equity or grant.

2

Government as enabler

The ask is faster approvals, policy certainty and a public anchor client.

3

Green & sovereign

Renewable-powered, locally hosted capacity that advances data sovereignty and climate goals.

Illustrative of the deal type now emerging in Kenya; presented without commercially confidential detail.

THREE QUICK WINS

What developing countries can act on now

1

Anchor demand

Commit public workloads (Government Cloud) as anchor tenancy to make the first project bankable.

2

Fast-track power & permits

Dedicate substations and streamline approvals — power is the make-or-break constraint.

3

Structure for blended finance

Package projects so DFIs, guarantees and viability-gap funding can crowd in private capital.

Kenya is combining sound policy, strategic partnerships and an enabling investment environment to build secure, resilient and globally competitive data-centre infrastructure — and regional digital leadership.

Thank you

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