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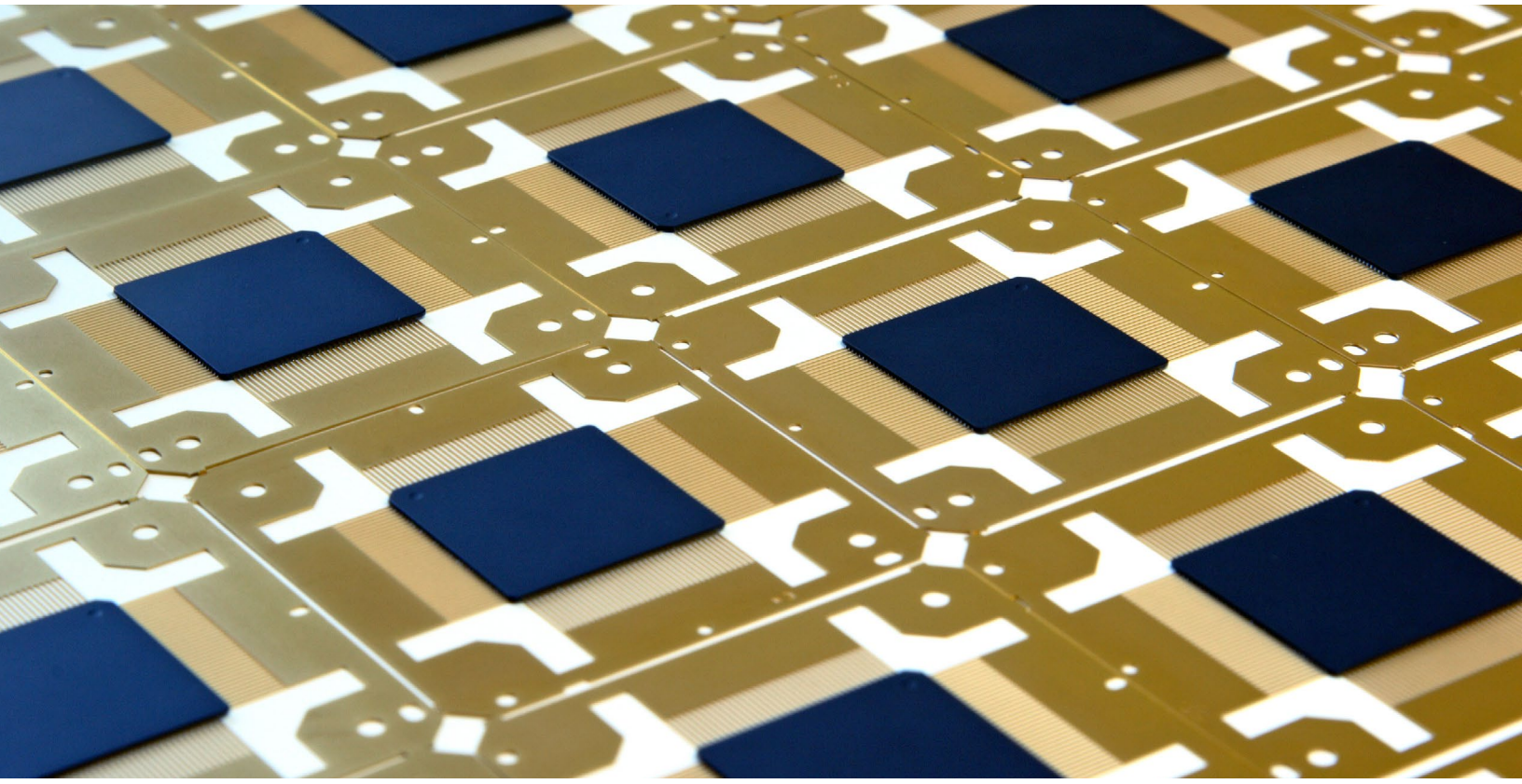
Building data centers for Africa's unique market dynamics

The market for data centers in Africa is entering a phase of accelerated growth. Success will depend on strategies that reflect local realities and capture global best practices.

This article is a collaborative effort by Kartik Jayaram and Luca Bennici, with Nyasha Tsimba, Sofia von Schantz, and Soliman Soliman, representing views from McKinsey's Electric Power & Natural Gas and Technology, Media & Telecommunications Practices.



November 2025

The market for data centers in Africa is entering a phase of accelerated growth, with demand for capacity expected to rise from about 0.4 gigawatts (GW) today to 1.5 to 2.2 GW by 2030. The opportunity is substantial, requiring $10 billion to $20 billion in new investment[1] and unlocking an estimated revenue pool of $20 billion to $30 billion across the value chain by 2030. However, Africa's trajectory will not mirror other regions'. Demand will evolve unevenly, and structural factors such as power reliability, regulatory environments, and infrastructure readiness will shape outcomes. Success will depend on tailored strategies, aligning investors, operators, and policymakers to design models that reflect local realities while capturing global best practices (see sidebar "What are data centers?").

Africa's data center demand is set to grow 3.5 to 5.5 times its current base

As Africa gears up for its next digital leapfrog, data centers stand as the backbone. Today, the starting point is modest. The combined installed capacity of the continent's top five markets (Egypt, Kenya, Morocco, Nigeria, and South Africa) remains under 500 megawatts (MW), less than what France

[1] This investment amount accounts for the shell only and excludes the fit out cost.

What are data centers?

Data centers host critical IT infrastructure that is essential for processing, storing, and distributing data.[1] They are engineered for reliability, efficiency, and compliance so services always remain available. In essence, they transform power and infrastructure into dependable digital services that support businesses and society and that form the backbone of our digital economy. There are several types of data center services that end users and organizations purchase:

- *Co-location*. A co-location provider is a company that rents out secure power- and network-ready space in its data centers so businesses can place and run their own servers there. The co-location provider offers space, power, cooling, and security, but the customer is still responsible for running everything on those servers. Key benefits to companies include enhanced security through professional facilities, lower up-front cost (operational expenditures rather than capital expenditures) compared with building and maintaining an on-premises data center, and the ability to retain full control over their own servers and applications.
- *Hosting*. This is a service in which a provider runs and manages the heavy equipment (that is, servers, storage, and network) so websites or applications can be accessed online. The customer company retains control over its applications (for example, payroll systems or websites) and responsibility for its own data (business information, documents, and transactions). Key benefits to companies include the fact that the rental model may reduce up-front capital costs and provide greater flexibility to scale as needed.
- *Infrastructure as a service*. Instead of buying hardware or having responsibility over rented hardware, a company uses online space while the provider ensures all the hardware needed for accessing that online space is well maintained. The company uploads its data (for example, customer information, orders, or analytics) and installs its apps, but the provider runs the physical machines that create the online space behind the scenes. Key benefits to companies include flexible, on-demand computing power and storage. This setup is ideal for scaling quickly, running AI or analytics, or avoiding large capital expenses.
- *Data center managed services*. In this model, the provider takes over nearly everything—the data center, equipment, app management, and even IT operations. The company simply supplies its data (business knowledge, files, and records) while the provider keeps systems running. Key benefits to companies include full outsourcing of cloud with expert support, reducing the need for in-house teams.

[1] "What is a data center?," McKinsey, July 29, 2025.

alone had in 2024 (about 800 MW), according to McKinsey analysis. This gap highlights both the scale of the challenge and the magnitude of untapped potential. By 2030, demand could grow to between 3.5 and 5.5 times its current base, equating to a total of 1.5 to 2.2 GW of installed capacity by 2030 (Exhibit 1).

There are two potential scenarios that could shape the data center demand curve across the continent.

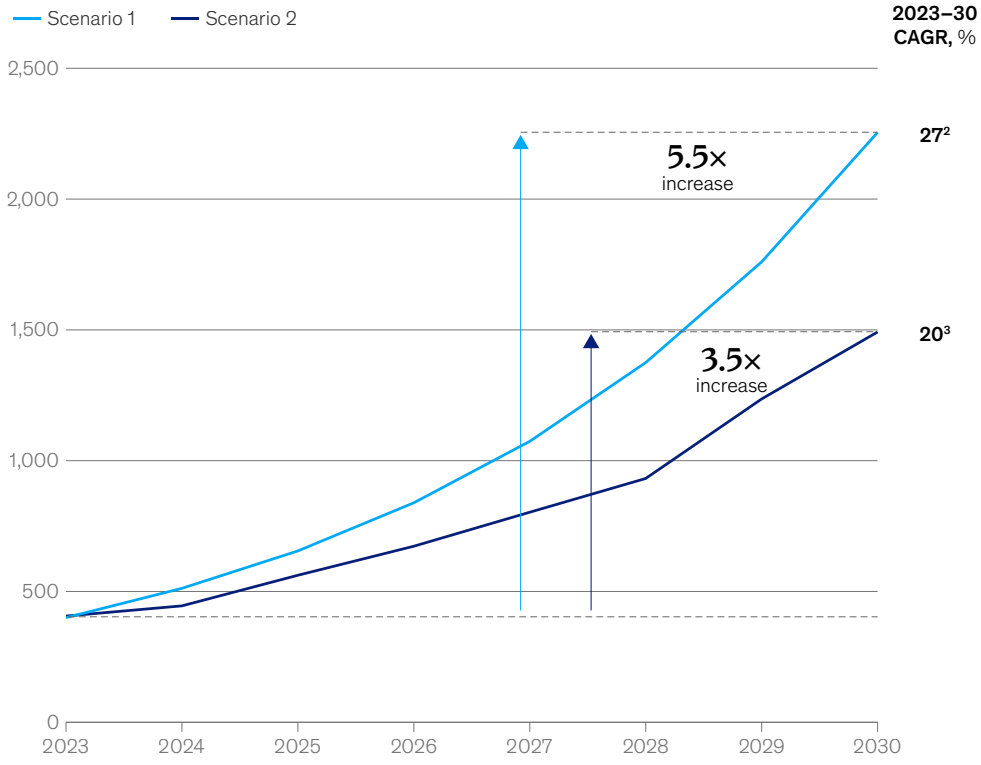
Scenario 1: AI adoption and large-scale digitalization by the public sector or governments and by enterprises

In this scenario, Africa would expect the AI wave to convert from pilots to production. Already, around 40 percent of African corporations report experimenting with gen AI. Under this scenario, adoption deepens across industries. Our research estimates that committed deployment of AI could generate $60 billion to $100 billion in enterprise

Exhibit 1

Africa's data center demand is projected to grow to about 1.5 to 2.2 gigawatts by 2030.

Leading African hub data center demand projections[1] 2023–30, MW (IT load)



[1]Five leading African markets: Egypt, Kenya, Morocco, Nigeria, and South Africa.
[2]Based on McKinsey Data Center Demand Model of high-growth-case markets globally where AI is a significant accelerator, in line with peer benchmark (India).
[3]Based on McKinsey Data Center Demand Model of mid-growth-case markets globally, as well as Gartner Data center projections, and in line with peer benchmark (Brazil).
Source: 451 Research; International Data Corporation; McKinsey Data Center Demand Model; "The data center balance: How US states can navigate the opportunities and challenges," McKinsey, August 8, 2025; McKinsey analysis

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‘Africa is at the starting block for AI, but it is not quite realized yet. Just as Africa pioneered mobile banking, we’ll build AI solutions rooted in our own realities, not just copy what worked elsewhere.’

– CEO, global cloud and managed services provider

value[2]—particularly for retail, telecommunications, consumer goods, banking, and mining, given that these verticals have the most to gain from implementing AI use cases into customer service, personalization, and demand forecasting.

This accelerated growth scenario would also be buoyed by the potential success of Africa’s government-led digitalization programs. Many African countries are pursuing nationwide efforts to turn manual processes and data points into their digital counterpart, resulting in a significant need for local data storage, compute power, and networking to enable digital applications. For example, the World Bank’s Digital Economy for Africa (DE4A) initiative has already launched about 70 digitalization projects across 37 countries since 2019, targeting digital IDs, e-government services, and interoperability.[3] Similar efforts to expand digital public infrastructure, such as Kenya’s eCitizen portal with 13.5 million users,[4] are gaining traction across the continent. If these efforts materialize, governments will become critical anchor tenants needed to drive confidence in overall demand.

Scenario 2: Enterprise cloud adoption and consumer growth

In this case, enterprises accelerate their shift to cloud, with leading African firms expecting a rise of more than 18 percentage points in cloud workloads.[5] This trend—combined with the continent’s growing smartphone penetration and the sheer size of their young, mobile-first population—drives steady demand for compute, storage, and connectivity from everyday consumers.

Enterprise cloud adoption is expected to be led by the technology, media, and telecommunications sector, where about 83 percent of workloads are already in the cloud, and the sector sees the highest pace of refactoring to cloud-native architectures. In comparison, there is significant headroom for the financial services sector, with about 56 percent of workloads currently in the cloud.[6] The government once again has a critical role to play here because current cloud migrations for this sector are constrained by regulation and data residency rules.

On the consumer side, this scenario is rooted in current realities of climbing data-intensive services

[2] Mayowa Kuyoro, Umar Bagus, Anass Bensrhir, and Ziyaad Bobat, *Leading, not lagging: Africa’s gen AI opportunity*, QuantumBlack, AI by McKinsey, May 12, 2025.
[3] “Digital transformation drives development in Africa,” World Bank Group, January 18, 2024.
[4] Amged B Shwehdy, “How GovTech in Africa can unlock inclusive governance,” World Economic Forum, September 18, 2025.
[5] Sven Blumberg, Jean-Claude Gelle, and Isabelle Tamburro, “Africa’s leap ahead into cloud: Opportunities and barriers,” McKinsey, January 18, 2024.
[6] Sven Blumberg, Jean-Claude Gelle, and Isabelle Tamburro, “Africa’s leap ahead into cloud: Opportunities and barriers,” McKinsey, January 18, 2024.

such as mobile video, gaming, and fintech. Since 2012, the internet economy's share of GDP rose from about 1.1 percent to about 5.2 percent in 2025,[7] signaling sustained demand for compute, storage, and connectivity. Smartphone penetration is expected to grow from about 45 percent today to about 65 percent by the end of this decade, according to McKinsey analysis. Today, Africa's 835 million mobile money accounts are already generating vast amounts of transaction data that requires secure, low-latency infrastructure.[8] Visa's recent launch of a Johannesburg data center exemplifies how global players are localizing capacity to improve resilience and compliance.[9]

Demand growth also comes from Africa's growing technology scene. Africa has a vibrant, growing tech start-up culture, with about ten unicorns.[10] In 2024, Nigeria saw $520 million in tech equity deals, South Africa saw about $460 million, and Kenya and Egypt saw about $300 million.[11]

These factors combined contribute to position Africa's demand trajectory in line with global growth rates (about 22 percent CAGR versus 18 to 27 percent globally), though upside will be capped unless AI adoption accelerates (see sidebar "Data embassies could help reduce demand fragmentation across neighbors—Sovereignty in the cloud").

[7] "Africa's digital economy and digital transformation," Digital Realty, accessed September 30, 2025.
[8] Can Kendi, Yaw Agyenim-Boateng, Fahd El Moujahid, and Valentine Ojogwu, "Remember the future: The next frontier for African telcos," McKinsey, May 6, 2025.
[9] Nqobile Dludla, "Visa opens first Africa data centre in Johannesburg," Reuters, July 23, 2025.
[10] Oluwatomisin Amokeoja, "The African tech unicorns leading the way towards an innovative future," *Forbes Africa*, December 24, 2024.
[11] Based on 2024 data from Partech Africa.

Data embassies could help reduce demand fragmentation across neighbors—Sovereignty in the cloud

Many African markets enforce strict data sovereignty and residency rules, requiring data to be processed and stored within national borders. This fragmentation raises costs and limits scale. Regional precedents such as the Southern and Eastern Africa Power Pools show that cross-border frameworks can work; a similar approach for data could theoretically be developed under the African Continental Free Trade Area or regional blocs. The challenge is to balance sovereignty with integration, enabling trusted data flows while protecting national interests.

For hyperscalers, regional integration would reduce the need to duplicate infrastructure country by country. Instead, they could build regional hubs that serve multiple markets, lowering unit costs, supporting higher-spec facilities, and accelerating adoption of advanced services such as AI and cloud. For enterprises, it could mean cheaper, more reliable access to compute, storage, and connectivity.

One potential bridge is the concept of "data embassies": secure, state-owned facilities located abroad but operating under the home country's jurisdiction. Estonia pioneered this model in 2017, hosting critical databases in Luxembourg to ensure resilience and legal clarity.[1] While no other country has yet replicated this strict legal model, similar ideas are gaining momentum in Europe and beyond. The European Union has launched a suite of initiatives—from Common European Data Spaces and the EU Data Act, which define rules for sovereign data sharing, to Gaia-X and the Data Space Support Center, which build trusted, federated cloud infrastructures. These efforts, unlike Estonia's embassy, do not grant diplomatic immunity to data, but they reflect a broader push for digital sovereignty through legal, technical, and regulatory frameworks. Outside Europe, the recent partnership between the United Arab Emirates and France to build a massive AI campus even invokes the term "virtual data embassies," signaling how the language and logic of Estonia's model is now influencing global approaches to resilient, sovereign digital infrastructure.

In Africa, data embassies could allow governments to retain control of sensitive data while enabling regional operators to achieve scale. This would mean that data center players can benefit from aggregating regional demand versus being restricted to local demand.

[1] "e-Governance," e-Estonia, accessed September 30, 2025.

African data centers will be smaller than those in global markets, though average capacity will be larger than today

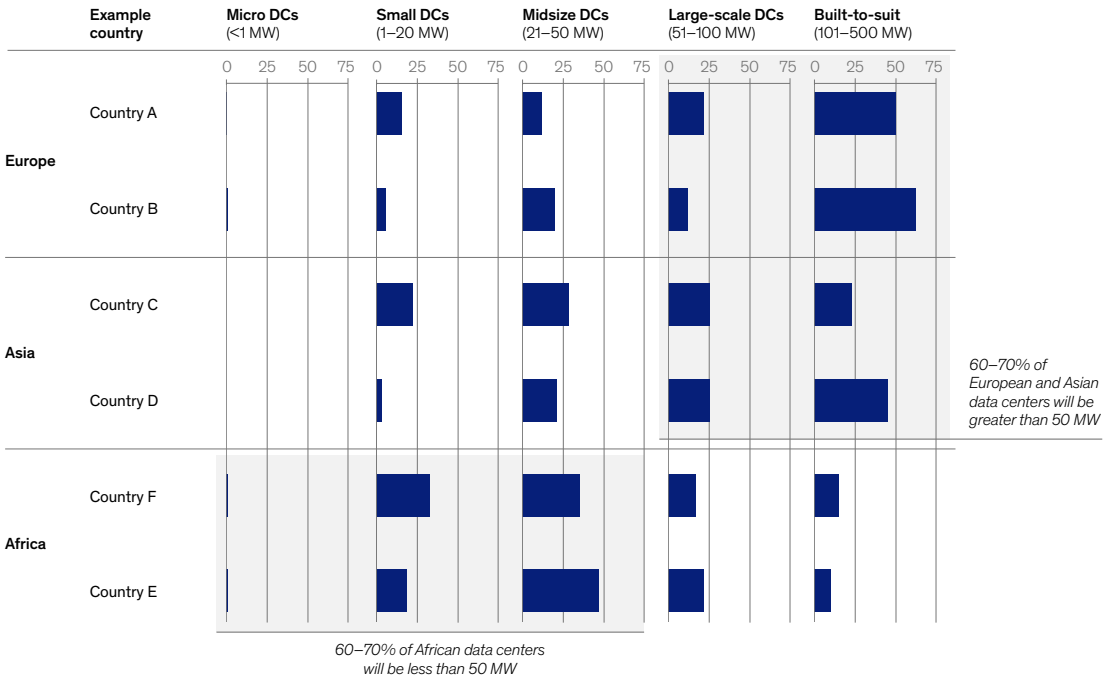
With demand for data center capacity still fragmented across countries and the demand curve uncertain, the winning model in Africa is small, modular, and phased while being anchored by a tenant, resulting in a higher concentration of capacity in the smaller to midsize range by 2030. Unlike the rest of the world, where two-thirds of new data center builds will be of large to very large scale (50 to 100 MW or 101 to 500 MW campuses), two-thirds of builds in Africa will be of small (one to 20 MW) and midsize capacity (20 to 50 MW) (Exhibit 2).

While the smaller, modular, and phased approach differs from global comparisons, it helps ensure that African data center players can maintain a healthy ROI. For example, leading players in East Africa achieve an ROI of 8 to 15 percent, according to McKinsey analysis. Though this ROI is lower than, for example, the Middle East, where returns can range from 10 to 20 percent, it does reflect the reality of African players still having to contend with more nascent demand growth translating into overall lower utilization rates—as low as about 40 percent, as compared with averages of 70 to 80 percent elsewhere. Combining low utilization rates with relatively limited demand means that early entrants that win leading customers are more able to charge a premium and achieve this ideal ROI range, whereas newer entrants must discount their prices to attract customers who are typically very sticky. Overbuilding could quickly bring ROI to low or even negative values.

Exhibit 2

Africa's data center demand is projected to grow to about 1.5 to 2.2 gigawatts by 2030.

2030 projected share of megawatt (MW) capacity distribution across data center (DC) size categories, %



Note: Figures may not sum to 100%, because of rounding.

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‘In markets where enterprise demand has not scaled to the level of South Africa and ambitions were too high, newer data center providers are facing unused capacity and making losses in their first few years.’

–CEO, East African co-location provider

Developing data centers in Africa not only is challenging on the demand side but also presents several hurdles across the value chain that stakeholders will need to overcome.

Value chain players will need to overcome challenges across power, connectivity infrastructure, and financing to achieve growth

The data center value chain spans a wide range of players, including real estate developers, power and mechanical–electrical providers, network operators, IT hardware suppliers, chipmakers, and operators (Exhibit 3). Each plays a critical role—in site selection and construction, ensuring reliable power and cooling, enabling high-speed connectivity, or delivering the compute and software needed for cloud and AI workloads. In Africa, however, major bottlenecks persist. Chief among them are the unreliable and costly power and the gaps in long-haul and cross-border connectivity. On top of this, investors face long ROI cycles and operators struggle to secure anchor tenants, making both financing and scaling data centers particularly challenging.

Power

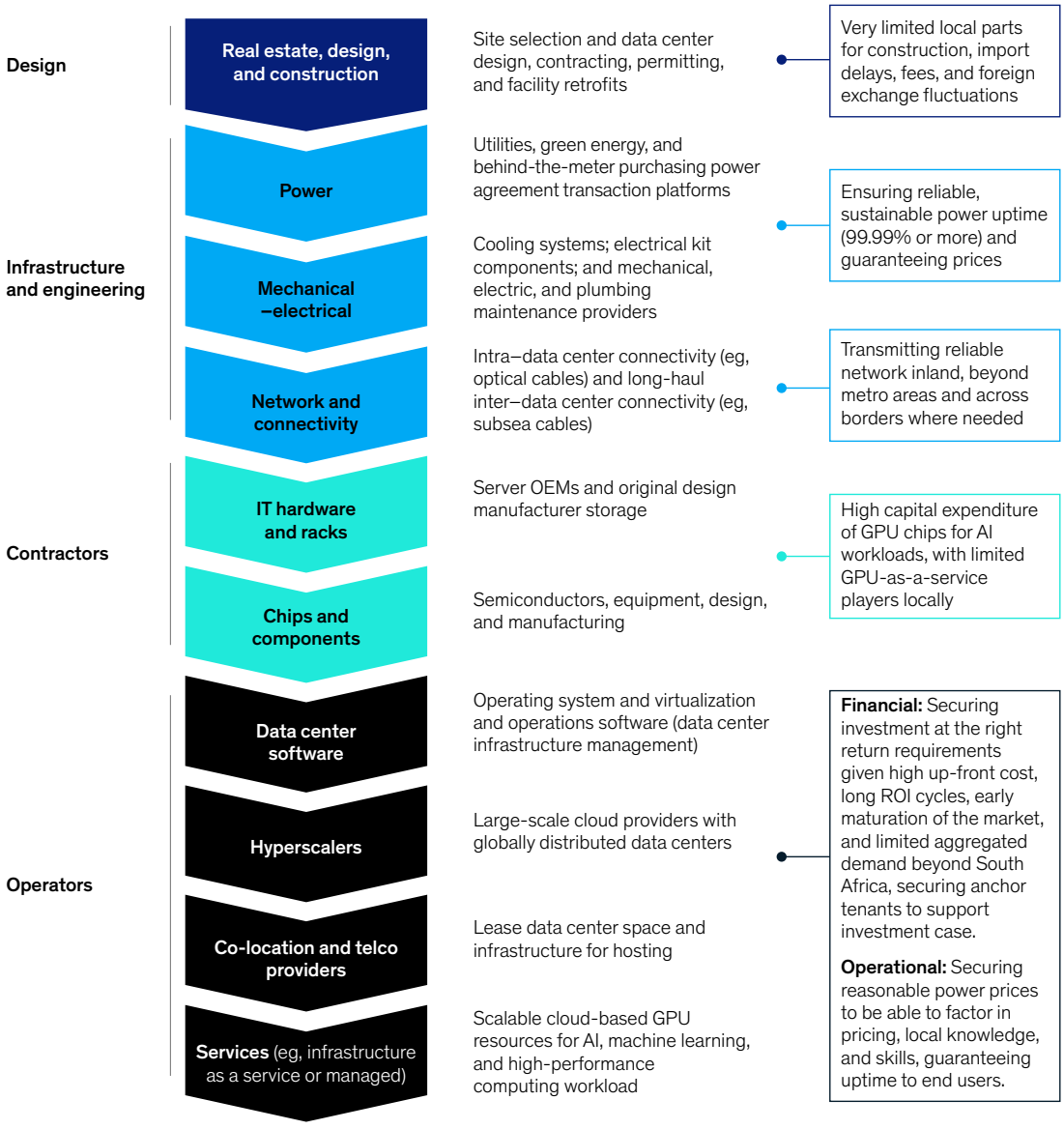
Many countries face unreliable power distribution and grid instability, with businesses in some countries seeing up to 33 outages a month.[12] To power data centers in Africa, players are combining grid-connected power purchase agreements (PPAs) with national utilities, contracts with independent power producers, or captive or shared generation. From 2030 to 2040, the global data center industry faces the challenge of decarbonizing to reach net-zero targets.[13] Both hyperscalers and co-locators are thus partnering with energy players to secure low-carbon electricity supply during hours when power from their own renewable-energy sources is low. So far, PPAs have emerged as the leading strategy for hyperscalers to fulfill their renewable-energy commitments (see sidebar “Relative importance of cost of power”).

[12] Based on data from Utility Bidder.
[13] *24/7 by 2030: Realizing a carbon-free future*, Google Sustainability, September 2020; “Powering sustainable transformation,” Microsoft Datacenters, accessed September 30, 2025.

Exhibit 3

The value chain for data centers has a wide variety of players, each with its own challenges to overcome.

Leading African hub data center demand projections[1] 2023–30, MW (IT load)



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Connectivity infrastructure

Connectivity challenges in some markets will also need to be navigated. Robust and redundant connectivity, both subsea and terrestrial, remains a core challenge across many African markets. While Africa is now served by about 75 subsea cables, these tend to land unevenly, creating concentration risks. For example, Kenya relies heavily on Mombasa as a single landing point, whereas South Africa enjoys multiple landing points.[14] On land, terrestrial fiber infrastructure is growing but still lags behind demand, and because terrestrial fiber is costly to deploy,[15] many markets remain under-fibered or rely on microwave links, degrading capacity and increasing latency. Connectivity challenges could steer the future of data center supply across the continent by influencing operator decisions: Hyperscalers gravitate to markets with more resilient fiber and subsea diversity, such as South Africa, while less-connected countries face greater barriers to large-scale infrastructure investment.

Financing

Data centers are heavy on capital expenditures, and in many African markets, the absence of anchor tenants, which contributes to lower utilization than global peers, undermines bankability, especially for large-scale projects. In Africa, the capital stack remains familiar: commercial bank debt, private equity, developer balance sheets, and development finance institutions (DFIs). Recent examples include Absa's approximately $400 million in loans to Teraco[16] and Actis' $100 million investment in Rack Centre.[17] Activity across the continent underscores this momentum: In Kenya, IXAfrica secured up to $200 million in debt financing from Rand Merchant Bank to expand its Nairobi One campus from 2.25 MW to 22.5 MW, making it one of the largest data centers in Eastern Africa[18]; in Côte d'Ivoire, the International Finance Corporation committed $100 million in debt financing to Raxio Group's facility in Abidjan[19]; and in Senegal, PAIX Data Centres has broken ground on a 1.2 MW facility in Dakar, backed

[14] Patrick Christian, "New regional map depicts 77 cable systems connected to Africa," TeleGeography, February 3, 2025.
[15] Leah Ngari and Shira Aliza Petrack, "Internet infrastructure in Africa," Empower Africa, accessed September 30, 2025.
[16] "Teraco announces JB7 and a new R8 billion syndicated loan," Teraco, November 13, 2024.
[17] "Rack Centre announces $100m expansion to create West Africa's largest data centre.," Convergence Partners, accessed September 30, 2025.
[18] Brian Nzomo, "IXAfrica Secures Upto [sic] US$200mn in Debt Funding to Expand Nairobi Data Center," The Kenyan Wall Street, September 4, 2025.
[19] "Raxio secures $100 million from IFC to develop leading sub-Saharan African data center platform," Raxio, April 3, 2025.

Relative importance of cost of power

The cost of power often arises in data center discussions, but our research shows it is far from the most important factor. The following are the top criteria for distributed data center topologies:

- demand concentration
- reliable and redundant connectivity
- speed of deployment
- availability of reliable power
- cost of power
- access to green or renewable energy

As one data center operator put it, "Energy costs don't significantly affect data center economics—it's the equipment costs that matter. Even hyperscalers such as GCP [Google Cloud Platform] and AWS [Amazon Web Services] don't overoptimize for power costs beyond a reasonable level, typically eight to 12 cents per kilowatt-hour."

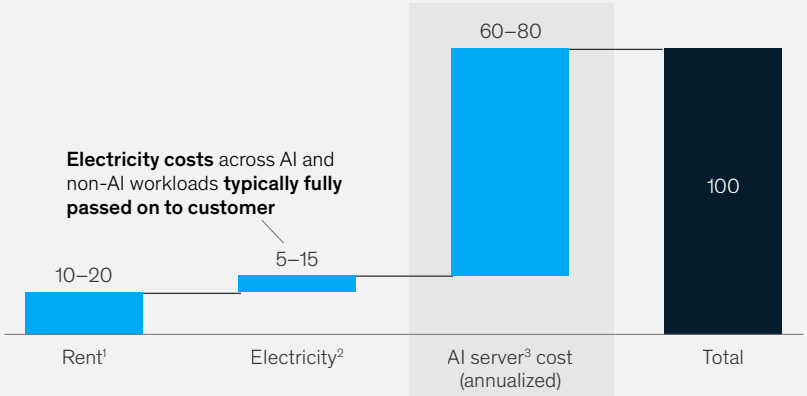
Power costs typically represent only 5 to 15 percent of the total cost borne by hyperscale customers. The dominant drivers of total cost of ownership are servers, chips, electrical equipment, and other hardware (exhibit). Reducing equipment import duties, local taxes, and procurement costs delivers far greater economic impact than shaving a few cents off power prices—provided those prices remain within a reasonable range. Moreover, since data centers generally pass power costs on to customers, fluctuations in energy prices have limited effect on operator economics.

Relative importance of cost of power (continued)

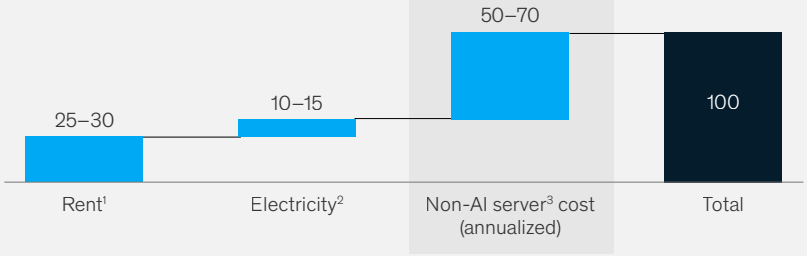
Exhibit

How much does the cost of power matter?

Monthly cost for AI workload,
% share of cost



Monthly cost for non-AI workload,
% share of cost



Note: Illustrative output based on case example in Kenya.
[1]Reflects monthly co-location rent for servers.
[2]Assumes rate of 10 cents per kWh.
[3]Illustrates main components of the data center business case. Assumes AI servers are Blackwell and non-AI servers are at a cost of about $10,000 per 1 kW.

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by $20 million in equity investment from Africa50, with operations expected to commence in 2026.[20] At the same time, new approaches are emerging that could help established market leaders. Asset-backed financing, such as CoreWeave's raising of $2.3 billion secured against Nvidia GPUs, shows how hardware can be used as collateral.[21] Sustainability-linked instruments are also starting to appear, such as with West Indian Ocean Cable Company's $30 million DFI-backed green loan.[22]

While there are challenges to overcome, stakeholders across the value chain have a sizable amount to gain from supporting the build-out of data centers in Africa. Our previous research identified that meeting global data center demand by 2030 is an approximately $6.7 trillion capital expenditure opportunity.[23] According to McKinsey analysis, taking the continent's share of the global data center capacity, projected to be about 1 percent between 2025 to 2030, the African data center value chain stands to benefit from a $20 billion to $30 billion revenue pool, with power and mechanical, electrical, and plumbing players set to capture more than 50 percent, given their importance in delivering critical power and equipment. The data center market is set to be well worth the challenge of overcoming delivery hurdles.

Carrier-neutral regional co-locators are best positioned to lead the market, though telcos have a sizable segment to address

The ability to overcome bottlenecks and serve the needs of customers will determine who will lead the market. The greatest need is co-location, making up one-third of service type demand, and it will remain so through 2030. Carrier-neutral co-location providers will therefore lead the overall market, but first place will go to co-location providers that have a strong financial backing and already benefit from early entry into markets where they can capture the small but critical demand of Africa's largest companies. Teraco, backed by global giant Digital Realty and a consortium of institutional investors, has repeatedly secured multi-billion-rand syndicated loans to fund hyperscale expansion.[24] Their early entry into South Africa also has enabled them to scale to one of the largest data centers on the continent. Africa Data Centres, under Cassava Technologies, has likewise tapped Rand Merchant Bank and other institutional partners for growth.[25] Such access to both international equity and large-scale local debt gives these providers the capacity to build ahead of demand, a critical advantage in a market where power, connectivity, and uncertainty often delay projects. This financial firepower, combined with their neutral positioning, makes them the most likely beneficiaries of Africa's expanding data center demand (Exhibit 4).

Hyperscalers and other cloud platforms, though not immediate competitors across all service types, will dominate infrastructure as a service (IaaS)—the fastest-growing segment in Africa (approximately more than 15 percent CAGR). In Africa, hyperscalers are more likely to be a tenant in a co-locator's facilities and use their space for IaaS services rather than build their own mega-campuses. This means that carrier-neutral co-locators that secure hyperscaler clients as anchor tenants will be positioned to win in their respective markets. These markets are likely to remain concentrated in a handful of metropolitan areas (for example, Johannesburg, Cape Town, Lagos, Nairobi, Cairo, and Casablanca) where power, fiber redundancy, and demand depth justify a full cloud region for hyperscaler customers.

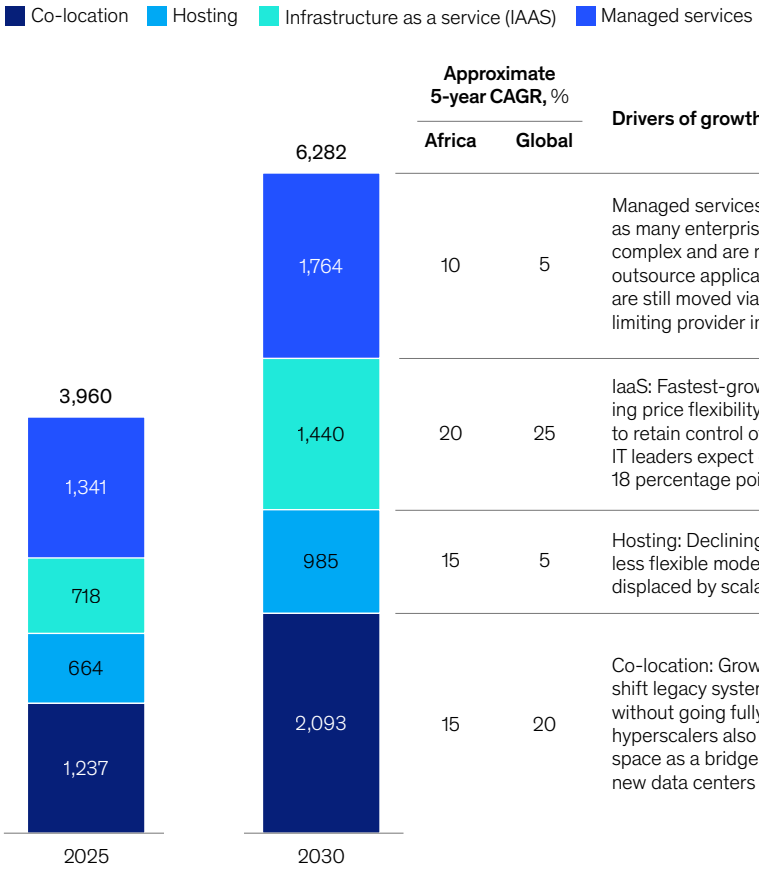
Finally, telecommunications players could also play a leading role where demand is harder to ascertain. Telcos such as MTN, Safaricom, Telecom Egypt, Vodacom, and Airtel benefit from self-funding capacity, existing enterprise relationships, and government trust. Many telcos also venture into providing hosting and managed services or sovereign AI and cloud solutions, which offers them an opportunity to capture a sizable portion of service demand. In markets where bundled connectivity, services, and early detection of demand matter most, these players can carve out strong, defensible positions.

[20] Niva Yadav, "Paix Data Centres breaks ground on facility in Dakar, Senegal," Data Centre Dynamics, January 23, 2025.
[21] Krystal Hu, "CoreWeave raises $2.3 billion in debt collateralized by Nvidia chips," Reuters, August 3, 2023.
[22] "IFC, Proparco and RMB partner with WIOCC Group to expand digital infrastructure in Africa," International Finance Corporation, June 20, 2024.
[23] "The cost of compute: A $7 trillion race to scale data centers," *McKinsey Quarterly*, April 28, 2025.
[24] "Teraco announces JB7 and a new R8 billion syndicated loan," Teraco, November 13, 2024.
[25] "Africa Data Centres R2 billion funding arranged by RMB," RMB, June 18, 2024.

Exhibit 4

In Africa, carrier-neutral co-locators that succeed in hosting hyperscalers will win the co-location boom.

African data center demand by service, $ million



	Approximate 5-year CAGR, %		Drivers of growth in Africa	Best-fit players (examples)
	Africa	Global		
Managed services	10	5	Managed services: Growth is modest as many enterprises view IT as already complex and are reluctant to outsource applications; ~50% of apps are still moved via "lift and shift," limiting provider involvement	Systems integrators and telcos
Infrastructure as a service (IAAS)	20	25	IaaS: Fastest-growing segment, offering price flexibility and allowing firms to retain control of their apps; African IT leaders expect cloud usage to rise 18 percentage points in three years	Global hyperscalers and local cloud platforms
Hosting	15	5	Hosting: Declining because its fixed, less flexible model is increasingly displaced by scalable IaaS platforms	Traditional IT service providers and telcos
Co-location	15	20	Co-location: Growing as enterprises shift legacy systems off-premises without going fully cloud-native; hyperscalers also lease co-located space as a bridge before building new data centers	Carrier-neutral co-locators

Source: 451 Research; "AI power: Expanding data center capacity to meet growing demand," McKinsey, October 29, 2024; Gartner; McKinsey Power Demand Model; Sven Blumberg, Jean-Claude Gelle, and Isabelle Tamburro, "Africa's leap ahead into cloud: Opportunities and barriers," McKinsey, January 18, 2024; McKinsey analysis

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Five questions for Africa's data center outlook

Stakeholders will need to address five key questions to ensure that demand across the continent is not left wanting:

1. *Demand aggregation*. How can investors capture value from Africa's fragmented demand pockets? Will regional platforms, cross-border agreements, or models such as "data embassies" generate the scale needed to underwrite large, bankable projects?

2. *Location and sustainability strategy*. Which African hubs offer investable sites with the right mix of power, fiber, and land, and how can existing facilities derisk new builds while ensuring long-term sustainability and community alignment?

3. *Power procurement stack*. What is the most resilient and cost-effective power mix (utility PPAs, independent power producers, captive generation, or cross-border wheeling) that investors should prioritize to secure returns while meeting environmental, social, and governance commitments?

4. *Partnership and investment strategy*. Which co-investment models with governments, DFIs, utilities, and operators best mobilize capital at scale, and how should governance be structured to balance investor protections with local market development?

5. *Financing innovation and risk*. Beyond conventional debt and equity, which instruments (for example, asset-backed financing or sustainability-linked loans) can reduce cost of capital, and how should investors phase capital deployment from one to ten MW campuses up to 50 MW or higher campuses to avoid overbuilding or stranded assets?

Data centers are the backbone of Africa's digital economy, and scaling them is essential if businesses and consumers are to compete globally. The challenges—power reliability, regulation, and investment risk—are real, but proven solutions ranging from energy pooling to innovative financing show they can be overcome. With coordinated action, data centers in Africa can unlock inclusive growth, innovation, and competitiveness—ensuring the continent is not a follower in the digital age but a leader shaping it.

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The authors wish to thank Adam Kendall, Jean-Claude Gelle, Kunal Lotiya, and Pankaj Sachdeva for their contributions to this article.