

RECOMMENDATION 11 OF 20

CONTINENTAL

Act within 1 year · by September 2027

Buy government cloud and AI services together across Africa, under one open agreement

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IN BRIEF

- African governments buy cloud and artificial intelligence (AI) services one country at a time, so they get weak terms and investors get no reliable customer.
- One continental agreement, open to every AU member, would require hosting in Africa, published prices, clear data terms and leases sized to the power each grid can carry.
- Nigeria goes first, because its August 2026 cloud policy already pools the demand of its federal government.

Why this matters

Nigeria alone spends about \$850 million a year on cloud and hosting services abroad. What investors in African data centres lack is a buyer that commits for years. The \$1 billion Microsoft and G42 project in Kenya stalled because the government could not commit to renting capacity each year. The site would also have needed a third of the national grid.

Africa has 360 megawatts of data-centre capacity in use, 0.6% of the world total, and power is now the main limit. Only 5% of African AI practitioners have the computing power they need. Cassava Technologies and the chipmaker Nvidia plan 12,000 AI chips across Egypt, Kenya, Morocco and Nigeria. One public buyer across many countries would give such investors a customer. In return, governments could set terms on price and access.

The tool for this is a framework agreement. It sets prices and terms once, and each government then places its own orders under it without a new tender. Development banks can guarantee the long leases, which lowers the risk for investors and the price for governments.

Sources for this section (10)

- [Hyperscalers Africa: Nigeria's offshore cloud spending](#)
- [Datacenter Dynamics: why the Microsoft and G42 project stalled](#)
- [Africa Data Centres Association: capacity and the power constraint](#)
- [UNDP: only 5% of African AI talent has enough computing power](#)
- [Intelligent CIO: the Cassava and Nvidia rollout](#)
- [UN: co-chairs' summary of the first Global Dialogue](#)
- [AU: ICT ministers adopt the Continental AI Strategy, June 2024](#)
- [Smart Africa: the manifesto endorsed by AU heads of state in 2014](#)
- [Amani Africa: countries suspended from the AU](#)
- [Nigeria's Ministry of Communications, Innovation and Digital Economy: the National Digital Cloud Policy](#)

Four levels of action

1 What Africa asks of the world

The UN's proposed Global Fund for AI should buy computing power through joint regional purchases, with the machines housed in the regions they serve. It should also accept the African agreement's terms as eligible for its money.

WHO UN member states negotiating the fund during the current Assembly session, and its future board

WHEN Second Global Dialogue on AI Governance, New York, 3 and 4 May 2027

2 What the African Union does

The AU Commission and Smart Africa write model terms on hosting, price, data and power. Smart Africa is the alliance of African governments for digital development whose founding charter AU leaders endorsed in 2014. Afreximbank, the African trade bank, and the African Development Bank guarantee the long leases. The terms apply the Continental AI Strategy of 2024 and the AU Data Policy Framework of 2022.

WHO The AU Commission and Smart Africa, with Afreximbank and the African Development Bank

WHEN Model terms by March 2027; first joint tender by September 2027

3 What regional groups do

Tenders are split into lots for the Economic Community of West African States (ECOWAS), the East African Community and the Southern African Development Community. Each data centre then serves buyers on one power grid and under one set of data rules. Mali, Burkina Faso and Niger are suspended from the AU and have left ECOWAS. They can buy directly on the published terms, and join a lot when their suspension ends.

WHO Ministers of digital affairs in ECOWAS, the East African Community and the Southern African Development Community

WHEN Lead buyer and grid-checked site for each lot by June 2027

4 Which country goes first, and why

Nigeria goes first. Its National Digital Cloud Policy, unveiled on 17 August 2026, already requires government bodies to buy together through a national digital marketplace. It aims to attract \$250 million of private investment within 12 months.

WHO Nigeria's Ministry of Communications, Innovation and Digital Economy

WHEN Publish federal demand and marketplace terms by January 2027; open them to other governments for the first joint tender in September 2027

Before another country can do this

- ☒ A data protection law in force, with a regulator that works.
- ☒ Published figures on what the government spends each year on cloud and hosting.
- ☒ Grid capacity confirmed by the power utility before leases are sized.
- ☒ A procurement law that allows the government to join a framework agreement.
- ☒ Money committed up front, with a deposit.

What does not carry over from the first country

- Nigeria's size: about \$850 million a year of demand can attract investment on its own.
- A single federal rule that obliges every Nigerian ministry to use the marketplace.

Who else is ready

COUNTRY	WHY	SOURCE
South Africa	Microsoft, Amazon Web Services and Google have run cloud centres there since 2019, 2020 and 2024, so local supply already exists.	Source
Kenya	Its AI Strategy of March 2025 lists cloud and AI infrastructure as a priority, and the stalled G42 project shows the cost of buying alone.	Source
Gabon	It is building a national data centre at Nkok under its digital strategy for 2026 to 2030.	Source

Has this worked before?

In March 2021 the African Vaccine Acquisition Trust signed for up to 220 million Johnson & Johnson doses on behalf of African governments. By May 2021 only five countries had ordered and paid the 15% deposit, and 21 had shown no interest. That put the deal at risk. A group of countries buys well only if its members commit money up front. [Source](#)

Health Policy Watch: slow orders under the African vaccine deal

First steps

- 1

AFRICAN UNION

the AU Commission and Smart Africa publish draft model terms by March 2027. Afreximbank and the African Development Bank state by June 2027 what lease guarantee they would offer.

2

REGIONAL GROUPS

digital ministers in ECOWAS, the East African Community and the Southern African Development Community each name a lead buyer and a grid-checked site for their lot by June 2027.

3

NIGERIA

the Ministry of Communications, Innovation and Digital Economy publishes federal demand and marketplace terms by January 2027, and opens them to other governments for the first joint tender in September 2027.

Who acts, and with what

WHO LEADS

The AU Commission and Smart Africa, with Nigeria as the first country

INSTRUMENT

A continental framework agreement with regional lots and common terms on hosting, price, data and power

HOW PROGRESS IS CHECKED

A first joint tender with at least three governments by September 2027

SIGNAL TO CHANGE COURSE

Nigeria's marketplace stays national, and other governments sign separate deals

WHAT STANDS IN THE WAY

Procurement laws differ, and some ministries already hold contracts. Governments may not commit money up front, as happened with vaccines in 2021. Large providers may prefer to negotiate one country at a time.

COST AND MONEY

Running the agreement is an administrative cost for the AU Commission and Smart Africa that has not been estimated. The size of the bank guarantee is not yet known. Nigeria's spending on foreign cloud services alone is about \$850 million a year.

Who else contributes

WHO

CONTRIBUTION

Nigeria's Ministry of Communications, Innovation and Digital Economy

Shares its marketplace design and demand figures

Power utilities

Confirm grid capacity before leases are sized

Afreximbank and the African Development Bank

Guarantee long-term leases

WHO	CONTRIBUTION
Data protection authorities	Set terms on data access and where data is stored
Universities	Use a reserved share of the pooled computing power

What each audience can do

Governments

WHAT YOU CAN DO

Join the agreement and route new cloud spending through it

WHAT YOU GAIN

Lower prices and data centres at home

AU and regional bodies

WHAT YOU CAN DO

Host the agreement and run the regional lots

WHAT YOU GAIN

A continental role in digital infrastructure

Business and investors

WHAT YOU CAN DO

Bid to host capacity in Africa

WHAT YOU GAIN

Long-term public demand

Researchers and media

WHAT YOU CAN DO

Secure research computing through the pool

WHAT YOU GAIN

African science that can compete

Social entrepreneurs

WHAT YOU CAN DO

Build AI services on the pooled
computing power

WHAT YOU GAIN

Affordable computing power

The briefings behind this

Sector · Strong inference

AI and technology

The UN has set up new bodies on artificial intelligence and funded none of them, while Africa's real limits are electricity and buyers who will commit to paying.

[Open the briefing](#)

Words used on this page

African Union (AU)

The organisation of 55 African states, based in Addis Ababa. Its heads of state meet each February. It can suspend members after a coup. [Glossary](#) · [Source: au.int](#)

Data centres and compute

Buildings full of computers that store data and run AI. Their size is measured in megawatts (MW) of electricity. "Compute" means the computing power needed to build and run AI. [AI and technology briefing](#) · [Glossary](#)

G42

An artificial intelligence company based in Abu Dhabi in the United Arab Emirates. It builds data centres and AI services in several African countries. [AI and technology briefing](#) · [Glossary](#) · [Source: g42.ai](#)

UN AI panel and Global Dialogue

Two UN processes on AI agreed in 2025: a scientific panel that reports on AI's risks and uses, and a yearly meeting of governments on how to govern it. A proposed UN fund would pay for AI skills in poorer countries. [AI and technology briefing](#) · [Glossary](#) · [Source: un.org](#)

African Union Commission

The African Union's secretariat. It prepares decisions for heads of state and carries them out. [Glossary](#)

Smart Africa

An alliance of African governments to put digital technology at the centre of development. It began with seven countries, and all AU heads of state endorsed its founding manifesto in January 2014. [AI and technology briefing](#) · [Glossary](#) · [Source: smartafrica.org](#)

ECOWAS

The Economic Community of West African States. Mali, Burkina Faso and Niger left it in January 2025. [Politics and governance briefing](#) · [Glossary](#)

East African Community

A bloc of eastern and central African states, including Kenya, Uganda, Tanzania, Rwanda, Burundi and the Democratic Republic of the Congo. [Glossary](#)

Data protection law

A law that sets rules on collecting, storing and sharing personal information, usually enforced by a national regulator. [AI and technology briefing](#) · [Glossary](#)