

Data Governance in Africa Initiative

Digital Investment Facility



The initiative at a glance



Budget of € 60 M



01/23 – 07/26



Objective: *Supporting the human-centric data economy and society in Africa, in line with the AU Data Policy FW*

Implemented by:

- GIZ
- HAUS
- Enabel
- Expertise France
- Digital Africa
- ESTDEV

Co-financed by:

- EU
- Germany
- Finland
- Belgium
- France
- Estonia

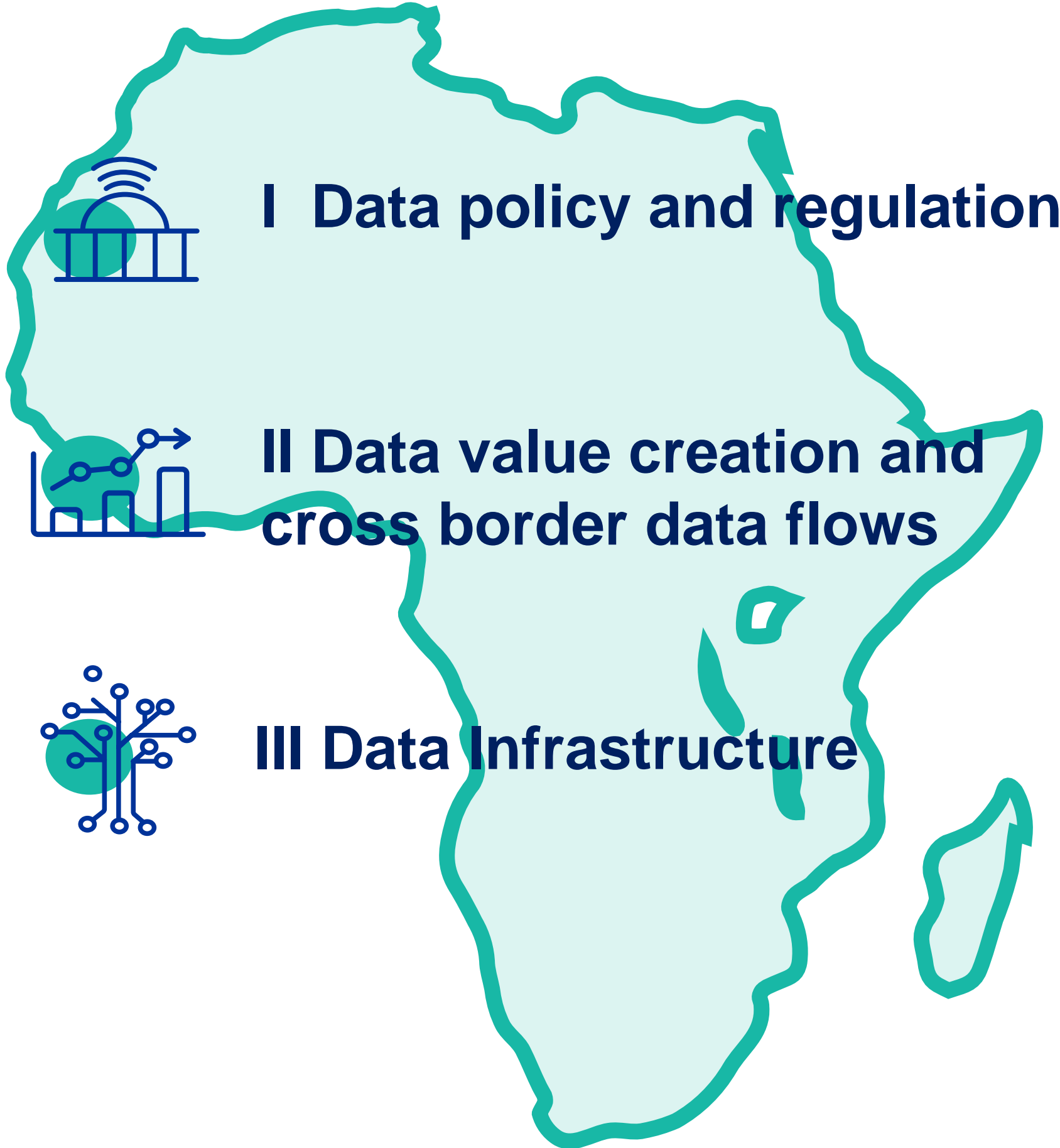


EU-AU Strategic Partnership: Digital Cooperation



Integrated approach for greater impact

Action on continental, national and regional level



Digital Investment Facility (DIF)

*Promoting **enhanced partnerships**
for investments in green and secure data
infrastructure*



*While hosting 17% of the world population **Africa** currently accounts for less than 1% of the world's **co-location data centre capacity** [...] This is a constraint to the emergence of a value-creating digital economy in Africa.*

Xalam Analytics, 2020

*The African Data Centre market is expected to **exceed US\$ 3 billion by 2025** and grow at a **compound annual growth rate of 12%** between 2020 and 2026.*

Oxford Business Group

*While **investment opportunities** are bright **development challenges** are broadly acknowledged by key players: there is a lack of bankable investment proposals on digital infrastructure in Africa.*

Fact Finding Mission (TEI Partners - 2022)



DIF Value-Added:

Pipeline for Bankable Projects

- ✓ Initiative dedicated solely on **understanding development & financing data infrastructure projects** in Africa.
- ✓ Project preparation that brings **investment ready projects**.
- ✓ Promote a conducive environment of data markets and investments at **national, regional and continental level**.
- ✓ **Harmonised, integrated approach** combining infrastructure to data value-creation and policy/regulatory reform.
- ✓ **Unique access** to Data Ecosystem role-players in EU and Africa from policymakers, CSOs to private sector.
- ✓ **Convening power** to involve key partners from Europe and Africa in multi-stakeholder process under EU-AU Strategic Partnership on Digital Cooperation in line with EU Global Gateway Strategy.
- ✓ **Leverage network of experts for** data gathering and market intelligence on data infrastructure
- ✓ **Play a key role in building a knowledge base and models** that enable investment in bankable data centre projects.

DIF Service Mechanism

→ Preparing public and private investment pipelines

What are the potential investment projects?

- ✓ **Data Infrastructure** = data processing capacities and services; new and existing data centres (enterprise, colocation, managed service, cloud services), incl. hardware, operational software; national internet exchange points.

What type?

- ✓ **Green and brown field**
- ✓ **Green and secure** = high level of environmental standards and EU cybersecurity protection

At what cost?

- ✓ **No cost to project owners**

- **Assessment of regulatory environment and value-creation initiatives**
- **Capacity building** for African promoters on infrastructure business models, EU cybersecurity and environmental standards
- **Technical guideline(s)** on green and secure data infrastructure

Enabling Environment Policy Advice

Market Advisory

- **Market insight and investor country briefs** for European EDFIs and MDB
- **Investment opportunities:** from ideas to pre-evaluated proposals

DIF Project Advisory Service Model

Coaching and advisory provided to project developers and promoters through the DIF is at the heart of the Service Model

How?

- Advisory services on **integrated project design**, i.e. pre-feasibility for African promoters/developers
- **Facilitation** of European investment opportunities in public-purpose projects, utilising EFSD+ blended finance
- **Liaison – honest broker** between European EDFIs / MDB and European and African industry
- Support on / hand-over of **funding applications** to European financing institutions and investors



Result: high-quality project proposals turned into bankable investments

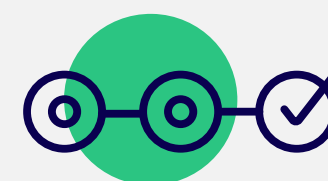
Technical Assistance Services



Technical Design and Review



Business, financial plan review and project organizational setup



Pre-Feasibility Study

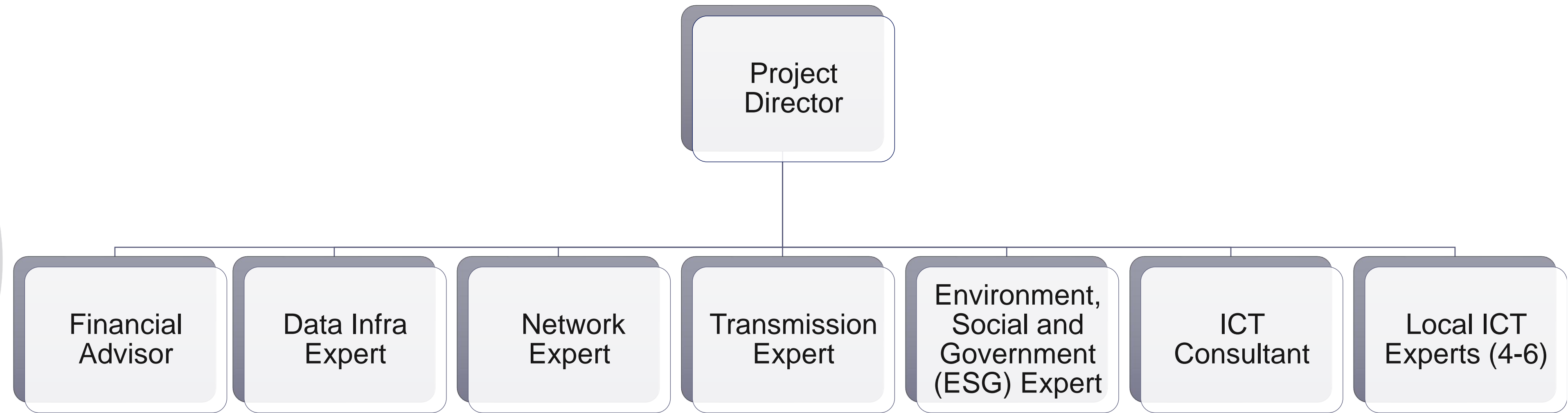


Project promotion strategy and fund-raising support



Financial Structuring and Closing Support

**Top Tier
Expert
Profiles
Available for
Advisory
Services**



How do we work on incoming requests? (I)



PROJECT PROPOSAL

A project promoter, public authority or private company needs advice on how to develop a green and secure infrastructure project. This can come through liaison of Action's donors or through direct request to the DIF team.

REQUEST AND EXPRESSION OF INTEREST

A formal request for project support is submitted to the DIF. In a first step, the DIF will host a consultation hour for preliminary assessment of eligibility of the Expression of Interest (EoI).

INVESTMENT DIALOGUE

DIF staff and applicants present request to EDFIs, MDBs, INTPA. Investor(s) voice(s) opinion(s) / recommendation(s) for assessment of request, either: *go-ahead, back to pipeline or rejection*.

TECHNICAL ASSISTANCE PROCESS LAUNCH

If TA is requested and the request fulfils the DIF's eligibility criteria, the DIF proceeds with internal approval for technical resources and a budget will be allocated to the project. This consists of advisory on project design, pre-feasibility study, and support in financial structuring. A DIF advisor will act as sole focal point throughout the process.

How do we work on incoming requests? (II)



SERVICE AGREEMENT

DIF Advisor in coordination with lead investors and donors provide the terms of reference and an agreement is signed between the DIF and the project promoter.

EXTERNAL CONSULTANCY

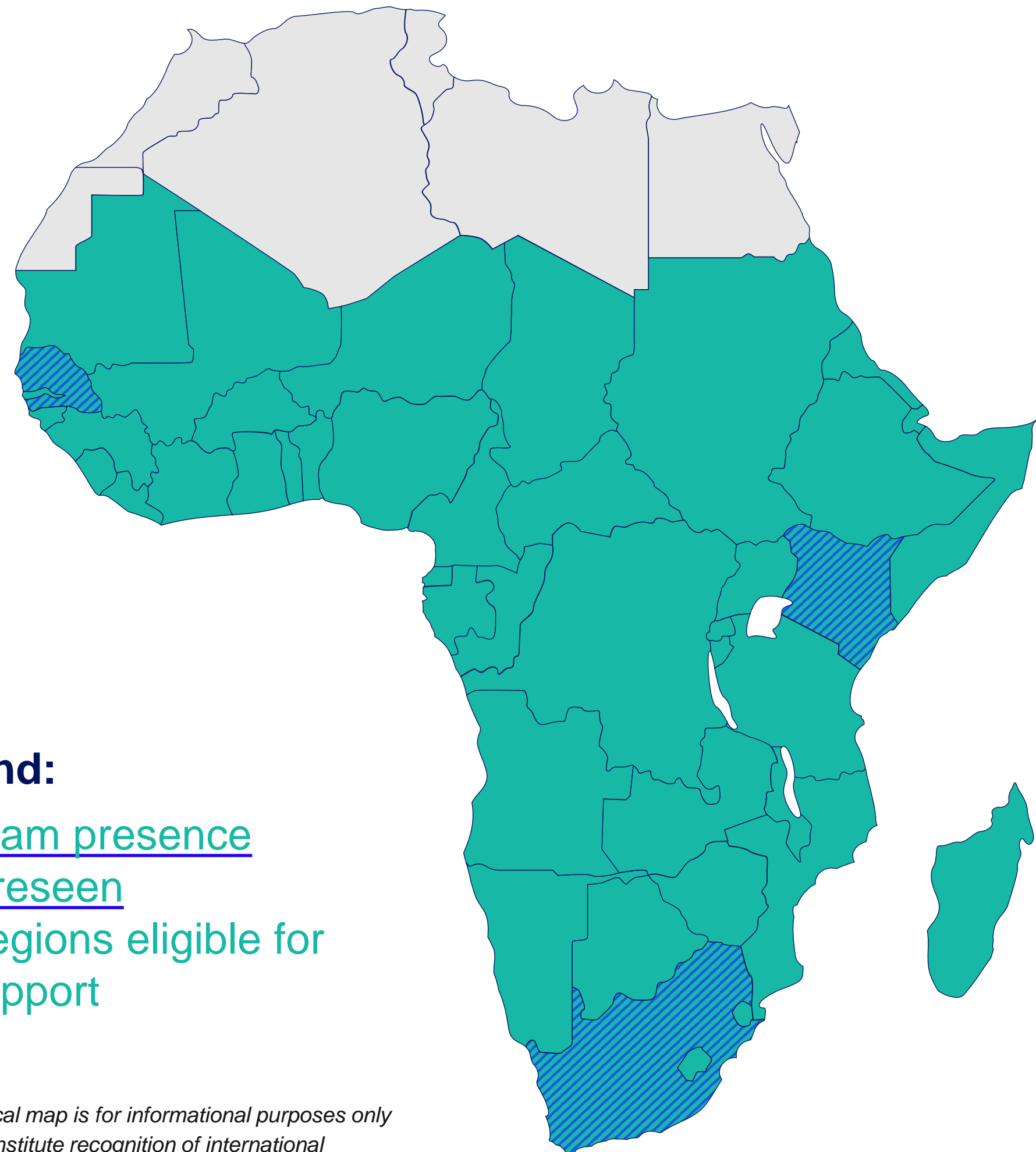
Based on the assignment needs, external consultants can be provided by the DIF, if necessary.

DELIVERY AND MONITORING

Contract outputs for the TA delivery are checked by the DIF, promoters and lead investor(s). The DIF facilitates the hand-over of project proposal to lead investor(s) and wraps up assignment successfully. The DIF hands over the evaluated proposal to the lead investor(s) pipeline.

Geographical Scope of DIF

The DIF service provision covers **Sub-Saharan Africa**



Legend:

- Team presence foreseen
- Regions eligible for support

DIF service provision will cover Sub-Saharan Africa, in line with DIF donors' partner countries in the regions as well as in line with the rest of the Action (in total 49).

... to foster a conducive environment.

*This geographical map is for informational purposes only and does not constitute recognition of international boundaries or regions; GIZ/HAUS make no claims concerning the validity, accuracy or completeness of the maps nor assumes any liability resulting from the use of the information therein.

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Practitioner's Guide on Green Data Centers



**Green data centers:
towards a sustainable
digital transformation**
A practitioner's guide



Click me



The guide covers **six critical dimensions** that practitioners can consider to **green data centres**:

- climate-resilient data centres
- sustainable design and buildings
- sustainable ICT
- sustainable energy
- sustainable cooling
- e-waste management