African Union | AUDA-NEPAD AFRICAN UNION DEVELOPMENT AGENCY | GOVERNO DE ANGOLA

III LUANDA FINANCING SUMMIT FOR AFRICA'S INFRASTRUCTURE DEVELOPMENT

Project Investment Prospectus – SATA Regional Carrier-Neutral Data Center

PROJECT SUMMARY	
Project Name	SATA Regional Carrier-Neutral Data Center
Location	Southern Region - Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Zambia, Zimbabwe | Regional digital infrastructure project serving 16 SADC member states requiring multilateral coordination and harmonized ICT regulatory frameworks for cross-border digital connectivity
Sector	ICT
Sub-Sector	Data Centers | Carrier-neutral colocation facility supporting regional digital transformation through secure hosting, content delivery, and disaster recovery services for enhanced regional interconnectivity
Development Stage	S1 - Project Definition (Completed) | Project identification stage completed with project definition finalized, requiring progression to feasibility studies and structuring phases for investment readiness
Project Sponsor	Southern African Telecommunications Association (SATA) | Regional coordination through SADC sponsorship with SATA acting as technical champion and coordinator, supported by member states nomination for host country and national ICT ministry implementation support
Project Cost	USD 9.10 million | Total project CAPEX of USD 9.10 million for Tier III-certified data center infrastructure plus USD 0.50 million preparation costs covering power systems, cooling, security, connectivity, and backup systems

Funding Requirement	USD 10 million | Total funding requirement of USD 10 million including USD 9.10 million CAPEX and USD 0.50 million project preparation costs for comprehensive Tier III data center development
Project Preparation Cost	USD 0.50 million
Financing Structure	Debt and PPP | Blended financing approach including debt/equity structures, Public-Private Partnership frameworks, sovereign financing options, and concessional grants through development finance institutions

FINANCIAL OVERVIEW	
Total Project Cost	USD 9.1 million | Tier III-certified data center infrastructure investment covering modular build, N+1 redundancy systems, high energy efficiency, physical and cybersecurity compliance for regional digital hub
Capital Structure	Concessional grants, Debt/Equity, Sovereign Financing, Public-Private Partnership (PPP) | Diversified capital structure combining PPP frameworks, debt/equity financing, sovereign backing, and concessional grants through development finance institutions and blended finance instruments
Development Timeline	S1 completed, Feasibility Studies 2026, Structure/Financing 2026, Construction 2027, Operations 2028 | Phased development approach with S1 project definition completed, progressing through feasibility studies and structuring in 2026, construction in 2027, and operational launch in 2028
Market Demand	Growing internet penetration, data sovereignty needs, high latency and transit costs | Strong market drivers including rising internet penetration and mobile data usage, data sovereignty compliance requirements, reduced reliance on international infrastructure, addressing South Africa's 50% dominance of African data center capacity, and Africa's projected need for 1,000-1,200 MW new capacity by 2030
Financial Metrics	IRR: 12-15%, Payback Period: 7-9 years, DSCR: 1.25-1.35, Expected Equity Return: 18-22% | Projected financial performance indicators demonstrating commercial viability with internal rate of return of 12-15%, payback period of 7-9 years, debt service coverage ratio of 1.25-1.35, and expected equity returns of 18-22%
Revenue Model	Long-term private sector leasing, public sector anchoring, PPP structure | Revenue generation through long-term private sector leasing agreements with telecom operators, financial services, and cloud providers, combined with public

	sector anchoring for government data and sovereign cloud requirements within PPP framework

SUSTAINABILITY AND IMPACT	
Social Impact	Hundreds of direct, skilled and indirect jobs creation during construction and operation | Comprehensive social impact including creation of hundreds of direct skilled and indirect jobs, stimulation of local ICT ecosystems (startups, ISPs, SMEs), increased digital access driving entrepreneurship, local procurement boosting informal sector growth, high opportunities for women in STEM roles and ICT skills training, enhanced regional digital connectivity improving secondary cities service availability
Environmental Impact	ESIA to be conducted during pre-feasibility phase | Environmental and Social Impact Assessment requirements during pre-feasibility phase with potential for green and energy-efficient design elements supporting sustainable digital infrastructure development
Strategic Importance	Enhanced regional interconnectivity, reduced latency, lower transit costs across SADC member states | Critical strategic importance for SADC regional integration through enhanced digital interconnectivity, reduced reliance on international infrastructure, improved digital service delivery, enhanced regional ICT resilience, and support for cross-border digital trade and e-government services
SDG and Agenda 2063 Alignment	Aligns with AU Agenda 2063 Aspirations 1, 2, 4, 10, 12, and 18; SDG 4, 5, 8, 9, 16, and 17 | Strong alignment with African Union Agenda 2063 Aspirations for prosperity, integration, transformed economies, and world-class infrastructure; SDG targets for quality education, gender equality, decent work, industry and infrastructure, peace and partnerships; AU Digital Transformation Strategy 2020-2030, SADC RISDP 2020-2030, and PIDA PAP II digital objectives

TECHNICAL DETAILS	
Project Description	Tier III-certified, carrier-neutral data center to enhance regional interconnectivity across 15 SADC member states | Regional digital infrastructure establishing Tier III-certified, carrier-neutral data center with modular, scalable 1-3 MW capacity providing secure colocation, content hosting, and disaster recovery services to reduce latency, lower transit costs, and enable local hosting of public and private digital services across 15 SADC member states

Technology & Design	Tier III-certified, carrier-neutral with modular build, N+1 redundancy, high energy efficiency | Advanced technical specifications including Tier III certification standards from Uptime Institute, carrier-neutral architecture, modular build design, N+1 redundancy systems, high energy efficiency, physical and cybersecurity compliance supporting colocation, cloud interconnect, and disaster recovery services
Capacity/Size	Initial capacity: 1-3 MW IT load with scalable racks and 24/7 uptime | Modular infrastructure design with initial 1-3 MW IT load capacity, scalable rack configurations, guaranteed 24/7 uptime standards, and modular expansion capability to meet regional growth in digital services demand
Construction/Preparation Timeline	S1 completed, Feasibility Studies 2026, Structure/Financing 2026, Construction 2027, Operations 2028 | Systematic development progression with S1 project definition completed, feasibility studies and financial structuring in 2026, construction phase in 2027, and operational launch in 2028 following phased development approach
Offtake Agreements	Long-term purchase agreements with government cloud platforms, regional IXPs, telcos, financial service providers | Comprehensive offtake structure including long-term purchase agreements with government cloud platforms, regional Internet Exchange Points, telecommunications operators, financial service providers, and private sector clients supporting sustainable revenue generation

RISK MANAGEMENT	
Risk Assessment	Political Risk: Regional coordination across multiple jurisdictions | Comprehensive risk management including political risk mitigation through SADC Secretariat and SATA regional backing, financial risk mitigation through structured DFI engagement and blended finance instruments, operational risk mitigation through modular design, redundancy planning, and local contractor partnerships
Regulatory Risks	Diverse ICT and data protection laws across member states | Regulatory harmonization challenges addressed through SADC RISDP frameworks and PIDA digital policy coordination, with diverse ICT and data protection laws managed through regulatory review during feasibility phase and alignment with regional harmonization initiatives
Environmental and Social Safeguards	To be addressed in the ESIA | Environmental and Social Impact Assessment to be conducted during feasibility phase addressing compliance with regional and international

	safeguards frameworks, community engagement requirements, and sustainable digital infrastructure development standards

KEY STAKEHOLDERS	
Sponsors	Southern African Development Community (SADC) and Southern African Telecommunications Association (SATA) | Regional sponsorship through SADC with SATA as technical champion and coordinator, supported by member states nomination for host country and national ICT ministries/regulators for in-country implementation support
Investors	World Bank, EU-Digital Investment Facility, African Development Bank, African50, ECOWAS Bank, Development Bank of Southern Africa, MTN, U.S. International Development Finance Corporation, Private Sector | Diverse investor base including multilateral development banks (World Bank, AfDB), specialized digital infrastructure funds (EU-DIF, African50), regional development banks (EBID, DBSA), telecommunications operators (MTN), bilateral development finance institutions (USIDFC), and private sector digital infrastructure investors
Contractors & Operators	To be determined during tendering | Technical and operational partners to be identified through competitive tendering process following feasibility studies completion with local communities expected involvement in operation and maintenance supported by training programs
Legal and Financial Advisors	To be engaged at project preparation stage | Professional advisory services to be engaged during project preparation stage to support contractual structuring, regulatory compliance, financing negotiations, and transaction advisory for complex multi-country digital infrastructure project

WAY FORWARD	
Investment Ask	USD 9.1 million in CAPEX, USD 0.5 million Project preparation | Total investment requirement of USD 9.6 million including USD 9.1 million CAPEX for Tier III data center infrastructure development and USD 0.5 million for project preparation activities covering feasibility studies and structuring
Next Steps	Finalization of feasibility study and regulatory review, identification of host country site | Strategic implementation pathway including finalization of feasibility studies and regulatory framework review, identification and confirmation of host country site, stakeholder consultations and investor

	roundtables, legal and financial structuring for S1 stage progression
Implementation Timeline	2026-2028 phased development | Systematic implementation schedule with feasibility studies and structuring in 2026, construction phase in 2027, and operational launch in 2028 following established project development methodology for regional digital infrastructure
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