

Public Information Summary

Host Countries	South Africa and Kenya, and other DFC-eligible countries.
Names of Borrowers	Africa Data Centres Holdings Limited, a U.K. registered holding company, and its DFC-financed affiliates.
Project Description	Direct loans under a master finance agreement to finance the Borrower's (i) acquisition and expansion of existing data center assets in South Africa and Kenya and (ii) entry into new markets, through the development, construction and operation of data centers in DFC-eligible African countries.
Proposed DFC Loan	\$300,000,000
All-Source Funding Total	\$428,600,000
Policy Review	
Developmental Objectives	<p>The Project is expected to have a highly developmental impact through the development of critical ICT infrastructure throughout Africa. The ICT infrastructure deficit is considered one of the leading impediments for Africa's development as the continent lags behind the rest of the world in the reach and quality of ICT penetration. This gap is especially apparent in the lack of data center infrastructure across the region. Despite being home to roughly 17 percent of the world's population, it is estimated that the continent currently accounts for less than one percent of total available global data center capacity. Estimates on the amount of annual investment needed to bridge this gap range between \$4 to \$7 billion. The African Union has realized the need to address this deficiency. Its Digital Transformation Strategy for Africa (2020-2030) states that innovations in the continent's ICT sector and the development of its infrastructure, in particular data centers, are considered essential for stimulating job creation, contributing to addressing poverty, reducing inequality, facilitating the delivery of goods and services, and contributing to the achievement of the Union's development agenda.¹ The Project is expected to support the expansion and development of seven existing and greenfield data centers in five countries supporting data colocation infrastructure services for international and local businesses. In addition, the development of these carrier-neutral data centers are expected to result in the creation of over 100 direct formal jobs.</p>
Environment and Social Assessment	SCREENING: This Project has been screened as a Category B project under DFC's 2020 Environmental and Social Policy Procedures ("ESPP") because impacts are site-specific and readily mitigated by

¹ <https://au.int/sites/default/files/documents/38507-doc-dts-english.pdf>

following international standards. The primary Environmental and Social issues identified with the construction of Data Centers include: adequacy of ADC's environmental and social management system; the Sponsor's capacity and tools to assess and manage E&S risks and issues associated with the construction; implementation of Environmental and Social Management Plans in line with the IFC Performance Standard requirements, including potential land acquisition, information dissemination, and labor management plans; provision of appropriate working conditions to staff and project contractors' workforce, resource efficiency, hazardous materials, wastes and wastewater management.

APPLICABLE STANDARDS: Under DFC's ESPP, the Borrower is required to comply with applicable local and national laws and regulations related to environmental and social performance. DFC's environmental due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following International Finance Corporation's (IFC) 2012 Performance Standards (PS):

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Pollution Prevention and Abatement; and
- PS 4: Community Health, Safety and Security.

A desk-review based due diligence assessment indicates that the data centers will be located in urban or industrial settings. Significant adverse impacts concerning land acquisition and resettlement, impacts to biodiversity, indigenous peoples, and cultural heritage are not anticipated. Therefore, PS 5, 6, 7, and 8 are not triggered at this time.

The Project will be required to develop an Environmental and Social Management System that should address water management, waste and hazardous waste management, information dissemination and external communication; land management plan, addressing any anticipated acquisition; and community health, safety, and security management. In addition, the Project will be required to develop and implement a labor management plan, including human resources policies and employment contracts in alignment with the laws of the respective expansion countries, and address contractor labor management. In addition, the Project will be required to comply with the applicable provisions of the IFC's Environmental, Health, and Safety (EHS) General Guidelines.

