THE RACK REPORT · BY DATACENTRE254

Kenya's data centre week, in one briefing.

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Data centres. Power. Cloud. Connectivity. Investment. Policy.

The week's most important developments, written for the people building, financing and regulating Kenya's digital infrastructure. Every fact in this briefing carries its source and date.

01 · THE HEADLINE

America's development bank makes its biggest equity bet, and it points at African bandwidth

On **16 September 2026**, Reuters reported that the **US International Development Finance Corporation** will invest **up to $155 million in WIOCC Group**, and called it the largest equity investment in the agency's history. The money is equity, not a loan: the DFC shares both the risk and the upside of WIOCC's build-out across subsea cables, open-access terrestrial fibre and data centres.

It also stacks on top of the **$300 million** committed by Africa Finance Corporation and Saudi Arabia's Vision Invest, announced at LEAP 2026 in Riyadh on 1 September (WIOCC Group, 3 September 2026). That is **up to $455 million of fresh institutional capital** behind one wholesale platform in sixteen days. The phrase "up to" matters: commitments of this size are drawn in tranches as projects hit milestones, so the number that finally counts is how much capacity actually goes live, where, and when.

Sources: Reuters, 16 September 2026; WIOCC Group, 3 September 2026

02 · BY THE NUMBERS

Institutional capital committed to WIOCC Group in sixteen days

$455M

Up to, in fresh institutional capital, 1–16 September 2026

$300 million from Africa Finance Corporation and Vision Invest (announced 1 September, reported 3 September 2026), followed by up to $155 million in US DFC equity, the agency's largest ever (Reuters, 16 September 2026). WIOCC is a wholesalers' wholesaler: it sells large blocks of capacity to the operators, ISPs and enterprises that serve everyone else, so this capital enters the market as wholesale bandwidth price pressure and open-access fibre, not consumer brands. Its asset base already carries more than US$950 million invested across subsea stakes, terrestrial fibre and a data centre division (Submarine Networks, 4 September 2026).

03 · INFRASTRUCTURE

Nairobi's newest delivered megawatts, and the scoreboard behind them

The most concrete infrastructure fact of the fortnight: **Digital Realty and Africa Data Centres launched NBO2** in Nairobi with about **6.4 megawatts of commissioned capacity** reported by trade press (ET Datacenters, 10 September 2026; first reported 7 September 2026). Commissioned megawatts are the market's real currency, which is why we keep a running scoreboard rather than a pile of press releases.

On that scoreboard, **Raxio's** up to $380 million July 2026 raise keeps its Nairobi build on the watch list until commissioning is reported, **iXAfrica's NBOX1** (22.5MW design capacity) remains the region's hyperscale AI reference site, and **Nxtra by Airtel Africa's Tatu City campus**, with US$150 million committed across two phases totalling 44MW, continues construction that began in September 2025. Status, not criticism: the distinction between announced and delivered is where infrastructure stories go to hide.

Sources: ET Datacenters, 10 September 2026; Raxio Group disclosures, July 2026; ICT Authority, 12 September 2025; operator disclosures

04 · POWER

Generation is not reliability, and buyers who confuse the two overpay

Kenya's grid headlines are genuinely good: **geothermal supplies roughly 45 percent** of generation around the clock (Climate Investment Funds, 5 September 2024), about **950MW of installed geothermal capacity** anchors the system, and record peak demand sits at **2,439MW** (TechCabal, 20 August 2026). But generation and reliability are different products. No credible data centre trusts the grid alone: UPS banks bridge the first seconds, diesel generators carry the load for as long as fuel lasts, and automatic transfer switches choreograph the handover.

This fortnight illustrates both halves. **Amaco's HERCULES** plan in Mombasa is designed to self-generate from a floating LNG-fed barge rather than wait for grid allocation, with initial site demand of 75 to 100MW (Business Daily, 17 August and 10 September 2026). And the reported scale of hyperscale interest, **G42's electricity request growing from 60MW to 1,000MW**, about a third of Kenya's installed generation (Kenyans.co.ke, 22 August 2026; Business Daily, 10 September 2026), shows why transmission planning, not generation, is the binding constraint.

Sources: Climate Investment Funds, 5 September 2024; TechCabal, 20 August 2026; Business Daily, 17 August and 10 September 2026; Kenyans.co.ke, 22 August 2026

05 · CONNECTIVITY

What $455 million buys on the water

Follow the WIOCC capital downstream and it lands on the Kenyan coast, where **seven live submarine systems** already converge on one short stretch of shoreline near Mombasa. DFC equity in a wholesaler with $950 million-plus of assets (Submarine Networks, 4 September 2026) means more open-access terrestrial fibre and more wholesale capacity competition, which is what actually moves Kenyan transit prices.

Meanwhile the fortnight's physical progress is quiet but real: **Daraja**, the Meta-backed cable hosted by Safaricom from Salalah to Mombasa, remains on course for service this year, and **Africa-1**, landed at Mombasa in 2024, still awaits its ready-for-service call. "Landed" is not "in service"; a single RFS announcement changes Kenya's live cable count for the first time since 2024. **LuLu**, the proposed 500km coastal diversity route from Mombasa to Lamu with 144 fibre pairs, remains announced with no supplier signed.

Sources: Submarine Networks, 4 September 2026; operator and consortium disclosures, September 2026

06 · MONEY & INVESTMENT

Three kinds of capital, one signal

Look at who is writing the cheques. The US DFC's up to $155 million is **America's balance sheet taking equity risk**, a validation no press release can fake (Reuters, 16 September 2026). Africa Finance Corporation brings institutional project discipline, and Vision Invest brings Saudi commercial capital (WIOCC Group, 3 September 2026).

Around them sits the wider backdrop: **AWS publicly committing US$1.5 billion** toward African digital infrastructure, and **Oracle's first African cloud region** still pending on Kenyan soil after the $600M AmCham summit pledges (The Star, 14 September 2026). Different mandates, different return horizons, one shared bet: African digital infrastructure has become an investable asset class. For Kenya the near-term test is conversion, turning announced capital into commissioned capacity, hired engineers and signed contracts.

Sources: Reuters, 16 September 2026; WIOCC Group, 3 September 2026; The Star, 14 September 2026; AWS reporting, September 2026

07 · POLICY

Twenty days: the licence consultation clock is running

Stakeholders have until **roughly 8 October 2026** to file submissions on the Communications Authority's proposed **standalone data centre licence**, a 30-day window that opened on 8 September 2026. The fee comparison is the headline (a KES 5,000 application fee and KES 100,000 initial fee against the NFP-T2 route's KES 15 million 15-year charge), but the three quieter details still decide the economics: the **0.5% Universal Service Fund levy** applies on top, the **15-year validity** matches the current regime, and **existing NFP and ASP holders** can keep operating data centres without taking the new licence.

The parallel track remains data protection: ODPC guidance expects Kenyan personal data to be processed in Kenya or to keep a serving copy in-country, which turns every licensing decision into a compliance decision too. Operators reading both regimes together will write better submissions.

Sources: Communications Authority of Kenya, 8 September 2026; ODPC guidance

08 · WHAT WE'RE WATCHING

Four things likely to matter next

WATCH 01

The CA docket.
Who files by ~8 October, and whether the final framework touches the fee schedule or the NFP/ASP carve-out.

WATCH 02

Daraja and Africa-1 RFS.
Both systems are physically close to done. A ready-for-service announcement moves Kenya's live cable count for the first time since 2024.

WATCH 03

Amaco's next filing.
A signed GE Vernova contract, a financing close, or a confirmed site handover at Dongo Kundu moves HERCULES from announced to underway.

WATCH 04

WIOCC's drawdown.
How quickly the $455M converts into visible milestones: new fibre routes, data centre groundbreakings, tranche disclosures.

09 · FROM DATACENTRE254

Go deeper on this week's stories

US DFC Bets Up to $155M on WIOCC: What It Means for Kenya
Why an equity structure and the phrase "up to" both matter.
/articles/us-dfc-wiocc-155m-kenya-digital-infrastructure

Kenya's Power Reliability: What Generation Numbers Hide
Uptime is engineered in the building, not generated on the grid.
/articles/kenya-power-reliability-data-centres

Raxio vs Africa Data Centres: A Fair Comparison
Delivered megawatts versus announced plans, status not criticism.
/articles/raxio-vs-africa-data-centres-kenya-comparison

Colocation in Nairobi: The Buyer's Guide
Updated 18 September 2026 with the current scoreboard.
/articles/colocation-data-centres-nairobi-buyers-guide

All articles at data-centers-254.vercel.app. Every figure cited above carries its source and publication date.

10 · THE WEEK IN NUMBERS

Six figures that define the board right now

$155M
US DFC equity in WIOCC, the agency's largest ever (Reuters, 16 September 2026)

$455M
Fresh institutional capital into WIOCC in sixteen days

6.4MW
Commissioned capacity at NBO2, Nairobi (ET Datacenters, 10 September 2026)

~8 Oct
CA licence consultation deadline, 30 days from 8 September 2026

45%
Geothermal share of Kenya's generation (CIF, 5 September 2024)

2,439MW
Kenya's record peak demand (TechCabal, 20 August 2026)

Sources as cited in sections above · figures verified against dated reporting

11 · EDITOR'S NOTE

How this briefing is built

Verification standard. Every figure in The Rack Report carries its source and publication date, and we do not publish numbers we cannot trace to an operator, regulator or dated news report. Where plans are announced but not yet contracted, we say so in the same breath as the headline figure, because the difference between a plan and a project is where infrastructure stories go to hide.

Corrections and tips. Spotted something wrong or know something we should verify? DC254 corrects errors openly and quickly. Reach the newsroom through the contact page at data-centers-254.vercel.app, or reply to any edition of this briefing by email.

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