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Microsoft and G42 announce \$1 billion comprehensive digital ecosystem initiative for Kenya

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Largest single private-sector digital investment in Kenya's history will support economic development across East Africa

WASHINGTON — May 22, 2024 — Microsoft Corp. and G42 on Wednesday announced a comprehensive package of digital investments in Kenya, as part of an initiative with the Republic of Kenya's Ministry of Information, Communications and the Digital Economy.

In collaboration with Microsoft and other stakeholders, G42 will lead the arrangement of an initial investment of \$1 billion for the various components outlined in the comprehensive package. One of the Kenyan investment priorities is a state-of-the-art green data center that will be built by G42 and its partners to run Microsoft Azure in a new East Africa Cloud Region.

The initiative will include four additional pillars that will be pursued with local partners: (1) local-language AI model development and research; (2) an East Africa Innovation Lab coupled with broad AI digital skills training; (3) international and local connectivity investments; and (4) collaboration with the government of Kenya to support safe and secure cloud services across East Africa.

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A letter of intent formalizing the relationship will be signed on Friday as part of Kenyan President William Ruto's state visit to the United States of America, the first state visit to Washington, D.C., by a sitting African head of state in nearly two decades. The letter of intent will be signed between Microsoft, G42 and Kenya's Ministry of Information, Communications and the Digital Economy, and was crafted with the assistance of the governments of the United States and the United Arab Emirates.

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Sustainable data center infrastructure and new East Africa cloud region

As part of the agreement, G42, in collaboration with local partners, will design and build a state-of-the-art data center campus in Olkaria, Kenya, run entirely on renewable geothermal energy and designed with state-of-the-art water conservation technology. The data center will run on and provide access to Microsoft Azure through a new East Africa Cloud Region, which will become operational within 24 months of the signing of the definitive agreements.

This cloud region will provide customers access to scalable, secure, high-speed cloud and AI services to accelerate cloud adoption and the digital transformation of businesses, customers and partners across Kenya and East Africa.

His Excellency, President, Dr. William Samoei Ruto, stated that, "This partnership is bigger than technology itself. It is about coming together of three countries with a common vision of a nation empowered by technology, where every citizen has the opportunity to thrive in the global digital landscape. It's about building a future where Kenya flourishes as a digital leader."

The President emphasized, "In the spirit of mutual growth and shared prosperity, this LOI is a stepping stone toward a brighter, more connected and digitally empowered future for the USA, Kenya and the UAE. It embodies our collective aspiration to bridge the digital divide, accelerate technological innovation, and pave the way for a thriving digital economy that benefits the entire African continent and beyond."

"This partnership between two companies and three countries highlights a real opportunity to bring digital technology to the Global South in a safe and secure manner," said Brad Smith, vice chair and president of Microsoft. "This represents the single largest and broadest digital investment in Kenya's history and reflects our confidence in the country, the government, its people and the future of East Africa."

Peng Xiao, group chief executive officer of G42, said: "In partnership with Microsoft, we are excited to work with the Kenyan government to usher in a transformative era for the digital ecosystem in Kenya and the region. By establishing a green data center and developing AI tailored to the local culture, G42 is committed to fostering sustainable technological growth. This initiative will empower the Kenyan government and communities with robust, secure cloud services and AI capabilities, providing the foundation for a thriving digital economy across the region."

Development of Swahili/English AI models and launch of AI societal services

To support national economic growth and development and support Kenya's unique cultural and linguistic needs, G42 has begun work through its data infrastructure in the United States to train an open-source large language AI model in Swahili and English. To build on this and help accelerate advanced research in Kenya, Microsoft and G42 will increase their combined collaboration and support for local universities, through the Microsoft Africa Research Institute, the Microsoft AI for Good Lab, the Mohammed Bin Zayed University of Artificial Intelligence in Abu Dhabi, and select universities from Kenya and East Africa.

Microsoft's AI for Good Lab in Nairobi will use AI technology to work with nonprofit organizations and other partners to help address economic and societal priorities across East Africa. This will include work to enhance food security by using advanced AI techniques to make site-specific fertilizer recommendations that increase agricultural productivity while minimizing environmental impacts. It will also include support for The Nature Conservancy (TNC), using AI high-resolution satellite data to monitor and reduce water risks for downstream wildlife and communities in northern Kenya.

In addition, collaborating with the Kenya Red Cross Society, Kenya Space Agency and National Disaster Management Unit, the AI for Good Lab will work to improve climate resilience by applying AI models to high-resolution satellite data for both disaster preparedness and disaster response. And in collaboration with the Smithsonian and Kenya Wildlife Trust, the Lab will use high-resolution satellite imagery and AI to monitor wildlife populations and track livestock expansion near protected areas in East Africa.

East Africa Innovation Lab and skilling support

Microsoft and G42 will launch and operate an East African Innovation Lab in Nairobi to help Kenyan and other East African startups, entrepreneurs, companies and organizations develop and implement cloud and AI services. The East Africa Innovation Lab will provide design sessions and rapid prototyping using Microsoft tools and technology, with skilling and mentorship support from Microsoft developers who work in the company's Africa Development Center, which has 500 employees in Nairobi.

To help accelerate digital adoption, Microsoft and G42 will collaborate with a wide array of local partners to provide a range of digital and AI skills across Kenyan society and create a future-ready workforce. This will include offering digital and AI skilling programs to all government employees, a cybersecurity skilling program for more than 2,000 people per year, and a business skilling program for young entrepreneurs aged 18 to 24. The two companies will expand on ongoing relationships and work with the Kenya Private Sector Alliance, Stanbic Kenya Foundation, MPESA Foundation, UNDP Kenya, Young African Leaders Initiative, Jomo Kenyatta University of Agriculture and Technology, and the United States International University-Africa.

Internet connectivity

Kenya's Ministry of Information, Communications and the Digital Economy will continue to expand work with Microsoft and G42 to broaden internet connectivity. G42 and its UAE ecosystem partners will leverage their resources to support Kenya's development of international and domestic marine and terrestrial fiber cable infrastructure.

Microsoft will continue to expand its work to bring last-mile wireless internet access to 20 million people in Kenya and 50 million people across East Africa by the end of 2025. This will build on the company's partnerships with Mawingu Networks, Liquid, CSquared and other local partners in Kenya. It will also include work with M-KOPA, one of the largest providers of solar home systems globally. As part of a fintech financing platform, M-KOPA has pioneered a pay-as-you-go model for smartphones ownership, with 2 million devices sold to date across the region.

Digital safety, privacy and security

Microsoft and G42 will work with the government of Kenya and will design and operate the new East Africa cloud region as part of a "trusted data zone" based on global standards to protect digital safety, privacy and security. With technical assistance and support from G42 and Microsoft, Kenya will establish the new data center as part of a "trusted data zone" under which data from other countries may be governed by their local laws, even while stored and resident in Kenya.

Kenya will utilize the new data center and cloud services for governmental and citizen services, and it will provide government support by adopting a "cloud-first" policy like those enacted in other countries to permit and encourage the government, its agencies, state-owned enterprises and other local entities to move their data and computing services to the cloud.

The parties will also work together to pursue the steps needed to ensure Kenya has sufficient contractual and technical assurances to support trusted digital and sovereign cloud services from the UAE, to facilitate rapid digital transformation even before the completed construction of the G42-Microsoft services in Kenya itself.

Microsoft will provide cybersecurity assistance and support to its customers in Kenya and across East Africa, including through the Microsoft Threat Intelligence Center (MSTIC) and the Microsoft Threat Analysis Center (MTAC).

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