Kenya cloud at the crossroads: From momentum to maturity – 2025 baseline, 2026 outlook

Cloud at the crossroads: Growth, governance and the AI imperative

2026

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Executive summary

Kenya's cloud market is entering a defining phase. Investment momentum is strong, Artificial Intelligence (AI) is reshaping demand, and sustainability has emerged as an unexpectedly powerful driver of cloud decision making. At the same time, security, skills and governance gaps risk widening the distance between ambition and execution.

While these findings reflect the market in 2025, their relevance has only increased in 2026 as organisations continue to scale AI, strengthen cyber resilience and focus on extracting greater value from cloud investments.

This report draws on PwC's 2025 Cloud Business Survey incorporating insights from 30 Kenyan business and technology leaders and benchmarked against directional findings from 1,415 respondents across EMEA. Five insights stand out for decision-makers.

- **Cloud spending remains strong, but cost control is weak:**
  Most Kenyan organisations (83.3%) expect their cloud budgets to grow. However, very few (6.7%) have fully embedded cost management practices, meaning spending is increasing faster than oversight.
- **Security and compliance are the biggest obstacles:**
  Data security and regulatory concerns top the list of barriers, cited by 56.7% of organisations – exceeding the EMEA average (31.50%).

- **Sustainability is the leading driver of cloud investment:**
  Nearly half of organisations (46.7%) priorities sustainability when investing in cloud, placing far more emphasis on environmental impact than peers in EMEA (27.40%).
- **Agentic AI adoption is advancing, but overall AI readiness is mixed:**
  Half of Kenyan organisations are already piloting or deploying Agentic AI, yet one third are still only planning their core AI and machine learning tools, indicating uneven progress.
- **High cloud maturity remains limited:**
  Only 13.3% of organisations consider themselves highly mature in cloud usage, leaving Kenya almost 12 percentage points behind the EMEA average (25%), and showing that many are still early in their cloud evolution.

Kenya's cloud trajectory is positive. The next phase of value creation comes from spending better, rather than by spending more – underpinned by stronger governance, deeper skills, and security woven into all layers of the cloud operating model.

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Kenya in context: Momentum vs maturity

Rising investment and ambition are outpacing execution maturity.

Kenya reflects the broader African cloud narrative: rising investment, accelerating AI driven demand, and expanding strategic ambition. Compared with EMEA peers, however, execution capabilities - particularly in security, cost governance, and cloud optimisation - have not yet scaled at the same pace.

This tension between momentum and maturity defines Kenya's current cloud position. It introduces short term execution risk but creates meaningful opportunity for organisations that professionalise cloud operating models ahead of their peers.

83%

expect cloud budgets to increase

Cloud investment momentum remains strong, underpinned by growth expectations and expanding digital ambition.

Source: Fig 1 – Cloud Budget Expectations

50%

already piloting or deploying Agentic AI

AI and Agentic AI adoption is translating into real infrastructure and platform demand, increasing pressure on cloud environments.

Source: Fig 5 & 6 – AI / Agentic AI adoption

57%

cite security & compliance as a top barrier

Security concerns are more acute than in EMEA, reflecting regulatory pressure and expanding hybrid estates.

Source: Fig 3 – Internal Barriers

7%

have mature cost governance

Spending is rising faster than financial oversight, increasing execution and value leakage risk.

Source: Fig 2 – FinOps Maturity

13%

rate themselves as highly mature

Most organisations remain in a transitional middle tier, trailing EMEA at the top end of maturity.

Source: Fig 7 – Cloud Maturity

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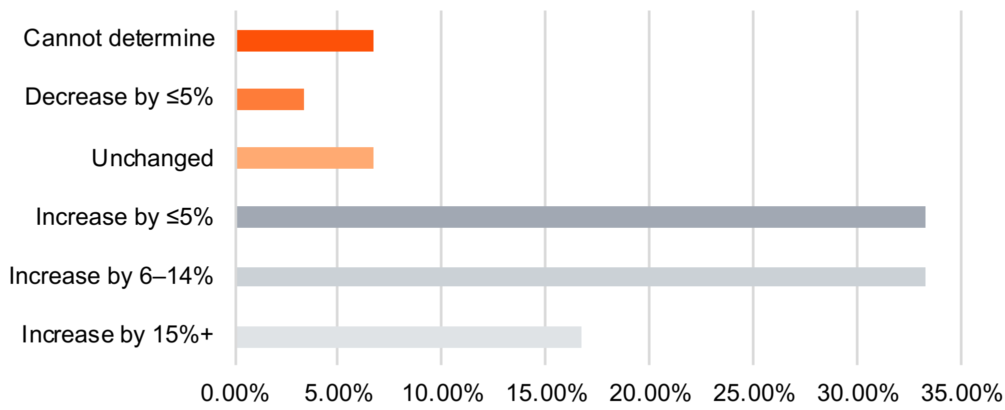
Key insights

Insight 1: Cloud budgets are growing, but financial governance is not keeping pace

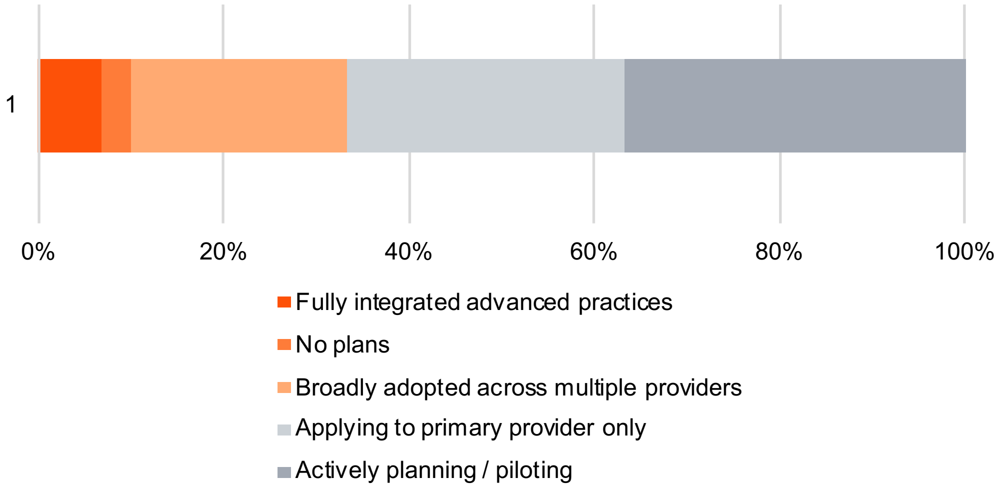
- 83.3% of Kenyan organisations expect cloud spending to increase over the next 12 months.
- Growth expectations are split evenly between moderate growth and marginal growth (33.3% each), with a smaller cohort anticipating aggressive expansion (at 16.7%) Only 3.3% foresee any budget reduction.

Figure 1: Cloud Budget Expectations



- FinOps maturity remains low, with only 6.7% of organisations reporting fully integrated advanced FinOps practices and a further 23.3% having broadly adopted them
- Two-thirds (66.7%) remain at planning, piloting or single-provider stages. As the Africa-wide report observes, this represents "the gap between cloud ambition and financial governance."

Figure 2: FinOps Maturity



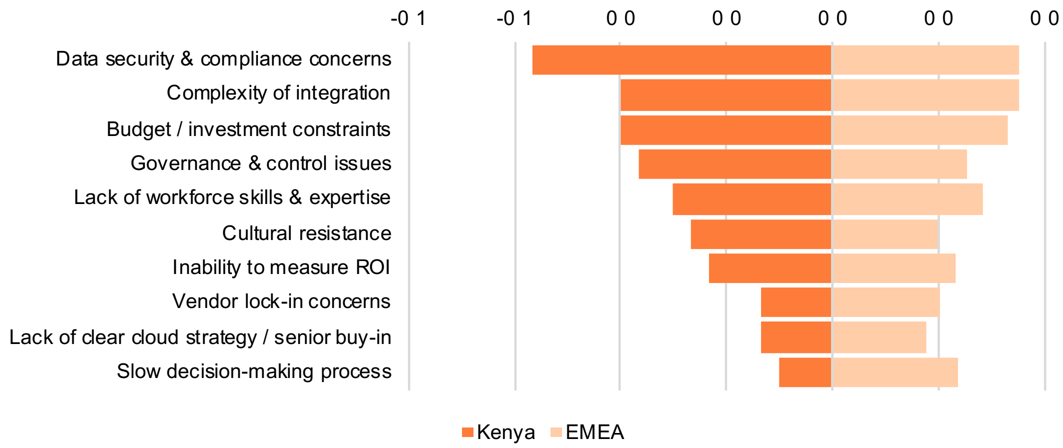
Why it matters

Growing spend without proportionate cost governance creates three risks: uncontrolled cost escalation, inability to demonstrate Return on Investment (ROI) to the board, and weakened negotiating leverage with providers. FinOps maturity is now foundational to sustainable cloud scale.

Insight 2: Security is the defining constraint, and a potential differentiator

- Data security and compliance concerns are cited by 56.7% of respondents, the highest ranked internal barrier.
- Governance and integration complexity further compound the challenge. Externally, data privacy concerns were flagged by 53.3%.
- The intensity of these concerns materially exceeds EMEA levels, where security is cited far less frequently as a primary blocker.

Figure 3: Internal Barriers - Kenya vs EMEA



Why it matters

Kenyan organisations face a clear security paradox: while data security and compliance are perceived as the primary blockers to cloud adoption, investment constraints are relatively high. This tension is intensified by rapid digitisation occurring alongside an increasingly complex regulatory and threat landscape.

The Data Protection Act (2019) has raised the compliance bar, while the shift toward multi-provider, hybrid cloud estates has expanded organisational attack surfaces.

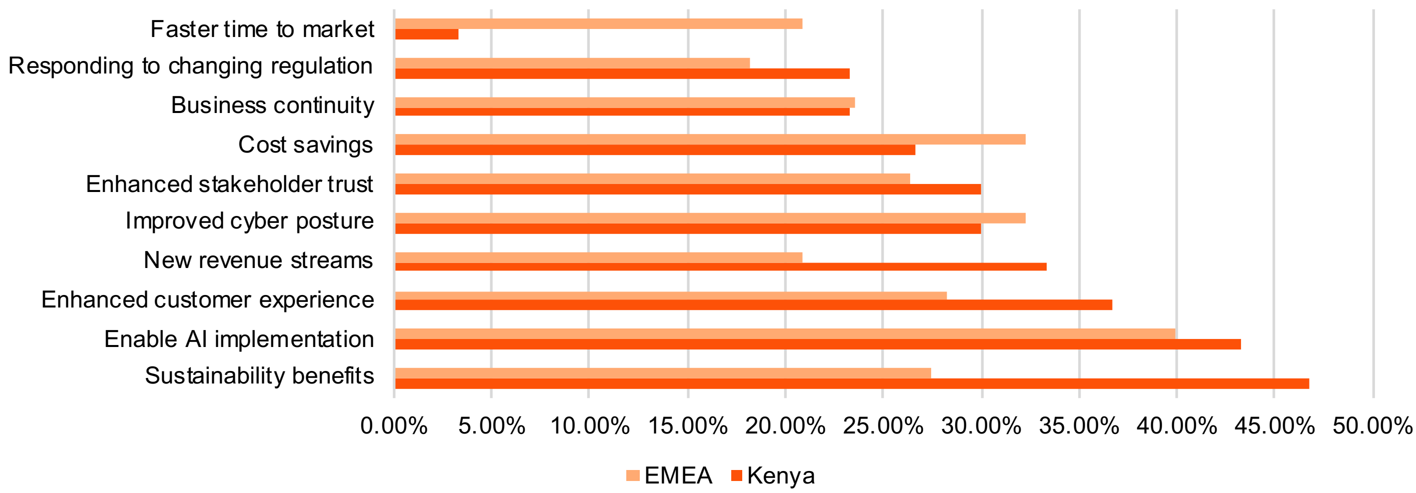
The organisations that resolve this tension, turning security from a perceived blocker into a demonstrable enabler, gaining a competitive edge in winning customer trust, regulatory approval, and boardroom confidence.

Insight 3: Sustainability Has Become a Cloud Purchasing Criterion - Kenya Leads EMEA

- Sustainability benefits rank as the top priority for cloud investment among Kenyan organisations (46.7%) exceeding EMEA(27.4%).
  Sustainability ranks ahead of cost savings and time-to-market considerations.
- Seven in ten Kenyan organisations say provider choices are influenced by sustainability to a significant or moderate extent.

This focus significantly outpaces EMEA, where sustainability ranks notably lower as a primary cloud-investment driver.

Figure 4: Cloud Investment Priorities - Kenya vs EMEA



Why it matters

Sustainability is now a procurement filter, not just a reporting requirement. Cloud providers unable to demonstrate verifiable green credentials risk exclusion from shortlists. The notably low priority given to faster time to market may reflect a pragmatic recognition that foundational cloud capabilities need strengthening before speed to market gains can be realized.

Insight 4: AI Is the Next Frontier, but the Readiness Gap Is Real

- 90% of Kenyan respondents have increased cloud usage to meet AI and Machine Learning (ML) infrastructure requirements.
- AI and ML tools implementation is split evenly between fully deployed, partially deployed, planning stages.
- 50% are either piloting or implementing and scaling Agentic AI, yet one-third of organisations have not moved beyond planning for core AI capabilities. This uneven readiness broadly mirrors EMEA, but with greater concentration at early planning stages for core AI capabilities.

Figure 5: AI/ML Tools Implementation Status

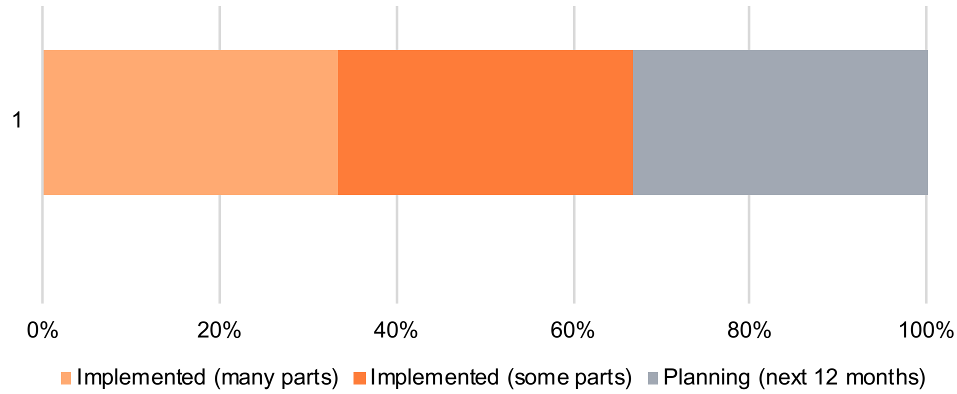
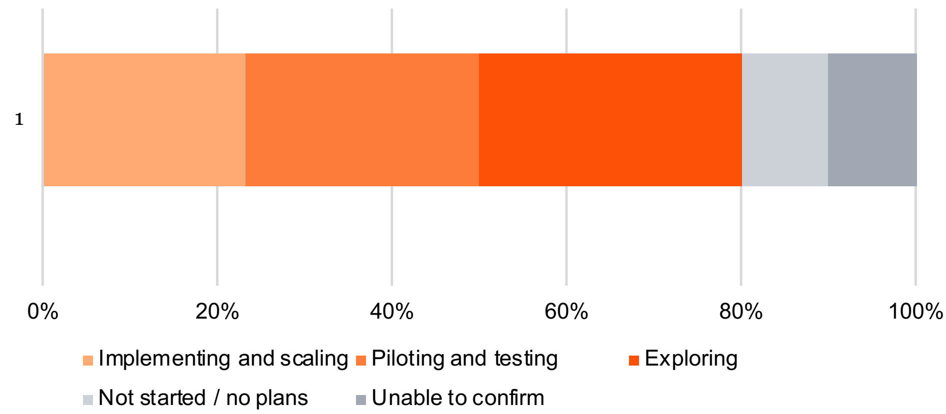


Figure 6: Agentic AI Adoption Status



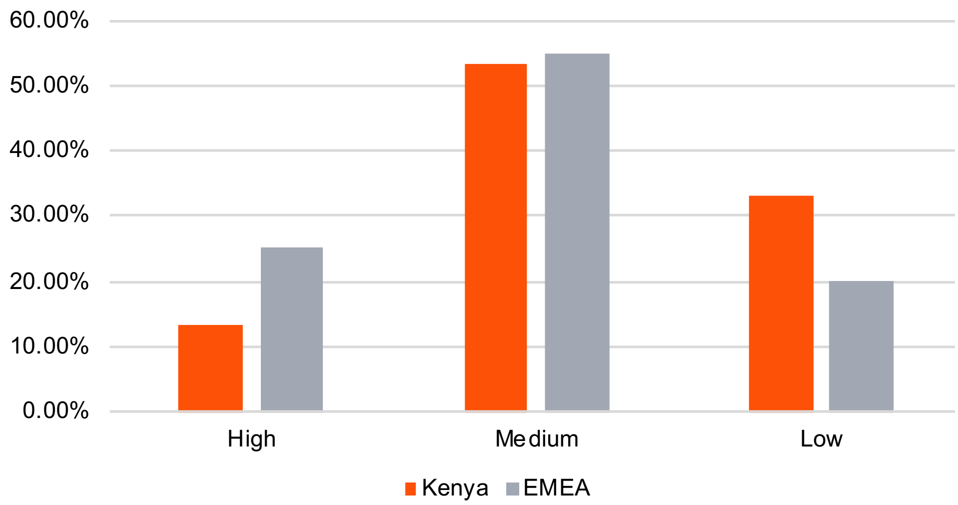
Why it matters

AI is shifting from experimentation to infrastructure dependency. Organisations that delay operationalising AI capabilities risk becoming reliant on providers or competitors that moved first. Readiness is now proven through execution, not intent.

Insight 5: Cloud Maturity Trails EMEA. The Governance Gap Must Close

- Only 13.3% of Kenyan organisations self-identify as highly mature in cloud usage, compared to EMEA (25.0%).
- One-third (33.3%) remain at low maturity, indicating ongoing reliance on ad hoc or project based cloud use.

Figure 7: Cloud Maturity - Kenya vs EMEA



Why it matters

The maturity gap is not about adoption, but rather about optimization -it reflects differences in governance, operating models, and skills. Closing it requires deliberate, enterprise wide transformation rather than incremental adoption.

According to the PwC's 2025 Africa Cloud Business Survey, the continent has moved "beyond basic adoption to strategic optimisation." Kenya's medium to high-maturity share suggests many organisations remain in a transitional phase.

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What this means for leaders

Four priorities emerge:

a) **Govern what you spend**

- Establish cross functional FinOps ownership with executive visibility.
- Enforce tagging, allocation, and ROI accountability across providers.

b) **Secure what you build**

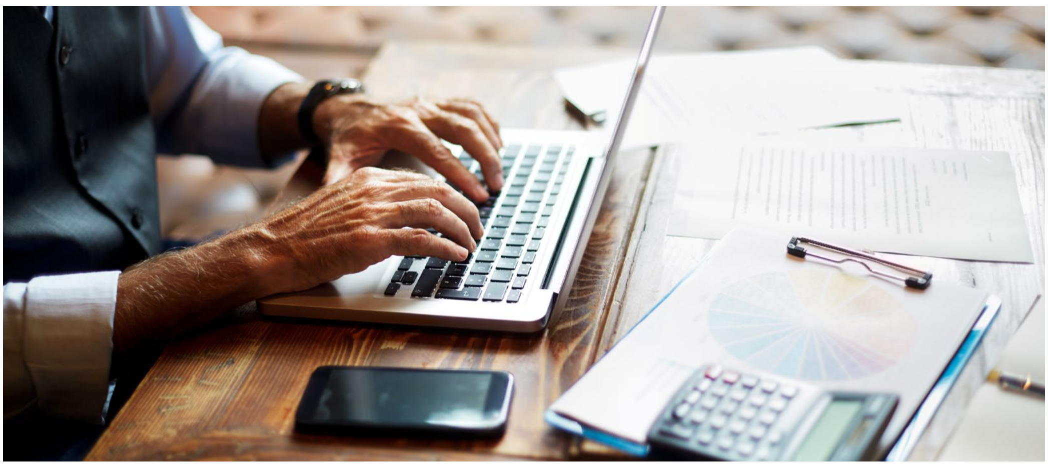
- Embed security and compliance by design, particularly for AI and multi cloud workloads.
- Align cloud controls to regulatory expectations under the Data Protection Act (2019).

c) **Skill what you scale**

- Move beyond self reported readiness and invest in demonstrable AI and cloud engineering capability.
- Treat talent gaps as a strategic risk, not an HR issue.

d) **Professionalise multi cloud governance**

- Design deliberately for hybrid and multi provider estates.
- Address vendor lock in risks proactively, even where they are not yet fully recognised.



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Conclusion: Closing the ambition–maturity gap

Kenya's cloud story in 2025 is one of momentum meeting maturity. The direction is clear: budgets are rising, AI is reshaping demand, and sustainability has moved from aspiration to procurement criterion.

But momentum alone does not create competitive advantage. The organizations leading the next chapter of Kenya's digital growth are those that govern cloud investment with discipline, embed security as a source of trust and speed, and convert ambition into operational capability.

The gap between Kenya's cloud ambition and its cloud maturity remains a significant opportunity. Organisations that continue to close it deliberately through structured governance, strategic skills investment, and security woven into every layer are shaping the next chapter of digital growth in East Africa. Without sustained improvement in governance, Kenya risks scaling cloud inefficiency rather than cloud advantage.

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Methodology

Findings are based on PwC's Cloud Business Survey 2025, incorporating responses from 30 Kenyan business and technology leaders and benchmarked against a broader EMEA reference group of 1,415 respondents. Results are presented directionally to highlight patterns and contrasts.

Acknowledgements

Editorial team

Eva Wambugu
Clients & Markets,
Financial Services Manager,
Kenya and East Africa
eva.wambugu@pwc.com

Nixon Mute
Clients & Markets,
Brand and Creative Manager,
Kenya and East Africa
nixon.mute@pwc.com

Links to other Cloud Survey reports:

PwC's 2025 EMEA Cloud Business Survey

PwC's 2025 Africa Cloud Business Survey

Contacts

Laolu Akindele

Technology Lead,
PwC Kenya and Eastern
Africa Region

laolu.x.akindele@pwc.com

Darren Osore

Technology Consulting,
PwC Kenya

darren.osore@pwc.com

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