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Morocco Got €241 Million in Blended Finance for Africa's First Battery Gigafactory. East Africa Needs the Next

Deal, Not the Next Factory.

A Policy Brief on blended climate finance, battery manufacturing, and East Africa's critical-minerals opportunity

Research Team

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The AfDB just financed Africa's first battery gigafactory in Morocco with €241 million in blended finance. 3Bi argues East African governments should use the same NAFAD mechanism to secure the region's own battery-minerals processing deal.

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The Ask

East African governments — Kenya, Tanzania, and Rwanda first, given their mineral endowments — should approach the African Development Bank's New African Financial Architecture for Development (NAFAD) facility within the next two quarters to structure a blended-finance package for a regional battery-precursor or cell-assembly plant, using the AfDB's Gotion Power Morocco loan as the negotiating template. Sudan, still rebuilding institutional capacity, should use the same window to align its mining-sector governance reforms with the transparency standards blended finance requires, so it is bankable when its own opening comes.

Why Now

On 24 July 2026, the AfDB's Board approved a €100 million loan to Gotion Power Morocco, with up to €141 million more to be mobilized from co-financiers, to build an integrated cathode-to-cell lithium iron phosphate (LFP) battery gigafactory in the Rabat-Salé-Kénitra Free Trade Zone (African Development Bank, 24 July 2026). Attaqa.net reported on 5 August 2026 that the plant, developed by China's Gotion High-Tech through its subsidiary Gotion Power Morocco, is finishing final commissioning steps and is expected to begin operations by the end of summer 2026 — the first integrated battery manufacturing plant in Africa and the MENA region.

This matters beyond Morocco because of how it was financed, not just what was built. The AfDB structured the deal as Mandated Lead Arranger under NAFAD, a mechanism designed to pull in additional co-financiers around a single anchor loan — precisely the kind of blended-finance vehicle East African governments have discussed in principle at forums like the planned 2026 East and Southern Africa Critical Minerals & Battery Raw Materials Conference, but rarely secured in practice. Morocco did not win this deal on sunshine or cheap labor; it won it by having a bankable industrial-zone offer, an existing auto-manufacturing base, and a government counterpart ready to move at AfDB's pace. Every quarter that passes without a comparable East African proposal on the Bank's desk is a quarter in which Morocco's first-mover position in cathode-to-cell manufacturing — and its stated ambition to supply both regional EV production and southern European markets — becomes harder to contest.

The Evidence

First, the financing structure is the transferable asset. The Gotion Power Morocco loan was not a one-off grant; it was €100 million in AfDB debt used explicitly to crowd in €141 million more from other financial partners, with the Bank acting as arranger rather than sole financier (African Development Bank, 24 July 2026). Kevin Kariuki, the AfDB's Vice President for Power, Energy, Climate and Green Growth, framed the logic directly: "Battery storage is the missing link in Africa's clean energy transition. A facility of this scale, powered primarily by renewable energy, strengthens the foundations for the large-scale integration of solar and wind power, which our grids increasingly depend on." That is a continent-wide argument, not a Morocco-specific one — and it is the argument East African finance ministries should be making to the same AfDB desk that just approved the Moroccan deal.

Second, East Africa holds the raw-material endowment the Morocco plant does not. Morocco's gigafactory imports its lithium and cathode precursor inputs; it is a manufacturing and assembly hub, not a mineral-resource play. East Africa is different: Tanzania is emerging as a graphite powerhouse, with Tanzania, Mozambique, and Madagascar projected to collectively supply roughly a third of the world's mined natural graphite by 2040, up from about 11% in 2025 (Energy Transition Africa/IEA Global Critical Minerals Outlook, 2026). Kenya has been negotiating a critical-minerals agreement with the United States and has specifically pushed for domestic refining and processing of its lithium, graphite, copper, nickel, and niobium rather than raw-ore export (industry and press reporting, 2026). Rwanda is positioning itself in lithium-ion battery precursor supply chains, particularly around nickel, manganese, and cobalt sourcing agreements (Manufacturing Africa, 2025–2026). A battery-precursor or cell-assembly facility sited in East Africa would, unlike Morocco's, sit directly on top of its own feedstock — a stronger long-term economic case than Morocco's import-dependent model, if the financing can be assembled with comparable speed.

Third, the job and localization numbers give East African negotiators a concrete benchmark. The AfDB states the Kenitra project will create more than 600 direct jobs in its first phase and target a 70% local industrial-integration rate (African Development Bank, 24 July 2026); Attaqa.net separately cited Gotion Power Morocco's own figure of 2,300 direct jobs in phase one rising toward 10,000 at full capacity, and a total project cost of roughly 65 billion dirhams ($6.98 billion) — a discrepancy between the Bank's phase-one jobs figure and the developer's own public estimate that is worth flagging rather than resolving, since it likely reflects direct-hire versus direct-plus-induced counting conventions that any East African negotiating team should press financiers to define precisely up front. Either figure is a usable reference point for structuring local-content and employment commitments in a comparable East African deal.

Addressing the Counter-Case

The strongest objection is that East Africa cannot replicate Morocco's advantages: an existing auto-manufacturing base tied to European supply chains, a stable investment-grade sovereign rating, and three years of uninterrupted project development since the 2023 memorandum of understanding that preceded this loan. All three objections are real. But they argue for a phased, minerals-first approach rather than no approach at all. Kenya and Tanzania do not need to open a cathode-to-cell gigafactory on Morocco's scale in year one; they need a bankable precursor-processing or graphite-beneficiation facility that plugs into the same NAFAD-style blended-finance architecture, sized to what a first mover in raw-material processing — rather than final assembly — can credibly deliver. That is a smaller, faster deal, and it is precisely the kind of project AfDB Vice President Kariuki's own framing ("battery storage is the missing link") was written to support.

What 3Bi Recommends, Specifically

First, Kenya's and Tanzania's energy or industry ministries should request a preliminary NAFAD scoping conversation with the AfDB's Power, Energy, Climate and Green Growth complex before the end of Q3 2026, explicitly referencing the Gotion Power Morocco structure as precedent. Second, Rwanda's existing critical-minerals supply agreements should be paired with a formal expression of interest for precursor-processing co-financing, submitted alongside — not instead of — its raw-material export negotiations. Third, Sudan's Ministry of Minerals should use its current push to formalize artisanal gold-sector governance (mineral-revenue collection reportedly reached 113% of its Q1 2026 target, per Sudan's mineral-resources regulator) as a template for the transparency and traceability standards that any future battery-mineral or critical-minerals financing would require, positioning Sudan to enter this pipeline once political conditions allow — not as an immediate applicant, but as a government building the institutional readiness a blended-finance lender like AfDB will eventually ask for.

Sourcing & Contact

Primary sources: African Development Bank, "African Development Bank Approves €100 Million to Gotion Power Morocco to Develop Africa's First Lithium Ion Phosphate Battery Gigafactory," 24 July 2026 (afdb.org); Attaqa.net, "5 ",[illegible] August 2026. Cross-checked against Energy Transition Africa's coverage of the IEA Global Critical Minerals Outlook 2026, Manufacturing Africa's 2025–2026 briefing on Rwanda's lithium-ion battery precursor opportunities, and Sudan Tribune's 2026 reporting on Sudan's mineral-resources regulator. For follow-up: research@3bisudan.org.

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