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East Africa Doesn't Need Morocco's Sunshine — It Needs Morocco's Feasibility Money

Research Team

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A \$5.7 million US feasibility grant just unlocked a \$4.5 billion green ammonia project in Morocco. East Africa has comparable wind and geothermal resources — but almost none of that early-stage grant capital.

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The Ask

East African governments and their donor partners should stop waiting for private capital to absorb the full cost of green hydrogen feasibility studies and instead fund them directly, the way the US just did in Morocco. A single \$5.7 million US grant is now unlocking a \$4.5 billion ammonia project in the Moroccan Sahara — East Africa has the wind and geothermal resources to match it, but almost none of the early-stage grant capital that gets a project from ambition to bankability.

Why Now

On 28 July 2026, the US Trade and Development Agency (USTDA) signed a \$5.7 million grant with the ORNX consortium — US firm Ourenex alongside Spain's Acciona and Germany's Nordex — to fund a pre-FEED (front-end engineering and design) feasibility study for a green ammonia plant in Laayoune, in Morocco's Sahara region (Attaqa Energy, 28 July 2026; corroborated by Morocco World News, 28 July 2026, citing USTDA's own statement). The plant, once built, would produce 560,000 tonnes of ammonia a year, backed by more than 2 gigawatts of wind and solar capacity and 900 megawatts of electrolysis — part of a wider \$4.5 billion investment the ORNX consortium committed to in February 2026 (Attaqa Energy, 28 July 2026).

The number that matters for East Africa isn't the \$4.5 billion. It's the \$5.7 million that came first. That grant is what turned a signed framework agreement into an active engineering study with a named contractor (KBR, alongside GE Vernova, Electric Hydrogen, and Terabase) and a path to a final investment decision. East African governments — Kenya, Ethiopia, Djibouti, and others courting green hydrogen investment on the strength of geothermal and wind resources that rival Morocco's solar endowment — are still largely missing that step. This brief argues that closing the feasibility-funding gap, not chasing headline investment pledges, is the more urgent policy priority for the region right now.



The Evidence

Three pieces of evidence support this recommendation.

First, Morocco's experience shows feasibility grants are what convert resource potential into investment decisions. Morocco has pursued green hydrogen for years and allocated roughly one million hectares of land to related projects, but the USTDA grant reported this week is, by USTDA's own account, its first support for a green hydrogen project in Morocco's Sahara provinces (Attaqa Energy, 28 July 2026). It arrives more than five months after the underlying \$4.5 billion framework agreement was signed in February — meaning the project sat without a funded engineering study for months even with major private sponsors already committed. If a market as mature as Morocco's needed a targeted grant to move from framework agreement to feasibility study, East African projects earlier in their development — with thinner sponsor balance sheets and less-developed regulatory frameworks — need it more, not less.

Second, East Africa's renewable endowment for hydrogen is comparable, and in some respects better-diversified than Morocco's. Morocco's project is a single-resource bet on wind and solar. Kenya and Ethiopia can draw on geothermal baseload alongside wind and solar, which reduces the storage and intermittency costs that make electrolyzer economics difficult — a structural advantage that has featured in feasibility work on East African green hydrogen corridors but has not yet attracted the kind of dedicated, government-to-government feasibility grant that just landed in Laayoune.

Third, the deal's shape — a bilateral trade-promotion agency funding a feasibility study ahead of a private consortium's investment decision — is a template, not a one-off. USTDA exists specifically to fund early technical studies that help infrastructure projects in emerging markets attract financing (Morocco World News, 28 July 2026, citing USTDA's own description of its mandate). That mandate is not geographically restricted to North Africa, and comparable instruments exist at other bilateral and multilateral agencies (export-credit agencies, development finance institutions) that East African governments have engaged for other sectors but have applied far less systematically to hydrogen and ammonia feasibility work specifically.

Addressing the Counter-Case

The strongest objection is that Morocco's advantage isn't really about feasibility grants — it's political and logistical: an established investment-grade sovereign credit profile, a government that has spent years courting exactly this kind of deal, deep-water port access, and a US relationship that made a US federal agency willing to move first. On this view, East African governments could fund all the feasibility studies they want and still not replicate Morocco's outcome, because the underlying investment climate, not the missing engineering study, is the binding constraint.



This is a fair caution, and 3Bi does not dispute that sovereign risk perception, port infrastructure, and grid readiness all matter alongside feasibility funding — a grant alone will not manufacture bankability where those fundamentals are absent. But the counter-case proves too much: it would predict that no early-stage East African energy project could ever attract a feasibility grant until its investment climate first resembled Morocco's, which is not how development finance institutions have historically operated in the region on other infrastructure (geothermal drilling risk mitigation in Kenya being the clearest counter-example — a case where donor-funded early-stage risk capital, not an already-mature investment climate, was the precondition for private capital following). Feasibility funding is not a substitute for investment-climate reform; it is frequently the mechanism that generates the bankable project data that makes the case for that reform to sovereign and private lenders in the first place.

What 3Bi Recommends, Specifically

First, East African governments actively courting green hydrogen investment should identify, within the next two quarters, one flagship project per country — ideally one already at framework-agreement or MoU stage — and approach USTDA, and equivalent instruments at the EU, Japan (JICA), and Gulf development-finance institutions, specifically for pre-FEED feasibility funding, using the Laayoune grant as the explicit reference precedent in the ask.

Second, regional bodies (the East African Community's energy directorate, and the Africa Green Hydrogen Alliance where relevant governments participate) should compile and publish a standing shortlist of East African hydrogen and ammonia projects at framework-agreement stage but lacking funded feasibility studies, to give bilateral trade-promotion agencies a ready-made pipeline rather than requiring each government to make the case project-by-project.

Third, donor governments and multilateral climate-finance vehicles already active in East Africa's energy sector should treat feasibility-study grants as a distinct, trackable line item in their climate-finance commitments to the region — separate from headline investment-pledge figures — since it is this earlier-stage capital, not investment pledges, that this brief's evidence indicates is the binding constraint on project progression.

Sourcing & Contact

Primary sourcing: Attaqa Energy (attaqa.net), 28 July 2026, on the USTDA-ORNX grant, citing Bloomberg; Morocco World News, 28 July 2026, "US Funds Feasibility Study for Large-Scale Laayoune Ammonia Plant," citing USTDA's official statement. For methodology questions or follow-up, contact 3Bi's Research Team via 3bisudan.org.

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