ECOFIN AGENCY · TUNISIA

EBRD funds $55m Tunisia solar-storage project

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The European Bank for Reconstruction and Development (EBRD) and the Clean Technology Fund (CTF) are providing €50 million ($55.4 million) to finance a combined solar power and battery storage project in southern Tunisia. The financing package will support construction of a 50 MW photovoltaic plant paired with a battery energy storage system, marking a significant addition to Tunisia's renewable energy infrastructure.

The EBRD is acting as lead financier in the arrangement, with the CTF contributing concessional funding to improve the project's commercial viability. Southern Tunisia's high solar irradiance makes it a priority zone for utility-scale photovoltaic development, and the inclusion of battery storage is designed to address grid intermittency — a persistent challenge for North African power systems seeking to integrate variable renewable generation at scale.

Tunisia has been working to diversify its electricity mix away from domestic natural gas, which has faced declining production in recent years, placing growing strain on the country's energy balance. The government has set renewable energy targets requiring a substantial share of installed capacity to come from wind and solar sources. Projects of this scale, backed by multilateral development finance, are central to meeting those ambitions while reducing reliance on gas-fired generation and costly fuel imports.

Battery energy storage integrated at the plant level represents a relatively recent approach in the North Africa context, where most large-scale renewables to date

have been built without co-located storage. By smoothing output and providing dispatchable capacity, the storage component is intended to enhance grid stability and increase the bankability of future renewable projects in the region by demonstrating a replicable technical model.

The financing is structured as a loan instrument rather than a grant, with CTF concessional terms helping to close the gap between commercial lending rates and the risk-adjusted returns typical of infrastructure projects in frontier markets. Completion and commissioning timelines were not disclosed in available reporting. The project adds to a pipeline of EBRD-backed energy investments in Tunisia that have targeted both conventional and renewable generation assets over the past decade.

Why this matters to partners and clients of Saga

This is a renewable power and grid-storage project with no direct oil and gas, subsea, FPSO, drilling, or LNG service content. Norwegian O&G service companies should monitor Tunisia's broader energy investment climate but this specific project offers no near-term procurement or service entry point for the sector.

PARTNER ANGLES

- **Service:** Monitor for grid infrastructure and EPC subcontracting opportunities once project moves to tender phase, as large solar-storage builds require civil, electrical and commissioning contractors.
- **Pipeline:** No pipeline content in this project; track Tunisia's gas network separately as declining domestic gas output may prompt infrastructure investment decisions.
- **LNG:** Tunisia's shift away from domestic gas toward renewables is a structural signal worth tracking for LNG import infrastructure demand over the medium term.

Original source: Ecofin Agency →

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