



# **Tunisia-Italy Interconnection Economic and Financial Viability**

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# Economic viability

- Economic analysis commissioned by WB completed in May 2016 by CESI
- Project has IRR of 18% and is robust to changes of key parameters
- Key benefits of the project:
  - Trade between Italy and Tunisia
  - Other European countries benefit from trade
  - Increased security of supply for Tunisia
  - More RE integration in Tunisia and less risk of curtailment in Italy
  - Longer term opportunity for solar power export from Tunisia



# Financial viability

- Other regional benefits: close the transmission loop between Europe and the Maghreb
- Preliminary results of financial analysis show project is viable, but requires concessional debt and grant financing
- Strong support from international financial institutions
- Global Infrastructure Facility (GIF) ready to fund feasibility studies and advisors