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EU Launches T-MED: A €25 Billion Matchmaking Platform for Renewable Energy Cooperation and Clean Tech Investment in the Mediterranean Region



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Background

T-MED is embedded in the Pact for the Mediterranean and serves as the primary delivery instrument for the Pact's economic and energy cooperation pillar. T-MED's launch also builds on the Commission's AccelerateEU Communication of 22 April 2026 (see also our previous blogpost) and the EU's broader economic security strategy. It forms a cornerstone of the EU's external clean energy policy. T-MED encompasses five pillars which are each discussed in turn below.

By helping MENA partner countries transition away from fossil fuels, T-MED simultaneously addresses the EU's own energy security vulnerabilities, advances its clean tech competitiveness and contributes to global decarbonisation objectives.

1. Investment Platform

At the heart of T-MED is a new T-MED Investment Platform, which will become operational in September 2026 and hold its first meeting in October 2026. The platform is managed by the European Commission and will bring together, under a **single coordination and project-structuring framework**, EU institutions, IFIs, private investors and project promoters. Its central objective is to mobilise up to €25 billion in expected investments by 2035 by facilitating matchmaking between a pipeline of projects and public and private finance. The platform is **not a funding tool** itself as T-MED projects will follow existing financing processes, making use of all existing EU financial instruments including under EFSD+.

The platform combines two complementary functions: **(1) project identification**, sourcing investments from MENA partner country pipelines, IFI pipelines and dedicated Calls for Project Proposals; and **(2) financial structuring**, designing the appropriate mix of public and private finance to bring selected projects to implementation. T-MED envisages a staged approach to private capital mobilisation where commercial banks are engaged in the early development stage alongside IFIs and European Development Finance Institutions (EDFIs) with institutional and commercial investors drawn in a later stage through refinancing, asset aggregation or portfolio-based structures, including securitisation.

As part of the financial structuring, T-MED will use **EFSD+ and its principal financial de-risking instrument**, under which the Commission has made available more than €5 billion in guarantee capacity. EFSD+ provides comprehensive **guarantee cover** for credit, market, political and transfer risks under the guarantee-backed products granted by partner IFIs. These products include three categories: direct corporate lending by an IFI, intermediated lending whereby IFIs extend loans or guarantees to local financial intermediaries, and co-financing of private investors or commercial banks along with IFI's lending. Other risk sharing structures under EFSD+ typically include **first-loss or second-loss risk sharing**, with EFSD+ covering a pre-agreed "first-loss" or mezzanine tranche of a specific investment or portfolio, and **pari passu risk sharing**, with losses shared proportionally between the EU-backed tranche and other financiers.

2. Regulatory Accelerator

T-MED has identified regulatory risk as the primary barrier to scaling renewable investment in the MENA region as fragmented regulatory frameworks, limited transparency and lengthy permitting procedures continue to undermine project bankability and private capital mobilisation. Through the **"Regulatory Accelerator"**, a programme of accelerated regulatory convergence between the EU and MENA partner countries, T-MED aims to address the most structural regulatory constraints such as: permitting delays, unclear grid connection procedures, non-cost-reflective tariffs, opaque subsidy regimes, unpredictable offtake frameworks and limited independence of regulators.

The Regulatory Accelerator will focus on adopting modern, bankable power purchase agreement (PPA) frameworks, strengthening independent regulatory authorities, reducing renewable permitting timelines by 30%, ensuring non-

discriminatory grid access and gradually introducing cost-reflective tariff methodologies in MENA partner countries. Following structured regulatory dialogues with MENA partner countries, **country-specific "Reform Roadmaps"** will be adopted directly linked to priority renewable and infrastructure pipeline projects. These Reform Roadmaps will set out the institutional responsibilities and reform implementation timelines.

Between 2026 and 2030, at least 10 "Technical Support Instrument" (TSI) missions will complement the Reform Roadmaps by providing targeted expertise on market design, tariff reform, grid planning and access, PPA frameworks and permitting capacity. Full country reviews will be conducted in at least seven MENA partner countries by 2029, in partnership with the Association of Mediterranean Energy Regulators (MEDREG), benchmarking regulatory progress.

By 2030, the Regulatory Accelerator also aims to establish **EU-compatible Guarantees of Origin** or renewable certification systems and the alignment of **hydrogen sustainability criteria and CO2 accounting methodologies** with EU standards, both critical for the bankability of renewable electricity export and green hydrogen trade projects.

From 2026 onwards, access to EU financial instruments and broader EU support will be progressively conditioned on measurable progress against agreed reform benchmarks. MENA partner countries moving quickly on reform under the Regulatory Accelerator will receive accelerated access to the EU de-risking toolkit and advanced financial structuring under the T-MED Platform, improving the risk-return profile for private lenders and investors.

3. Renewable Energy Trading through Modernised Energy Systems and Regulatory Alignment

Power systems in the MENA region will need to absorb growing volumes of variable and distributed renewable energy for which they were not designed. Well-functioning cross-border connections, a modernised grid system and further system integration are required to manage future network capacity, curtailment risks, congestion and higher system costs.

T-MED will support the modernisation of the energy systems in MENA partner countries through targeted investment in **transmission lines**, smart-grid deployment, system digitalisation (including cybersecurity), hydrogen pipelines, port facilities and **cross-border interconnections**, while scaling up conditions to facilitate the trade of renewable energy through improved certification and regulatory alignment.

By 2035, T-MED aims to support at least **three additional major cross-border infrastructure projects** of material value for the MENA region and feasibility studies for **hydrogen transport corridors and port infrastructure**. Regional coordination between TSOs through existing platforms such as MED-TSO will be strengthened to harmonise grid codes and cybersecurity standards by 2030, reducing a significant source of regulatory fragmentation for cross-border project developers.

Closer regulatory alignment with EU frameworks will facilitate renewable energy trading. From 2026, project-level **regulatory guidance** will be available to private promoters on compliance with EU rules, system stability standards and transparent long-term offtake arrangements. Under T-MED, a **Certification Handbook** will be developed by 2028, with technical assistance provided to align national MENA partner country frameworks with EU rules which will cover hydrogen regulation, sustainability criteria and CO_2 accounting methodologies.

4. Clean Tech Ecosystem

In order to become a competitive production hub for clean technologies, the MENA region's scale up of renewable energy and related infrastructure should be accompanied by local and regional **clean tech value chains** across priority technologies. To this end, T-MED aims to progress industrial development with stronger R&D activities, clean tech manufacturing and procurement from resilient and diversified supply chains, each in line with the EU's Clean Industrial Deal, Net-Zero Industry Act and the Industrial Accelerator Act (see also our previous blogpost) as well as modernised bilateral trade and investment frameworks.

Based on detailed mappings of industrial capabilities, infrastructure and gaps, T-MED will support **"Clean Tech Industrial Collaborations"** connecting EU and MENA-based companies, financiers and technology providers across the priority technologies (including solar, wind, hydrogen, storage and grid equipment). The Commission also refers to potential synergies with other strategic technologies such as advanced nuclear technologies and small modular reactors, relating to industrial partnerships, skills and supply chains, consistent with the EU SMR Strategy published earlier this year (see also our previous blogpost).

From 2026 onwards, clean tech manufacturing and cooperation opportunities linked with the projects considered under the T-MED Investment Platform will be supported via tailored financial support to facilitate at least **10 EU-MENA industrial partnerships or joint ventures** in priority clean tech segments. In addition, T-MED will promote transparent, diverse and resilient clean tech procurement for EU- and IFI-funded renewable energy projects, aiming to reduce dependencies on high-risk technology suppliers from third countries (in particular for grid technologies). By 2028, at least **three priority clean tech value chains** will be identified under the T-MED Clean Tech Industrial Collaboration framework for further support.

5. Skills Agenda

To ensure that each renewable, grid or clean tech project contributes to the development of the local workforce in the MENA partner countries, T-MED will link skills' development to projects in its pipeline. As such, skills-development requirements will be **integrated into Calls for Project Proposals**, as part of the assessment criteria for T-MED support. T-MED commits to supporting the training and upskilling of at least 100,000 workers across renewable energy, infrastructure modernisation and clean tech manufacturing sectors by 2035, drawing on project-embedded vocational training models and industry-led curricula. A T-MED Skills Tracker will be established by 2027 to document skills acquisition, improve recognition and mobility, and strengthen talent partnerships.

What's next?

T-MED was launched on 9 June 2026 and confirms that the EU is engaging the MENA region as its ally to achieving its goals in energy transition and energy independence. The important upcoming milestones under the T-MED initiative are as follows:

- **15 August 2026:** Deadline for the Call for Expressions of Interest targeting European project promoters with proposals for T-MED specific renewable energy, grid, hydrogen or clean tech projects.
- **September 2026:** T-MED Investment Platform becomes operational.
- **October 2026:** First T-MED Investment Platform meeting, chaired by the European Commission, bringing together EU institutions, IFIs and private investors to review the initial project pipeline and financial structuring approach.

Early engagement with the Call for Proposals for project promoters will be important for energy and infrastructure developers seeking EU de-risking support in the MENA region and T-MED pipeline inclusion. T-MED's combination of the matchmaking Investment Platform and the targeted use of the EFSD+ guarantee toolkit progressively linked to measurable regulatory reform progress will shape the investment environment for parties interested in the MENA energy and infrastructure space, with both significant opportunity and new diligence, structuring and compliance considerations.

If you would like to discuss any aspect of the T-MED Initiative or its implications for your projects or investment strategy, please reach out to the contacts on this article, or to your usual Linklaters contact.

Contacts



Mehdi Boumedine
Partner, Paris
Tel: +33 1 5643 2703
mehdi.boumedine@linklaters.com



Arnaud Coibion
Partner, Brussels
Tel: +32 25019018
arnaud.coibion@linklaters.com



Justin C. Faye
Partner, Paris
Tel: +33 1 5643 5658
justin.faye@linklaters.com



Matt Keats
Partner, Dubai
Tel: +97143695806
matthew.keats@linklaters.com



Emma De Koster
Managing Associate, London
Tel: +44 20 7456 3576
emma.dekoster@linklaters.com

linklaters.com

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