Tunis city renewable energy growth

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In 2017, referring to the necessity of a just transition, the Movement Generation argued that "Transition is inevitable. Justice is not". However, considering recent developments including the fact that the COVID-19 pandemic has failed to bring about any significant change in our system, it is becoming more and more obvious that the status quo could well last much longer than we might have expected, while its adverse repercussions grow exponentially. In this context, there is no space left for a wait-and-see attitude: immediate action must be taken towards both an effective transition and justice.

This paper seeks to provide some reflections in order to attempt to answer these questions. In this context, the paper aims to reflect on the concept of a just transition within the context of Tunisia. In a first part, we present the 2015-12 law on renewable energy and its implications. We then investigate to what extent the renewable energy transition represents a convincing development opportunity for Tunisians themselves. Last, we question the impacts of renewable energy development on people"s rights and on the environment.

Since the liberalization of renewable electricity production under the authorizations and concessions regimes, the proportion of private investment has increased. According to 2018 figures, 42.5 per cent of the electric power coming from planned wind and solar energy projects will be produced as a result of PPPs. However, it should be mentioned that not all of those power plants are operating yet.35 In parallel, STEG has been developing its two PV power plants in Tozeur (Tozeur I and Tozeur II), of 10MW each.

In addition, in spite of the existence of some national actors, Tunisia"s willingness to attract foreign investors tends to exclude local companies and Tunisian developers: for instance, the government prioritizes foreign companies with a background in developing projects of the same scale with the same technology.48 Indeed, the selection of projects is based on the prior experience of the developer or its subcontractors, and on the consistency and feasibility of the project, which de facto gives preference to foreign investors from countries that are leading the way on the development of renewable energy projects and which have stronger financial resources.49

Under the authorization regime (10MW projects), out of the 22 projects which have benefited from an agreement in principle after the three rounds of calls for tenders launched between 2017 and 2019, only half have Tunisian project leaders and only four projects are exclusively led by Tunisian firms. By comparison, five projects exclusively involve to French firms and three to German ones.50

As regards concessions for solar energy production, all five projects (for a total of 500MW) are awarded to foreign firms. The Norwegian company SCATEC Solar has won tenders for three projects, for a total of 300MW.51

Thus, if the Tunisian-led renewable energy sector has some assets as regards the development of local projects, it remains too weak to carry out the expected large-scale projects in the current context. Thus, to reduce its dependency, Tunisia would be wise to promote small-scale projects at the household or community level that would be more suited to local expertise, and less intensive in terms of capital and knowledge requirements.

In order to ensure that the development of renewable energy in Tunisia is beneficial for the local economy, the 2015 law was followed by several other laws and decrees. These have included laws to create an incentive framework for investments in renewable energies. Law 2016-71, dated 30 September 2016, on investments in the field of renewable energies, and the subsequent government decree n?2017-389, dated 9 March 2017, concerning financial incentives encourage targeted regional development and local employment generation through renewable energy projects. They also create tax benefits to encourage companies to invest in marginalized regions52 and reinvest part of their profits.53

However, several developers and investors have faced difficulties finding funding and have pointed out some regulatory and bureaucratic challenges to participating in calls for tenders (also linked to the plurality of institutions involved).54

Accordingly, despite an official focus on marginalized regions and local employment generation, there might be a risk that the current framework actually ends up taking hold of land in the least developed areas in order to exploit the renewable resources there, without proper compensation for local communities, maintaining an internal colonial dynamic.61

In the strategic vision for the energy sector adopted by the government in 2018, fairness in energy distribution and good governance are officially promoted, through the securing of fair access to energy in every region, in the best conditions, the development of a social responsibility policy, the creation of a regulatory authority and the implementation of a more transparent process.62

Additionally, under the 2015-12 law, the first step required for an electricity production project using renewable energy, within the framework of the authorization regime, is the conducting of a feasibility study. This study must include environmental and social impact assessments. The environmental impact assessment must be carried out by a consulting firm and must include at least a basic description of the initial condition of the site, the characterization of the site and a description of neighbouring areas, an estimation of the future impact of the project on local flora and fauna, and an estimation of the visual and acoustic impact.63