



**USAID**  
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**POWER TUNISIA**  
PRIVATE SECTOR SUPPORT INITIATIVE

# A PRIVATE SECTOR PROGRAM FOR ENERGY TRANSITION IN TUNISIA



## BACKGROUND AND PROGRAM DESCRIPTION

In 2022, 98.1% of Tunisia’s electricity was derived from natural gas, two-thirds of which was imported from Algeria, making Tunisia especially vulnerable to the volatility of international oil and gas price shocks. Given an annual 4%-5% growth in power consumption, natural gas price spikes, and mounting pressure on the dinar, the energy subsidy scheme has become progressively costly to maintain, creating budgeting challenges and hindering Tunisia’s clean energy transition.

Starting in 2026, the EU intends to apply the Carbon Border Adjustment Mechanism (CBAM) on Tunisian firms exporting to the EU unless they meet certain environmental requirements. As such, it is critical now more than ever for the private sector to invest in clean energy and demand reduction solutions. Doing so will enable private companies to reduce and save on energy bills, improve competitiveness and profitability, and comply with new international green regulations.

Responding to these challenges, USAID Power Tunisia’s Private Sector Support team will help accelerate adoption of renewable energy and energy efficiency solutions by Tunisian firms while building the capacity of key sector stakeholders to better prepare for, implement, and manage the clean energy transition. Through its work, Power Tunisia program seeks to contribute to the following high-level objectives planned for Tunisia’s energy sector:



**Increase Renewable Energy Deployment**



**Reduce CO2 Emissions**



**Reduce Electricity Consumption**



**Mobilize External Capital in Clean Energy Investments**



**Engage and Support Tunisian Firms**

## PLANNED SUPPORT

To support the Tunisian energy sector in achieving its clean energy goals, Power Tunisia program will support the delivery of renewable energy and energy efficiency projects through targeted technical assistance, grant funding, and capacity building for sector stakeholders via a competitive application process through our website application portal. Applications will be reviewed on a rolling basis against rigorous, transparent criteria in line with Power Tunisia stated objectives. Power Tunisia anticipates working with stakeholders including, but not limited to:



### PRIVATE SECTOR

- Local and US firms
- Developers
- Experts



### ENERGY CONSUMERS

- Industrial
- Commercial
- Residential



### FINANCIAL SECTOR

- Commercial Banks and MFIs
- Financial service providers
- Investors



### INTERNATIONAL DONOR COMMUNITY

- Multi/Bilateral Development Banks
- Donors

## POWER TUNISIA PROJECT SUPPORT MATRIX

Project Size/ Potential Partners	Available Support to Renewable Energy Projects	Available Support to Energy Efficiency Projects
<b>Large (\$2M+)</b> - Industrial Tunisian and international firms - Project developers - Investors - Commercial banks	- Transaction Advisory Services for technical design development, capital raising through US and international investors, due diligence, and risk identification/mitigation.	- Technical consulting assistance for assessment and co-development of EE projects, project design, capital raising, due diligence, and risk identification/mitigation.
<b>Medium (\$20k - \$2M)</b> - Private industrial manufacturers - Agribusinesses - Commercial building operators - Commercial banks	- Technical consulting assistance for project designs, business case development, access to finance; - In-kind funding support (up to 10% of CAPEX) for RE equipment.	- Technical consulting assistance for Energy Audits, project designs, business case development, access to finance; - In-kind funding support (up to 10% CAPEX) for EE equipment & management systems.
<b>Small (&lt;\$20k)</b> - Small businesses - Private residences - Commercial banks	- Technical consulting assistance, grant support, and trainings to financial intermediaries to increase lending to support renewable energy generation projects; - Targeted grants to marginalized populations for RE.	- Technical consulting assistance, grant support, and trainings to financial intermediaries to increase lending to support energy efficiency projects; - Targeted grants to marginalized populations for EE.

For more information and assistance, please contact :

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