GOVERNANCE OF INVESTMENT IN RENEWABLE ENERGY BETWEEN ENERGY SECURITY REQUIREMENTS AND BUSINESS LAW CONSIDERATIONS: A STUDY IN LIGHT OF ALGERIAN LEGISLATION

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Abstract:
The shift towards renewable energy is one of the most prominent challenges facing the contemporary world, amid rising energy demand and growing environmental risks linked to fossil fuels. This has prompted many countries to adopt renewable energy sources to ensure a sustainable future. Like other countries, Algeria aims to integrate into the global circle of sustainable development by adopting robust legal and economic policies. Through this policy, Algeria seeks to rationalise energy use by focusing on clean energy production, distribution mechanisms, and consumption patterns — so as to achieve energy security within a fair and sustainable development framework that also supports investment in this field.
It is therefore essential to examine the reality of legal regulation in Algeria, particularly Law 04-09, dated 14 August 2004, on the promotion of renewable energy within sustainable development, along with its associated legislation. This includes Law 22-18, dated 24 July 2022, on investment, as well as other legal and regulatory texts that together form a favourable environment for sustainable business law. These include Law 03-10, dated 19 July 2003, on environmental protection within sustainable development, as well as industry, commercial, mining and agricultural laws. The study addresses the extent to which this legal framework can balance the requirements of energy security with attracting and promoting investment.

Keywords: investment governance, renewable energy, energy investment, energy security, business law, environment and sustainable development.

Introduction

As renewable energy represents the future of sustainable energy due to its environmental friendliness and natural renewability, investing in it through available channels, whether local or foreign, direct or indirect, is essential for achieving energy security. The State seeks to achieve this by providing sustainable energy production at a reasonable cost, in order to support economic growth and expand access to modern energy services, in light of global transformations towards energy transition and a 'green economy'.
Renewable energy is a major source of global energy, extending beyond traditional energy sources. This makes it necessary to establish effective legal mechanisms to regulate this vital sector and ensure its governance. This governance should be based on sound management principles, clear policies to enhance transparency and efficiency, and rational risk management to achieve business sustainability in this sector. This is precisely what Algeria aims to accomplish through its medium- and long-term strategy, which is legally and institutionally framed, continuously implemented and serves the renewable energy sector.
Based on this, the following problem arises:
To what extent do legal, institutional and operational frameworks ensure a balance between energy security requirements and business law when regulating the determinants of investment governance in renewable energy?
This main question is supported by three sub-questions:

1. What are the structural elements of investment governance, renewable energy, energy investment, energy security, business law, and the environment and sustainable development?
2. What are the elements of investment governance in renewable energy in light of the applicable legislation?
3. What are the requirements for ensuring a balance between energy security and business law considerations?

The study will address these issues by relying on the national legal framework, Law 04-09[1], which concerns the rules for promoting renewable energy and sustainable development procedures, as well as its associated legislation. The study will also consider Law 22-18[2], which addresses investment activity in all its forms and, as a general law, establishes a reference framework for the components of the investment environment in a renewable and sustainable context. The study will also consider Law 03-10[3], alongside the most important international instruments issued on this topic.

In this context, the importance of renewable energy and the governance of investment in this area stands out as a modern framework for regulating the relationship between the state and economic actors through national and international legal and institutional systems designed to promote sustainable development. This includes safeguarding the right of future generations to its outputs, as well as its material, social, financial and natural benefits. It also involves developing effective mechanisms for utilising renewable energy and enhancing the attractiveness of the investment environment.

In Algeria, this is reflected through its multi-sector energy development programmes, which are legally established and expressed through projects related to solar, wind, geothermal and thermal, hydrogen and fuel, hydroelectric and nuclear energy, and other resources qualified for producing renewable energy that aligns with and competes with international standards.

This research paper aims to:

- provide a conceptual overview of the key terms of the study to determine their meanings and characteristics, and how they differ from other concepts, especially those related to renewable and traditional energy;
- identify and define the legal concept of the related elements: - Investment governance
- Energy investment
- Energy security
- Business law
- The environment and sustainable development

Present the theoretical and legal-economic framework underlying investment governance in renewable energy. This will be achieved by analysing the role of business law in this type of investment, which focuses on encouraging economic actors — business owners (companies and institutions) — to enter this sector, and by demonstrating the extent to which business law can balance the requirements of energy security with the goal of attracting investment.

- Clarify the importance of renewable energy and the rationalisation of its use through investment, with the aim of preserving traditional energy sources, protecting the environment, and achieving sustainable development.

Present and analyse the theoretical, legislative and regulatory framework addressing the topics of renewable energy, investment, companies, competition, transparency and the environment and

[1]- The Decree/Ordinance dated 14 August 2004 relating to the promotion of renewable energies within the framework of sustainable development, Official Gazette of the People’s Democratic Republic of Algeria, Issue No. 52, issued on 18 August 2004.

[2]- The Decree/Ordinance dated 24 July 2022 relating to investment, Official Gazette of the People’s Democratic Republic of Algeria, Issue No. 50, issued on 28 July 2022.

[3]- The Decree/Ordinance dated 19 July 2003 relating to environmental protection within the framework of sustainable development, Official Gazette of the People’s Democratic Republic of Algeria, Issue No. 43, issued on 20 July 2003.

sustainable development, while also referring to plans for electricity and gas distribution, oil and solar energy, and more. This should be done without forgetting the national and international structures and bodies that support them, such as the National Observatory for Promoting Renewable Energy, the Renewable Energy Development Centre, the Algerian Investment Promotion Agency, the International Investment Guarantee Agency, and so on.

- Highlight the position of renewable energy within the national strategy by referring to source legal texts and announced and implemented programmes, directing them towards the rational use and promotion of renewable energy resources, and assessing their impact on achieving development and sustainable development objectives, which in turn reflects the achievement of energy security objectives.

Accordingly, this study will use the descriptive and analytical methods for legal data directly and indirectly related to the topic, as required by the elements of the study.

1. Structural elements of the concepts of investment governance, renewable energy, energy investment, energy security, business law, the environment and sustainable development:

The contemporary world is undergoing profound changes to the structure of the international economy due to the growing intersection between the demands of economic development and the need to protect the environment, as well as the imperative to optimise the use of natural resources in a manner that supports environmental sustainability within a comprehensive legal framework that encompasses all its components. Scarcity of natural resources and climate change are among the most important challenges that have prompted countries, including Algeria, to reconsider their investment policy in line with sustainability imperatives. This is achieved by adopting new models that promote the rational use of resources and increase reliance on renewable energy.

Therefore, we will present, define and determine the concept of the structural elements related to investment in renewable energy. These elements are arranged in a hierarchical way and are complementary, with objectives that intersect towards:

- providing an environmentally friendly product;
- protecting wealth and preserving it from extinction.
- Achieving development and sustainable development.

1.1. Investment governance

In principle[4], achieving sustainable development requires governance through the wise management of economic development projects, taking into account the following principles:

- Effectiveness in planning
- Effectiveness in implementation
- Teamwork
- Task/responsibility distribution
- Justice

As a complex normative and organisational framework, investment governance aims to ensure transparency, efficiency and accountability, especially in vital strategic sectors such as the energy sector. We can present this as follows:

1.1.1 Governance

The United Nations' September 2015 moral report, titled "A Decent Life for All", emphasised the importance of building a world governed by peace and effective governance based on the principles of the rule of law and sustainable development[5].

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[4]- Amin Sayyed lotfi, The Future of Review in the Twenty-First Century: Reading and Prospects*, Dar Al-Nahda Al-Arabiyya, Cairo, 2002, p. 330.

[5]- The United Nations report entitled "A Life of Dignity for All", reviewed on 5 April 2025 at 19:56 (Governance – United Nations and the Rule of Law).

From this report, we can infer that the achievement of multi-sector sustainable development objectives, particularly those related to energy, rests on the fundamental pillars established by the State:[6]

- Relying on administrative foundations and rules;
- Economic rules to achieve development and draw on the experiences of advanced countries.
- Relying on legal and societal rules to achieve justice.

This is reflected in legal framework texts related to the environment[7], sustainable development[8], investment and renewable energy[9], which enshrine the principles of rationality and sound management in the exploitation, promotion, administration and protection of natural resources. These elements intersect under their provisions in their role in achieving balanced, sustainable and environmentally oriented renewable energy and investment sector development.

1.1.2 Investment

Article 61 of the Constitution[10], which is located within the first chapter under the heading ‘Fundamental Rights and Public Freedoms’ in the section on ‘Fundamental Rights and Public Freedoms and Duties’, states that investment freedom is a basic and essential principle. This freedom covers all forms of activity carried out by natural and legal persons, in accordance with the nature of the activity, its geographic scope and the persons carrying it out.

However, Law 22-18[11] does not provide a direct definition of investment. Instead, they set out the legal controls governing investment operations, including the parties involved and the rules of ‘investment attraction’ that must be achieved to ensure successful economic practices within a rational and effective investment climate[12].

Through the provisions of the aforementioned articles — Articles 5, 6, 17 and 18 — the law clarifies the following in sequence:

- The elements of the investment process in terms of the parties and the type and manner of the operation.

Presenting the guarantees and obligations linked to all operations requiring licensing, registration or transfer.

- The institutional role of state bodies and agencies in supporting, following up on, evaluating and developing strategies in the field of investment.

Therefore, investment governance is not limited to regulating the behaviour of economic actors; it also extends to a legal and institutional system capable of achieving a balance between attracting investments and protecting the public interest — which is particularly important for investment in renewable energy.

1.2 Renewable energy

First, it should be noted that non-renewable energy is the opposite of renewable energy. Its sources are non-renewable resources: they are limited and not easily available, they renew slowly and they are consumed at a fast rate. Examples include coal, oil, uranium, gold, aluminium and sand[13].

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[6]- Adel Razek, 'Good Governance: The Good Governance or Governance (al-Hawkamah), Research and Working Papers', Second Arab Symposium (Good Governance as an Option for Administrative and Financial Reform), Cairo, Egypt, May 2008, pp. 146–147.

[7]- See Article 1 of Law No. 22–18 relating to investment (previous reference).

[8]- See Article 2 of Law No. 03–10 relating to environmental protection within the framework of sustainable development, previous reference.

[9]- See Article 1 of Law No. 04–09 relating to the promotion of renewable energies within the framework of sustainable development, previous reference.

[10]- The Constitution of the People’s Democratic Republic of Algeria for the year 2020, Official Gazette of the Algerian Republic, Issue No. 82, issued on 30 December 2020.

[11]- Law No. 22–18 relating to investment, the same reference.

[12]- See Article 1 of Law No. 22–18 relating to investment, the same reference.

[13]- The Egyptian website Intersolar was reviewed on 12 April 2025 at 16:09, https://ise-eg.com.

In contrast, Algerian legislation defines renewable energies based on their forms, the methods that allow them to be used efficiently and the processes that enable their conversion. In particular, Article 3 of Law 04-09[14] defines renewable energy as including:

- Forms of electrical, kinetic (or thermal) and gas energy obtained through the conversion of: - Solar radiation, wind power, geothermal heat, organic waste, hydropower, and biomass-related energy-use techniques.
- Methods that enable significant energy savings by relying on bioclimatic engineering techniques in construction operations.

In other words, renewable energy encompasses everything produced by converting renewable energy sources, such as solar radiation, wind power, geothermal heat, organic waste and hydropower.

1.3 Energy investment

Investment in renewable energies involves allocating capital to produce energy from sustainable natural sources, such as the sun, wind and water, which are inexhaustible. The aim is to generate economic returns, bolster energy security and cut carbon emissions. This type of investment is fundamental to sustainable development, the transition to a 'green economy', and reducing dependence on fossil fuels[15].

1.4 Energy Security

Energy security means ensuring the continuous, reliable and safe availability of energy sources at affordable prices to meet the needs of the economy and society. It is closely linked to national security and involves diversifying energy sources, safeguarding energy infrastructure and shifting towards renewable and sustainable energy sources, particularly in the context of geopolitical challenges and climate change[16].

1.5 Business Law[17]

Business law refers to the set of legal rules that govern the activities of traders, industrialists, economic institutions and companies, from their establishment to their management. Its purpose is to ensure the stability of commercial transactions and achieve profit while offering flexibility and speed to keep pace with economic and technological developments.

Business law also has an 'international' dimension in that it facilitates global trade through internationalisation. It encompasses various specialisations and integrates rules from private law and public law interventions within the economic sphere.

The laws that directly contribute to business law include:

- Environmental protection and sustainable development law
- Contract and multilateral agreements law
- Intellectual property law
- Labour law

Companies law
Banking and credit law
Consumer law

- Competition law
- Investment law

Insurance law

1.6 Environment and Sustainable Development

[14]- Law No. 04–09 relating to the promotion of renewable energies within the framework of sustainable development, previous reference.

[15]- Reviewed on 15 April 2025 at 16:22, https://www.un.org/ar/climatechange/raising.

[16]- Reviewed on 17 April 2025 at 05:55, https://ar.wikipedia.org.

[17]- Reviewed on 12 June 2025 at 02:12, Business Law: Understanding the Basics of Business Law: A Comprehensive Guide — FasterCapital.

The environment is the vital framework that hosts different forms of human and natural life. It represents an integrated system of physical and biological elements that interact with one another in a way that ensures the continuity of ecological balance. With the acceleration of economic and technological development, major environmental challenges have emerged, including the depletion of natural resources, the worsening of pollution, and the deterioration of ecosystems. This threatens not only humanity's present, but also the future of coming generations.

This made it necessary to focus international and national efforts on environmental protection. Today, environmental protection is one of the main pillars of public policy and national and international legislation. These frameworks aim to integrate the environmental dimension into development strategies by adopting legal and regulatory mechanisms. These mechanisms are intended to rationalise the use of natural resources, promote renewable energy and strike a balance between humans and their natural surroundings, with the ultimate goal of achieving sustainable development. Based on this, we will present the following definitions of the environment and sustainable development:

1.6.1 The environment

The Algerian legislator provided an objective definition of the environment in Chapter One of Law 03–10, under 'General Provisions', specifically in Article 4, Paragraph 7. In the text, the environment is defined as follows:

'The environment consists of living and non-living natural materials, such as air, atmosphere, water, soil and subsoil, as well as plants and animals, including genetic heritage, and the interactions between these materials, as well as natural areas, landscapes and landmarks.'

We can therefore conclude that the environment is defined by its components, representing an integrated network of living and non-living elements that together form an ecosystem.

1.6.2 Sustainable development

The Algerian legislator also defined sustainable development within the framework of Law 03–10[18] in Article 2, Paragraph 4. It defines sustainable development as follows:

'the concept of reconciling sustainable social and economic development with environmental protection by integrating the environmental dimension into development to ensure that the needs of present and future generations are met'.

This definition is similar to the common definitions adopted worldwide. From this definition, two key elements can be identified:

The overall goal of sustainable development is to achieve development that meets the needs of present and future generations.

The different dimensions of sustainable development are that development must take place at environmental, economic and social levels.

Internationally: Stockholm +50[19]

The Stockholm +50 declaration, "A Healthy Planet for Everyone's Prosperity: Our Responsibility", states that ensuring a healthy and prosperous planet for everyone requires a shared commitment. At an international meeting hosted by Sweden and Kenya in Stockholm on 2–3 June 2022, it was recognised that today's actions must not compromise the well-being of current and future generations. Stockholm+50 also represents an opportunity to establish partnerships with stakeholders to accelerate implementation in key areas for a sustainable future over the next decade, namely:

- The relationship between humans and nature.
- What should be invested in.

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[18]- Law No. 03–10 relating to environmental protection within the framework of sustainable development, previous reference.

[19]- Summary document on Stockholm +50: 'A Healthy Planet for the Prosperity of All — Our Responsibility', accessed on 25 March 2025 at 15:15,
http://wedocs.unep.org/bitstream/handle/20.500.11822/37743/SAP.pdf?sequence=3&isAllowed=y.

How resources should be used and shared.

2. Elements of the Governance of Investment in Renewable Energies in Light of Current Legislation

The renewable energy sector in Algeria is undergoing major transformations in light of the shift towards achieving sustainable development and ensuring energy security. This has necessitated the establishment of a modern legal system based on the principles of good investment governance. This governance encompasses more than just setting regulatory rules; it also involves enshrining fundamental legal principles to guarantee a balanced, fair and transparent investment climate.

Accordingly, we will address the principles of investment governance set out in Law 22-18, dated 24 July 2022[20], as well as the provisions of Law 04-09[21], highlighting two key elements:

The principles underlying the governance of investment in renewable energies; and

- The institutional framework of bodies, structures and authorities related to renewable energy.

2) The institutional framework of bodies, structures and authorities related to renewable energy.

2.1 Principles of Governance of Investment in Renewable Energies

Law 22–18[22] enshrines governance principles as a general rule when entering any sector, including renewable energy. The aim of these principles is to enable investment in a way that supports development within the framework of sustainable development, in accordance with Article 10, Paragraph 3, and Articles 11 and 12, respectively[23].

Based on Article 2 of the Law, it specifies that its purpose is to encourage investment for the following reasons:

- developing priority activity sectors with high added value;
- ensuring sustainable and balanced regional development;
- prioritising technological transformation, innovation and the knowledge economy;
- generalising the use of modern technology;
- promoting the creation of permanent jobs and improving human resources.

Strengthening and enhancing the competitiveness of the national economy and its export capabilities.

From the foregoing, it follows that investment is guided by a rational governance rule that enables the sector to achieve sustainable development by focusing on the following:

- Selecting investment activities that have added value and priority status and achieve high economic, financial, human and social returns, while also considering natural resources and local raw materials. In this context, the investment process must combine the general rules of the activity sector with ensuring that sustainable development is an essential objective.
- Using technology and enabling access to innovation to build a knowledge economy.
- Creating an investment environment governed by national competitiveness that supports access to external markets through exports.

These objectives cannot be achieved unless they are consolidated through the provisions of Article 3 of the Investment Law.

2.1.1 Freedom of Investment

The first paragraph of Article 3 of the Investment Law defines freedom of investment as:

“Every natural or legal person, whether Algerian or foreign, resident or non-resident, who wishes to invest is free to choose their investment, provided that they respect the applicable legislation and regulations.”

[20]- Law No. 22–18 relating to investment, previous reference.

[21]- Law No. 04–09 relating to the promotion of renewable energies within the framework of sustainable development, previous reference.

[22]- Law No. 22–18 relating to investment, previous reference.

[23]- See the text of Article 10 (paragraph 3), Article 11 and Article 12 of Law No. 04–09 relating to the promotion of renewable energies within the framework of sustainable development, previous reference.

Therefore, in line with the constitutional principle stated in Article 61, freedom of investment applies to anyone who requests it for the chosen activity, provided it is within the scope of the law and applicable regulations. This strengthens individual initiative and reinforces economic openness.

2.1.2 Transparency and equality

The principle of transparency and equality was adopted by the legislator in the second paragraph of Article 3, cited above, of the Investment Law. This principle is intended to build trust in the investment environment. The text states:

'Transparency and equality in dealing with investments.'

This reflects the principle of equal opportunities among investors while combatting various forms of discrimination and corruption. Consequently, it improves the business climate and helps to attract high-quality investments, particularly in renewable energy, which can be transformed from its initial state into its final state through one of the six transformation processes set out in Article 4 of Law 04–09, namely:[24]

Solar radiation energy, related to transformation through photovoltaic, thermal and thermodynamic conversion (i.e. thermal-to-mechanical movement).

Biomass energy, including all anaerobic ("wet") transformation operations via methanogenic and alcoholic fermentation, as well as dry transformation operations through combustion, gasification/charcoal production and conversion into gas.

- Wind energy, including mechanical and electromechanical conversion processes.
- Geothermal energy, represented by heat recovery.
- Hydropower, including electromechanical conversion.
- Materials and technologies related to bioclimatic engineering, which enable a reduction in the use of conventional energies.

It is also worth noting that renewable energy sources vary depending on the type, cost and use, whether at a local, national or international level[25].

2.1.3 Guarantees for investment in renewable energies

Such guarantees, whether legal, financial or procedural, are a decisive factor in attracting investors, especially in renewable energy, where long-term investment and calculated risk are required. In response, the state has introduced various incentives and facilities, as well as a range of measures and guarantees, to encourage investment and promote the country's economic growth through specialised bodies and institutions. Examples include the National Investment Council and the Algerian Agency for the Promotion of Investment.

These measures and guarantees are addressed in Chapter Four of Law 22–18[26], titled "Incentive Systems and Conditions Qualifying for Advantages", particularly through Articles 28, 29 and 30, as follows:

a) Investment law: Algeria has an investment law that sets out the conditions for investment and defines the rights and obligations of investors, as well as the advantages they may obtain. This framework aims to simplify administrative procedures and provide guarantees for investors.

(b) Customs facilities are granted to investors to facilitate the import of goods and raw materials required for their activities. Customs reductions or exemptions may be applied within the context of investment projects.

c) Tax incentives: The Algerian government provides tax incentives to encourage investment. These may include tax exemptions or reductions, or other incentives specific to certain sectors, including investment in renewable energies.

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[24]- Law No. 04-09 relating to the promotion of renewable energies within the framework of sustainable development, previous reference.

[25]- Didan Abd El-Ghafour, Sources of Energy in Algeria: Laws, Achievements, Challenges and Prospects, Dar Sami for Printing and Publishing, Algeria, 2025, p. 68.

[26]- Law No. 22-18 relating to investment, previous reference.

d) Protection of investments: Algeria ensures the protection of investments through bilateral and multilateral treaties. These agreements guarantee protection against unjustified expropriation, ensure the freedom to transfer funds and allow disputes to be resolved through international mechanisms.
e) One-stop shop: A one-stop shop has been set up to streamline administrative processes related to investment. This means investors can centralise their procedures and benefit from support in processing their files.
f) Technical and financial assistance: Investors may obtain technical and financial assistance from the Algerian government or specialised bodies. This may include grants, concessional loans, or other forms of financial support.
g) Public–private partnerships: Algeria encourages public–private partnerships in various sectors, such as infrastructure, energy and public services. Investors can therefore collaborate with the government to implement large-scale projects.
h) Legal security: Algeria is committed to ensuring legal security for investors. Reforms have been undertaken to strengthen the legal and regulatory framework surrounding investment, thereby creating a stable and predictable environment.
i) Workforce training: Training programmes are implemented to develop the skills of the local workforce. This helps to meet the specific needs of investors and strengthen effective cooperation[27].

2.2 Institutional framework: Bodies and Structures Involved in the Governance of Investment in Renewable Energies

This refers to the set of public institutions and actors that perform organisational, guidance, regulatory and implementation roles in the field of investment in renewable energies. This framework is based on a functional distribution of responsibilities to ensure coordination and complementarity among these actors.
This institutional setting includes:
- investment promotion institutions;
- regulatory authorities for the energy and renewable energy sectors;
- energy efficiency agencies;
- planning bodies for energy development; and
- advisory and technical structures.

These structures therefore contribute to the governance of investment in renewable energies. We will present them as follows:

2.2.1 The Algerian Agency for the Promotion of Investment (AAPI)[28]

The AAPI was established under Article 6 of Chapter One, ‘General Provisions’, of Ordinance No. 01–03[29], which was later repealed by Law No. 16–09. This created a national investment development agency under the authority of the Prime Minister. Its name was then changed under Article 18 to become the Algerian Agency for the Promotion of Investment (“the Agency”). (“the Agency”).
The Algerian legislator confirmed this framework in Chapter Three of Investment Law No. 22–18[30], specifically in Article 16, which defines two bodies related to investment:
the National Investment Council, and

[27]- Motivations for Investment in Algeria, accessed on 12 June 2025 at 23:53.
[28]- Raisons d’investir en Algérie — AR — AAPI.
Algerian Agency for the Promotion of Investment, accessed on 19 June 2025 at 15:21. Présentation de l'AAPI-AR – AAPI.
[29]- Order No. 01-03, dated 20 August 2001, relating to the development of investment, Official Gazette of the People's Democratic Republic of Algeria, Issue No. 47, issued on 22 August 2001. This was repealed by Law No. 16–09, dated 3 August 2016, relating to the promotion of investment, Official Gazette, Issue No. 46, dated 3 August 2016.
[30]- Law No. 22–18 relating to investment, previous reference.

The Algerian Agency for the Promotion of Investment (which replaced the former National Agency for Investment Development).

Responsibilities of the AAPI

The Algerian Agency for the Promotion of Investment (AAPI) works to:

- promote investment in Algeria and abroad, in coordination with Algerian diplomatic and consular representations;
- inform and raise awareness among business circles;
- ensure the management of the digital platform;
- register and process investment files;
- support investors in completing procedures related to their investment.
- manage incentives and advantages, including those linked to project portfolios declared or registered before the investment law was issued;

Monitor the progress of investment project status.

One-stop shop mechanisms

Within this framework, the legislator created two types of one-stop shop under Paragraph 8:

- the one-stop shop for major projects and foreign investments, whose functions are organised by Article 19; and
- decentralised one-stop shops, whose functions are organised by Article 20.

Both structures support major and foreign investment projects and complete related investment procedures.

2.2.2 Multilateral Investment Guarantee Agency (MIGA):[31]

The Multilateral Investment Guarantee Agency (MIGA) was established by Presidential Decree No. 95–345, which approved the Convention establishing the Agency[32]. According to Article 1 of the same text (regarding the creation of the Agency and its legal status), MIGA has full legal personality, including the capacity to enter into contracts, acquire and dispose of movable and immovable property, and take legal action.

Article 2 of the same text defines the Agency's objectives as encouraging investment for productive purposes. Between member states, the Agency carries out the following activities:

- issuing guarantees, including participation in insurance and reinsurance against non-commercial risks for investments in a member state that originate from other member states.
- undertaking appropriate supplementary activities aimed at encouraging the flow of investments to and among member developing countries;
- exercising any other secondary powers necessary or desirable to achieve its objective.

2.2.3 Renewable Energy and Energy Efficiency Agency (CEREFE)[33]

The Renewable Energy and Energy Efficiency Agency (CEREFE) was created by Executive Decree No. 19–280, which sets out the Agency's establishment, organisation and operation[34].

It is a public institution operating in the energy sector. It is placed under the authority of the Prime Minister and, in its dealings with other government bodies, it is governed by public law. In its dealings with third parties, however, it acts with full autonomy.

The second chapter of the text outlines its missions and powers in Articles 5 and 6. These can be summarised as follows:

[31]- International Investment Guarantee Agency, accessed on 25 June 2025 at 15:00 — International Investment Guarantee Agency.

[32]- Agreement on the Establishment of the International Investment Guarantee Agency, dated 20 October 1995, Official Gazette of the People's Democratic Republic of Algeria, Issue No. 66, dated 5 November 1995.

[33]- Directorate/Commission for Renewable Energies and Energy Efficiency, accessed on 20 June 2025 at 15:22, CEREFE.

[34]- Executive Decree No. 19–280, dated 20 October 2019, concerning the establishment of a Directorate/Commission for Renewable Energies and Energy Efficiency, including its organisation and functioning. Official Gazette of the People's Democratic Republic of Algeria, Issue No. 65, issued on 24 October 2019.

- designing the national and sectoral strategy for developing renewable energies and energy efficiency, and implementing and evaluating the national policy in these fields;
- defining the industrial strategy for implementing the national programme to develop renewable energies and energy efficiency;
- determining the economically exploitable renewable energy resource capacities available across the country's regions and assessing them.

2.2.4 Renewable Energy Development Centre (CDER)[35]

The Renewable Energy Development Centre is a research centre that was created as a result of a reorganisation, under the mandate of the Research Commissioner. It was established on 22 March 1988. It is a public scientific and technological institution affiliated with the General Directorate for Scientific Research and Technological Development (Ministry of Higher Education and Scientific Research).

Its responsibilities include developing and implementing research programmes and scientific and technological development in energy systems through the use of:
- photovoltaic solar energy;
- wind energy;
- thermal energy;
- geothermal energy;
- environmental biomass energy.

As a scientific centre, the Renewable Energy Development Centre is a permanent participant in the national programme for research and technological development, as defined by the Orientation Law and the five-year research and technological development projection programme. It should be noted that national programmes included in this framework are prioritised according to economic and social needs in order to meet the main requirements of the national economic development strategy.

Since its establishment, the Renewable Energy Development Centre has worked to implement this strategy by publishing and integrating numerous national-level achievements and projects. This is achieved through its researchers based at headquarters, as well as through its three research units:
- The Unit for the Development of Solar Equipment,
- The Unit for Applied Research in Renewable Energies;

and the Unit for Research in Renewable Energies in the Saharan Environment.

It also has a commercial branch, ER2, which operates nationwide. It is distinguished in the field of renewable energies by its scientific products and innovations in the social and economic sectors, serving populations, especially those who are isolated.

2.2.5 National Observatory for the Promotion of Renewable Energies

Article 17 of Law No. 04-09 concerns the promotion of renewable energies within the framework of sustainable development and states the following:

'A national body shall be established to promote and develop the use of renewable energies, called the "National Observatory for the Promotion of Renewable Energies"[36].

2.2.6 National Agency for the Development and Rationalization of Energy Use (APRUE)[37]

The APRUE was established by Executive Decree No. 85-235 issued on August 28, 1985, creating the National Agency for the Development and Rationalization of Energy Use. With the issuance of Executive Decree No. 24-328 dated October 3, 2024—amending and supplementing Executive Decree No. 87-08 dated January 6, 1987, which changed the legal status of the National Agency for

[35]- Centre for Development and Renewable Energies, accessed on 27 June 2025 at 15:22 — Renewable Energy Development Centre.

[36]- Law No. 04-09 relating to the promotion of renewable energies within the framework of sustainable development, previous reference.

[37]- National Agency for the Development of the Use of Energy and its Rationalisation, accessed on 21 March 2025 at 17:20.

the Development and Rationalization of Energy Use—the agency was placed under the supervision of the Ministry of Energy and Renewable Energies.

It is a public institution of an industrial and commercial nature. Its functions include:

- Proposing long-term strategies for energy management and planning their implementation in the medium term, including setting objectives and determining the necessary resources.

Preparing the energy balance sheet and conducting energy foresight studies to assess long- and medium-term capacities for energy control through the ‘Energy Control Observatory’.

- Organising and disseminating information necessary for the development of energy control and carrying out communication and awareness-raising activities in this field.
- Organising training programmes, particularly for stakeholders involved in energy control, in partnership with relevant sectors.

Activating the development of energy control by organising partnerships, including:

- Developing programmes and projects with energy control stakeholders (industry, transport, housing, services, renewable energy development and local authorities), especially to prepare for their inclusion in the national energy control programme.

Submitting legislative or regulatory proposals related to energy control, as well as proposals concerning financial and tax incentives and customs duties that energy control projects may receive within the framework of applicable legislation and regulations.

- Seeking financing for energy control activities from lending institutions.

Studying means of removing obstacles to the promotion of energy control.

Contributing to international cooperation projects in the field of energy control.

- Ensuring the management and follow-up of energy audits.
- Contributing, in coordination with the relevant bodies, to the monitoring of energy efficiency in different sectors.

Major achievements from 2011 to 2026:[38]

1. Developed the Renewable Energies and Energy Efficiency Programme for 2011–2013 and 2011–2030, which included the removal of liquefied petroleum gas (LPG) car stickers.
2. 2014: Made it mandatory for at least 10% of vehicles to be exported, provided they are equipped with LPG (GPLC) or compressed natural gas (CNG/GNC).
3. 2015: Prepared and launched the National Energy Control Programme (2015–2030) and reviewed the Renewable Energies and Energy Efficiency Programme.
4. 2016:
   - Introduced the Energy Efficiency Tax (TEE).
   - Introduced a new version of the thermal regulations for buildings.
5. 2017: The National Energy Control Programme was implemented (industry, transport and buildings).
6. Implemented the National Energy Control Programme for 2018–2019.
7. 2023:
   Updated the National Plan for Renewable Energy (2015–2030).
   - Implemented the 2023 National Plan for Renewable Energy.
   - Reduced customs duties on electric cars by 80%.
   - Mandated the use of electric cars at a rate of 15%.
8. 2024:
   - Implemented the National Energy Control Programme 2024.
   - Liberalised natural gas prices for large consumers.

[38]- Agence Nationale pour la Promotion et la Rationalisation de l'Utilisation de l'Energie. Most important achievements of the National Agency for the Development of the Use of Energy and its Rationalisation during the period 2011–2026, accessed on 21 March 2025 at 19:20. (Agence Nationale pour la Promotion et la Rationalisation de l'Utilisation de l'Energie).

9. 2026:
- The National Energy Control Programme 2026 was implemented.
- Reduced customs duties on solar water heaters by between 15% and 30%.
- Electrically powered water analysis devices are exempt from taxes.
- Introduced tax deductions for green hydrogen and renewable energies.
- Electric cars and hybrid vehicles were exempted from vehicle licence plate fees.

3. Requirements for Ensuring a Balance Between Energy Security and Business Law Commitments

Achieving this balance has become one of the most significant challenges for modern legislation, particularly in rent-based energy-exporting states such as Algeria. Algeria seeks to guarantee its energy security by managing strategic resources, while also aiming to attract investment and promote freedom of economic initiative in accordance with business law.

This has been affirmed by the legislator through legislative and regulatory frameworks that ensure the optimal exploitation of natural resources, as well as sound planning and management when investing. The goal is to achieve sustainable development in energy security in line with the legal principles of business law, which have already been addressed above. These principles directly, structurally and procedurally influence investment activity, the environment and sustainable development during implementation of the national strategy for renewable energies and energy security, ensuring its stability and continuity.

Therefore, achieving energy security requires five key pillars:[39]

3.1 Engineering the Requirements of the Elements

Ensuring Balance Between Energy Security and Business Law

- Adopting renewable energies in their various forms—which constitute a major source for them—such as solar energy, geothermal (earth heat), wind energy, and biomass (biomass/renewable environmental biomass).
- Technology: adopting modern means and technologies in the production, distribution and consumption of energy. This should strengthen energy security through efficiency and sustainability on the one hand, and encourage an investment-friendly business environment by fostering innovation and reducing risks and costs on the other.
- Political will: represented by decision-making and directing it towards producing alternative energies, as reflected in development programmes, particularly in the electricity, gas and solar energy sectors.
- Investment: included within the scheduled programmes for renewable energies and their impact on relevant structures, such as the Algerian Company for Electricity and Renewable Energies (SKTM) and the Electricity and Gas Regulatory Authority (CREG), as well as environmental and research bodies, and investment support institutions.
- Legislative and regulatory texts and the rules that form business law requirements to achieve energy security

Here, we refer to the entire body of legal rules at various levels, such as the constitution, laws, decrees, decisions and regulations, adopted by the state to regulate economic activity in the energy and renewable energy sectors. The purpose is to strike a balance between protecting energy security and encouraging investment under business law. These rules constitute the normative framework that:
- set investment conditions;
- regulate the exploitation of energy resources;
- ensures the stability of economic transactions;

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[39]- Strategic objectives of the National Agency for the Development of the Use of Energy and its Rationalisation, through the horizon statement and its axis, accessed on 21 april 2025 at 19:20. Agence Nationale pour la Promotion et la Rationalisation de l'Utilisation de l'Energie.

They also secure the state's intervention when necessary, thereby balancing the 'sovereign logic' (energy security) with the 'market logic' (business law).

This framework identifies three working axes:

- renewable energies;
- Energy efficiency/control;
- The environment.

According to the following timetable, the following objectives will be achieved:

- By 2035, achieve an installed electricity generation capacity of up to 15,000 megawatts.
- By 2030, reduce primary energy consumption by 10% compared to the 2020 baseline year.
- Contribute to the goal of reducing greenhouse gas emissions by 7%, using national measures, in accordance with Algeria's Nationally Determined Contribution (NDC).

3.2 Energy Management Observatory (OME) — One of the Pillars for Achieving Energy Security[40]

Under the existing regulations and as part of its remit, the National Agency for the Development of Energy Use and Rationalisation (APRUE) established the Energy Management Observatory in 2006. Thanks to its expertise and the quality of its scientific methods, the Observatory is expected to become a key player in the energy field. Decision-makers call upon it to provide opinions, results and, more specifically, diagnoses.

The Observatory's core activities focus on the following:

- Collecting, structuring, organising and publishing energy information and statistics.
- Developing energy efficiency indicators, including those related to carbon dioxide (CO_2).
- Assessing the potential for energy savings/energy efficiency.
- conducting studies and leading working groups to forecast energy trends, especially with regard to energy consumption (demand).

Conclusion

Based on the information presented in this research paper, we conclude that the governance of investment in renewable energies is not only a development option, but a strategic necessity imposed by the transformation of the global economic and technological environment, and the challenges of the energy transition aimed at achieving economic, social and environmental development in a sustainable way.

Furthermore, based on the analysis of the business environment in relation to energy security requirements, we find that Algerian legislation, within the framework of the 'investment–renewable energies–environment–sustainable development–energy efficiency' nexus, demonstrates renewed structural dynamism rooted in pillars of good governance. These pillars shape the national strategy for managing, organising and ensuring the optimal exploitation of renewable natural resources, leading to real, multidimensional development and representing one of the strongest standards of progress and prosperity for states in the era of the green economy and sustainable infrastructure.

Accordingly, the following results can be stated:

- Governance of investment in renewable energies is based on a set of fundamental principles, the most important of which are transparency and legislative stability, along with equal treatment of investors and strengthening legal guarantees, including consistency of those guarantees and institutional mechanisms, as well as their ability to keep pace with accelerating technological and economic changes.

The legislator has affirmed the freedom to invest in renewable energies, while coupling it with a set of legal guarantees, reflecting an improvement in the business climate.

- Institutional plurality in renewable energy investment governance and the digitisation of this sector support effective assessment and sound foresight for planning the energy and renewable energy

[40]- The most important functions performed by the Energy Management Observatory (OME), accessed on 24 april 2025 at 23:12. (OME) — Agence Nationale pour la Promotion et la Rationalisation de l'Utilisation de l'Energie.

sector, as well as energy efficiency in terms of production, consumption, sustainability and the extent to which the sector achieves the objectives set out in national sectoral development programmes in the medium and long term, as prepared at regional and international levels (the 2030 programme and the 2050 programme).

- Achieving energy security and sustainable development remains linked to diversifying energy sources and strengthening investment in clean energies.

Recommendations:

Strengthen legal guarantees for investors, especially regarding protection from non-commercial risks.

- Integrate the environmental dimension into business law by adopting legal mechanisms that encourage green investment and require compliance with environmental standards.
- Develop an incentive framework offering tax and financial advantages specifically targeted at clean energy projects and the green economy.

Invest more in research and development to ensure the transfer of appropriate technology and to build national competencies in the renewable energy field.

- Clarify, support and encourage public–private partnerships as a financing mechanism for renewable energy projects.

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3. Law No. 03-10, dated 19 July 2003, relating to environmental protection within sustainable development, Official Gazette No. 43, issued on 20 July 2003.
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