



Development of a National Energy Efficiency Policy, Strategy and Action Plan for the Kingdom of Cambodia

Background

Cambodia's infrastructure, including the power sector, was severely damaged by years of war. After the war, the Royal Government of Cambodia (RGC) has followed a program focused on rehabilitation and development of the basic infrastructure.

The lack of an integrated high-voltage transmission system, coupled with the high cost of imported diesel fuel, has made electricity in Cambodia the most expensive in Southeast Asia. The Government recognises that the high cost of electricity and inadequate supply significantly limits its regional competitiveness and economic growth. As the rapidly increasing demand for energy cannot only be satisfied by increased power generation, the high potential for Energy Efficiency (EE) within the existing power generation and consumption needs to be harnessed too.

RGC approached EUEI PDF for support to the development of a National Energy Efficiency Policy and Strategy as well as a targeted Action Plan, focusing primarily on demand-side management and, eventually, electricity distribution (focus on rural areas).

The project started with an inception phase in August 2012 and culminated in April 2013 in a final workshop with RGC and the Ministry of Industry, Mines and Energy (MIME) officials as well as stakeholders from the private and non-governmental sectors for the validation of the final documents.

Objectives

The objectives of the EUEI PDF intervention was to support the MIME in the development of a

Country	Royal Kingdom of Cambodia
Project Partner	Ministry of Industry, Mines and Energy (MIME)
Project Manager	Ingmar Stelter
Term	August 2012 – August 2013

- ▶ **National Energy Efficiency Policy**
(definition of policy targets),
- ▶ **National Energy Efficiency Strategy**
(how to achieve the policy targets) and
- ▶ **National Energy Efficiency Action Plan**
(how to implement the strategies proposed).

Activities

The project began with stakeholder meetings, data collection and a review of existing technical studies. Based on this analysis, the priority sub-sectors selected in coordination with MIME included industry, buildings, end-user products, rural electricity supply and biomass. For each sub-sector, a plan of action was developed; including stakeholders to be involved, budgets required, time frame to be foreseen and efficiency targets that can be achieved with each activity. Another task was defining an institutional and legal framework for the implementation of the policy.

At the end of this analytical phase, an inception workshop was organized in November 2012 with participation of representatives from relevant ministries, the private sector and other non-state actors. The consultant presented the preliminary findings and participants subsequently agreed on targets and other elements of the future National Energy Efficiency Policy. Based on the feedback, the National Energy Efficiency Policy was drafted and strategic options were developed together with an Action Plan.

Results

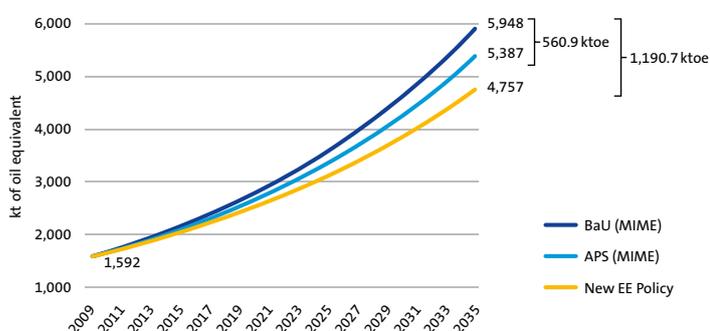
The immediate result of this project has been to stimulate discussion amongst the public and private sectors, civil society and development partner stakeholders about the realistic potential energy efficiency savings which would contribute to the overall energy system in Cambodia. The project also supported an increased understanding





of the respective roles of the various stakeholders within Cambodia and induced a process of debate which can be built upon in the future. As a result, the significant potential of energy efficiency for Cambodia, and the means of realizing its potential, has risen up the agenda within the country. This was underlined by the presence of H.E. Suy Sem, Minister of Energy, during the Final Workshop in April 2013 with 150 participants as well as substantial media coverage.

Projected energy demand in Cambodia (2009-2035)



As a final result, the project team drafted a National Energy Efficiency Policy, Strategy, and Action Plan which included detailed short, medium and long-term activities in the various sectors. According to the sectorial analysis, the overall energy efficiency objective to be achieved by the new EE policy (orange curve above) is the reduction of the future annual energy demand by 20%, compared to the projection based on MIME's Business as Usual scenario (BaU, blue curve).

The way forward

It is envisaged that the National Energy Efficiency Policy and Strategy will be submitted for adoption to the Council of Ministers in late 2013. The Action Plan proposes a number of activities with specific outcomes for the different sub-sectors which can be implemented by MIME in coordination with the line ministries concerned and the private sector in short to medium term:

- ▶ **Industry:** Energy audits are performed to inform owners and managers of factories about energy conservation measures and saving potentials; dedicated factory staff are trained in energy management and subsequently apply its principles.
- ▶ **Buildings:** An energy efficiency building code for new buildings is established; energy managers for existing buildings are trained and a certification program is established; a green standard is applied to all new public buildings.
- ▶ **End-use products:** Energy efficiency of end-user products is improved by the introduction of a compulsory energy efficiency labeling system; end-users change their behaviour and select more energy efficient products and reduce their energy consumption accordingly; setting good examples, public institutions are selecting energy efficient devices for their offices.
- ▶ **Rural electrification:** Rural energy entrepreneurs (REEs) can provide their energy services more efficiently and at lower costs; government, private organizations, and rural households are better informed and prepared to tackle energy efficiency in rural electrification.
- ▶ **Biomass:** Firewood and charcoal consumption is reduced by utilization of more efficient technologies; community-based sustainable forest management is being implemented effectively; a strong demand and supply chain of energy efficient cook stoves is established; forest resources are protected by reducing firewood and charcoal consumption; sustainable supply of solid biomass is achieved by disseminating improved solid biomass fuel technology.

With the National Energy Efficiency Policy and Strategy in place, Cambodia has a sound legal framework to enforce energy efficiency, and a commercial framework aiming at strong private sector interest and cooperation.

Project Partner:



Pictures: EUEI PDF

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