

CAMBODIA

Energy Efficiency NAMA in the Garment Industry in Cambodia



What’s the issue and how are we responding?

The garment industry is Cambodia’s most important manufacturing sector but the sector is in danger to lose its effectiveness in a global market due to inefficiencies in the production processes and high energy costs.

The Government of Cambodia has prepared a National Policy, Strategy and Action Plan on Energy Efficiency to improve energy efficiency and reduce GHG emissions in Cambodia. However it lacks the financial resources to implement the plan fully. The overall objective of the NAMA is to support Cambodia’s energy efficiency policy: To improve efficiency in the industrial sector and to build capacity in the field of energy efficiency.

How will this be done?

- The NAMA will provide financial incentives to garment manufacturing companies to implement energy efficiency measures by replacing old inefficient equipment with new more efficient technologies. These include thermal energy technologies, such as efficient biomass boilers (plus insulation), and electricity technologies, such as sewing machines, washing machines, drying machines, compressors and lighting.
- The first component of a capacity building programme will target the support of the set-up of the NAMA and will provide capacity building for the governmental and semi-governmental entities involved in the NAMA.
- The second component of the capacity-building programme will focus on the awareness raising and marketing and will provide (i) general capacity-building to create a common awareness of the NAMA and (ii) specific stakeholder oriented capacity building.

NAMA targets

While the NAMA is supporting the overall objective Cambodia’s energy efficiency policy to improve efficiency in the industrial sector by 28% and to build capacity in the field of energy efficiency the NAMA also quantifies Sustainable Development impacts:

The NAMA aims to increase efficiency of 130 biomass boilers, 17,000 sewing, 660 washing and 330 drying machines and 200 compressors. Accumulated assets for investments are expected to be around \$10 million. Over the 5 years NAMA lifetime, the expected emission reductions are 120,000 tonnes of CO₂eq.

Transformational potential?

Activity	Output	Outcome	Impact (strategic level)	Paradigm shift
* Capacity-building activities * Upgrading the legal and regulatory framework * Technical Interventions	* Increased use of energy efficient equipment in garment industry * General awareness between stakeholders about energy efficiency	* Efficient use of energy resources	* Stable energy supply * Affordable energy supply * Alleviation of poverty	* Shift to low-emission sustainable development pathways

How much will the NAMA cost?

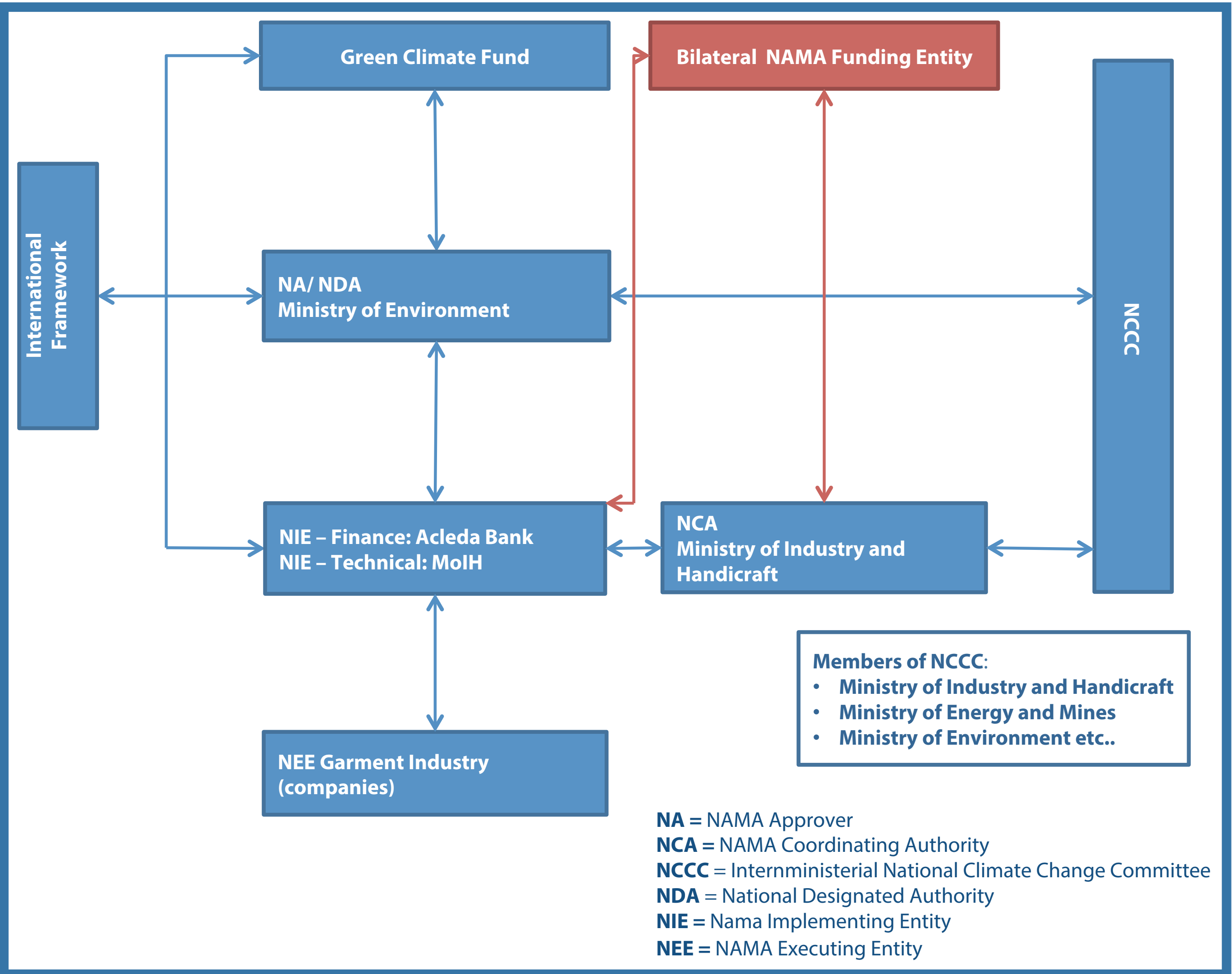
- The total costs of the NAMA are expected at USD 29,700,000 and are split up into two components:
- National private finance component of approximately US\$22,800,000.
 - International and national public finance will cover approximately US\$6,900,000.



Who is involved?

The relevant sectorial ministry is the Ministry of Industry and Handicraft which will act as the NAMA Coordinating Authority.

Two specialized National Implementing Entities (NIEs) will manage their respective areas, the financial NIE will manage the financial flows from the funding entities to the beneficiaries and the technical NIE will manage the technical implementation of the NAMA. The Department of Techniques, Science and Technology will take over the function of the technical NAMA Implementing Entity while Acleda bank is acting as financial NAMA Implementing Entity



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