

## **Fund the Transition!**

Base on global perspective to reflect the main aim of the Paris Agreement on Global Warming under a collective commitment for the world to stay below 2°C of global temperature rises, 80 percent of current coal reserves need to remain unused through 2050. Therefore, switching to renewable source of energy is a must, while undertaking regulation to prohibit future planning and implementation on coal related project is crucial for home government to consider before officially granting exploration and construction license to foreign and local investors. Forming policy measure to eliminate the existing contract granted to investor on all scale of coal-fired power plant projects is also necessarily important to be reconsidered before the plant comes online and ready to perform. Beside taking advantage of the low cost with high productivity that allow county to catch up with local electricity demand, and beside economic benefit of selling and using coal for energy production to supply local and international market in respond to the continuously of industrialization era, country has to make effort seriously in considering the use of sustainable and renewable way of energy production in order to preserve healthy environment for all. To conserve wellness of the earth, all project related to coal exploration, production and energy generation from coal should be immediately stopped so as the Cambodian third coal power plant facility that was set in plan to be implemented with development stake holders should, as well, be stopped.

There are different various types of renewable energy sources. All depends solely on the good geographically benefit for setting up the plants. Renewable sources of energy production are found and installed depending on the availability and accessibility of natural sustainable resources such as, water, sunlight and wind. These earth components, together, give way to a more reliable energy supply. According to World Wildlife Fund, reports that renewable energy can replace fossil fuel by 2050. The sources of renewable energy can also be found in the forms of wood and charcoal. Wood is burned to produce charcoal, and both wood and charcoal will then be used for cooking and brick manufacturing. Another type of renewable source of energy is biofuel that can be easily found from palm oil. The most absorbable renewable energy can be found elsewhere on earth is sunlight. Solar shield is invented to absorb sunlight for energy production and it is being used in many advanced countries. Giving the fact that Cambodia is the best places to absorb sunlight with an estimation of 5.8 peak sunlight hours in the region and the world, the Kingdom is one of the

best place to set up solar system. Beside sunlight, the Kingdom also experiences good wind condition that is another natural benefit for production of electricity. With average wind speed of 5 meter per second at the southern costal, southwest and northwest mountainous areas of the country, wind and sunlight are conditionally favorable to the Kingdom's energy sector. Hydro/water can be advantageous not only for direct consumption but also for indirect power generation in a form of dam. However, dam is unsustainable and environmental-unfriendly to some extent, for the reasons that deforestation and land clearance for dam construction would cause domestic and cross-border migration as well as leaving people become homeless.

Knowing that renewable energy sources are efficient, and that efficiency can be made at very low cost. But the question is "How my government should stop funding fossil fuel projects and allocating fund to renewable energy projects?" To answer this, there are many possible ways to shift funding from fossil fuel projects to renewable energy model.

One of which is made through direct and indirect financing on renewable energy projects. On one side, the government can allocate money to initiate state-owned company and enterprise that work on renewable energy construction and development plant such as, dam, solar power plant, and wind power generation plant. On the other side, through indirect funding, the government may fund indirectly to foreign investors or firms whose intention is to invest in energy sector by adopting renewable energy model.

Second, the government can also provide full financial support to the construction and establishment of Research and Development facility (R&D). This R&D will act as a ground floor to provide comprehensive and intensive training on technological needed, technical support and human resource development, who are knowledgeable about mode of renewable energy. These professionals who are expert in the field of energy and sustainable development will then become the environmentalists whose passion and vision are on sustainable environmental protection. They can further continuously educate people, and this ongoing process of education would even be more effective once introduced to students at primary, secondary and high school level even to university students on what is renewable energy, why do we need it and how to use it in the most efficient way. In this regard, my government has to work closely with the Ministry of Education,

Youths and Sport on adding renewable energy course subject into public and private school curriculum.

Third, law and regulation are legal instruments used to switch focus from overdependence on non-renewable energy to renewable energy. These law and regulation are designed to shift investor's behavior and punish them at last resort if their actions are not in accordance with the law. Law on investment on energy and electricity sector in the forms of exploration, construction and production have to be tighten. These key instruments will bring about consideration on renewable energy production made by national and international investor under forms of Foreign Direct Investments (FDIs), and the indirect one has to be made through joint-venture with domestic firm. There are two sides practice; on one side, by tightening law and policy regulation on FDIs that work on fossil fuel project, these legal instruments will not only discourage firm not to invest in the economy doubting that the result would be worse off but the law can also deny any project being implemented at last resort. Firm with less incentive to invest will then withdraw their plan on fossil fuel project. On the other side however, loosen law and regulation on FDIs that work and are planning to work on renewable energy project that makes them more profitable by putting money in the investment will encourage more project on renewable energy production both small and large-scale. Law and regulation loosening does bring about a political-friendly environment for such investment, so more contract will be handed away and the country will become sustainable energy powerhouse one day. To do so, the government has to ensure space that makes more incentive available to absorb more investor, one of which can be seen in the forms of cutting tax duty, and decreasing tariff on imported technology, material and equipment for the construction of all type of renewable energy project.

Fourth, as the Kingdom still depend solely on imported coal from Indonesia, one of the biggest regional and global coal producers, and the major coal exporting country to Cambodia, banning import from Indonesia would be a good solution for the Kingdom to switch to renewable energy project. Therefore, to stop funding fossil fuel projects and to allocate funding to a more renewable way, the Kingdom has to cut import from Indonesia by raising heavy tariff on imported coal. This will make coal exporter no longer want to deal with this costly and risky business. As no more coal enters the market, there will be no more fossil fuel project. Without enough coal input, coal-fired power plants will all be paused and then abandoned.

Last but not least, infrastructure is very important when it comes to transportation of construction equipment and material for renewable energy plant. To build a long lasting plant to produce power and energy in the form of electricity in order to sustain the total demand for domestic consumption, infrastructure has to be made efficient and responsive. With that being said, low infrastructural condition often result in less efficient delivering that lower interest for investment. In almost every country, infrastructure is one of the major components that attracts investment, and thus infrastructural advancement has always been one of the core policies for national strategic development plan. So as in the case of Cambodia, by improving transportation means, projects on renewable energy will be flourished and seen as foundation toward the successful growth of the country.

By 2050, renewable energy sources will altogether complement the uses of unsustainable and unrenowable way of energy production, said the report from World Wildlife Fund (WWF). Therefore, for the time being, the Kingdom should temporarily import electricity from its neighboring counties to be permanently self-sufficient in energy sector at the coming years, the time when development and expansion of energy production sector can be then strengthened under collective work and mutual cooperation with multi stakeholders such as, governmental agency, private investor, ministry, development partner, Civil Societies (CSs), Community-Based Organizations (CBOs), Non-Governmental Organizations (NGOs), International Non-Governmental Organizations (INGOs), grassroots community, firm and business leader.