

RM2 billion allocated for energy transition facility

KUALA LUMPUR: The government will allocate RM2 billion as seed fund for the National Energy Transition Facility to enable catalytic blended finance, said Prime Minister Datuk Seri Anwar Ibrahim yesterday.

He said the facility would enable a seamless flow of financial resources for energy transition projects that are

marginally bankable or yield below-market returns.

Blended finance is a broad and flexible term used to describe the merging (blending) of public and private capital to address social and/or environmental needs. It aims to attract private capital by making investments less risky and/or more profitable.

"Considering Malaysia's

current state of immature decarbonisation technologies, our progress will significantly hinge on alternative energy sources and robust regional and international collaboration," said Anwar.

He was speaking at the launch of the second phase of the National Energy Transition Roadmap yesterday.

"As the paramount challenge

in energy transition is financing, it is estimated that an investment of at least RM1.2 trillion between this year and 2050 is needed to enable responsible energy transition."

Anwar added that in this decade alone, the government requires between RM60 billion and RM90 billion to be allocated for crucial projects, including the expansion of public transport, strengthening grid infrastructure and reskilling of human capital.

He said the government would launch a major retrofit programme to enhance energy efficiency in government buildings.

"An Esco (energy service company) platform will be established to connect private Escos, which are mainly small and medium enterprises, with government projects.

"The central role of the platform will be to serve as an intermediary that pools government building retrofitting projects and encourages public-private coordination in the Esco market."

Economy Minister Rafizi Ramli said the government plans to hold the first meeting of the National Energy Council in October.

He said the council, chaired by Anwar, would set forth high-level strategic directions and policies, allowing for the working committees to coordinate and report the progress in turn.

"The establishment of the National Energy Council is the strongest indication yet of the government's intention in moving beyond blueprints and into the nitty-gritty of implementation," Rafizi said in his keynote address on the second day of the Energy Transition Conference yesterday. - Bernama



Anwar, accompanied by Natural Resources, Environment and Climate Change Minister Nik Nazmi Nik Ahmad (second from right), at an exhibition held in conjunction with the event at the Kuala Lumpur Convention Centre yesterday.

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