

BANGLADESH - Green, climate and sustainable financing, with a specific focus on renewable energy

#GLOBALGATEWAY

#TEAMEUROPE

TEAM EUROPE PROPOSAL



TEI GET based on 4 pillars to support Bangladesh in decarbonizing its energy system

Pillar 1: Backing of low carbon development by politics and society

Pillar 2: An effective sustainable energy market

- Removing market barriers
- Incentives for investment in renewable energy that direct most appropriate technology

Pillar 3: Grid infrastructure optimization and renewable energy integration

- Optimizing the grid infrastructure continuously and where necessary expanding to integrate the growing share of variable RE
- Adapting grid operation and ancillary services to the changing power system (smart grid).

Pillar 4: Energy efficiency (generation, distribution, consumption)

- Improve and carry-out measures for energy efficiency in the grid, amongst private consumers as well as in industrial production processes

MODALITIES/TOOLS

Policy Dialogue

Budget support

Technical assistance and capacity building

TAIEX and Twinning programmes

Blending operations

Grants

Loans

Bank guarantees

TRANSFORMATIONAL POTENTIAL

- Decarbonize the energy system
- Reduce the environmental degradation
- Contribute to the climate change global response

KEY DELIVERABLES

Renewable energy

1. Modernisation of Dhaka's power distribution system/grid with digital solutions in distribution stations and in medium-voltage grids. Deliverables: Installation of 810MVAR, 2 new 132/33kV substations, 4 New 33/11kV substations, replacement of AIS breakers by GIS + adaptation and advanced automation equipment in 5 substations, and institutional capacity building;
2. Investment in renewable energy (RE) generation (Solar and wind Power Plants) - deliverable: promotion of RE investments through an EIB renewable energy framework loan (up to EUR 350M) - combined with investment grants and technical assistance (up to EUR 45M) - EIB -CONFIDENTIAL
3. Establishment of a more favourable and inclusive investment climate for sustainable energy. Solutions - deliverables: enabling policy and regulatory frameworks; increased access, quality and inclusiveness of green energy services; increased public and private sector green investments; and increased women engagement in the green energy sector.

This Team Europe Initiative is work in progress

BANGLADESH - Green, climate and sustainable financing, with a specific focus on renewable energy

#GLOBALGATEWAY

#TEAMEUROPE

NATIONAL CONTEXT

Increased access to electricity
(up to 90% in 2018)

Low annual energy consumption
per capital (433 KWh)

Transmission and distribution issues:

- Capacity limitations
- Lack of automation
- Power outages

Increase in the energy demand and ecological degradation

- Electricity demand to reach 236 TWh¹ in 2041 from 79 TWh in 2018
- Coal provision to reach up to 40% of power generation by 2030
- Power sector continued relying on fossil fuel based power generation

National documents:

- Power Sector Master Plan
- Eighth Five Year Plan
- Delta Plan 2100
- Nationally Determined Contribution

National Policy context:

- Renewable Energy Policy
- Sustainable and Renewable Energy Development Authority (SREDA)
- High interest by the private sector

GEOPOLITICAL CONTEXT AND RELEVANT SDGs

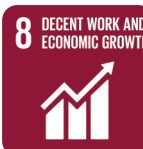


Agenda 2030

Paris Agreement

COVID-19

Bangladesh Bhutan India Nepal
Sub-Regional Cooperation (BBIN)



**SDGs included based on a new JRC electronic text mining tool, which identifies SDGs (targets)