TEI on Climate and Energy in Bangladesh
Concept Note

Support to broaden the Team Europe Initiative (TEI) on the Green Energy Transition in Bangladesh to TEI on Climate and Energy

Assignment No: 53

Client: EU Delegation to Bangladesh

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14/04/2025
Final version (finalised by EU Delegation in consultation with Team Europe)
18/09/2025

Introduction

The Team Europe Initiative (TEI) on Climate and Energy in Bangladesh builds on the TEI on the Green Energy Transition which was launched in 2021, broadening the work of the TEI also to climate adaptation and climate mitigation in other sectors than the energy sector. . This reflects the fact that several Team Europe members are engaged in climate adaptation, and that increased coordination can enhance synergies and prevent overlap. The TEI is part of the efforts of EU+ (EU, EU Member States, EIB, Norway and Switzerland) towards joint programming and joint implementation, as stated in the Multi-annual Indicative Programming (MIP) 2021-2027. It is aligned with the MIP priority area 'Green Inclusive Development' and its specific objectives: i) promoting energy efficiency and affordable renewable energy; and ii) improving environmental protection while supporting climate change mitigation and adaptation. These objectives are reflected in the TEI on climate and energy.

Further, **it is fully coherent with EU global priorities and commitments**, as outlined in the New European Consensus on Development and the Green Deal, both in terms of approach and thematic priorities. The TEI takes up the interlinkages between the different strategies required to implement the 2030 Agenda. While it addresses primarily SDGs 7 (affordable and clean energy) and 13 (climate action), it also supports Bangladesh's progress on SDGs 1 (poverty alleviation), 6 (clean water and sanitation), 9 (resilient infrastructure, industry, innovation), 11 (sustainable cities and communities), 12 (sustainable consumption and production), 14 (life below water) and 15 (halt biodiversity loss, life on land). . In addition, it integrates cross-cutting issues, notably gender equality (SDG 5) and poverty alleviation (SDG 1)." Thematically, the TEI strengthen Bangladesh's capacity to attain its developments objectives and address the serious challenges posed by climate change and increased energy demand, while reflecting the European commitment to environmental and climate priorities . The TEI is fully aligned with one of the 5 priorities of the Global Gateway strategy, i.e. **Climate and Energy**, and presents opportunities for fostering private investments in Bangladesh, from both European and local investors.

The **Team Europe approach has the ambition to have a transformational impact**. Previous efforts of the EU Delegation and Member States to implement programmes jointly and to enter into joint policy dialogues are now undertaken in a more structured and harmonized way. Policy and technical interventions of EU and Member States are coordinated and put under common objectives. The cooperation towards joint targets allows deploying a broad range of possible modalities, which might be different for each Member of Team Europe (it can be for example technical assistance, loans, budget support, grants, or guarantees). Addressing key sectoral issues under a common framework is a more effective modus operandi for European countries to achieve a transformational impact.

Context

Bangladesh is high on the list of countries most vulnerable to climate change. The changing climate regime and the unique geographical setting of Bangladesh are exerting considerable stress on Bangladesh's economy and the advancement towards sustainable development. High population density, poverty and reliance on climate-sensitive sectors for water and food security, particularly water resources, agriculture, fisheries and livestock, increase its vulnerability to climate change. Climate-induced disasters – such as tropical cyclones and storm surges, monsoon floods, flash floods,

droughts, sea-level rise, salinity intrusion, and ocean acidification – are straining country's development trajectory and impeding socioeconomic progress and human well-being for all.

Bangladesh is scheduled to graduate from its Least Developed Country (LDC) status in November 2026 and faces the complex challenge of an increasing population, urbanisation and economic growth, all resulting in a higher energy demand. While energy is a key factor in boosting economic growth and reducing socio-economic inequalities, energy production and utilisation are the single biggest contributor to global warming. In line with the Paris Agreement, Bangladesh aims at decarbonising its energy sector, prioritising renewable energy production and energy efficiency.

The Government of Bangladesh has adopted several plans to respond to these challenges, regarding both climate adaptation and climate mitigation, and the increase of energy production to support its economic growth. However,implementation is falling behind. Bangladesh has in theory recognized the importance of integrating mitigation and adaptation strategies into its policy framework to effectively address the multifaceted impacts of climate change, but in practice it has not followed up adequately.

Regarding climate change adaptation, the most relevant policy documents are the **Bangladesh Delta Plan (BDP) 2100** and the **National Adaptation Plan (NAP - 2023-2050)**:

The **BDP**, adopted by the Government of Bangladesh (GoB) in 2018, provides a long-term holistic vision to ensure water and food security, economic growth and environmental sustainability, while reducing vulnerability to natural disasters, building resilience to climate change, and ensuring equitable water governance. This long term vision has been translated into six specific goals: G1 - Ensure safety from floods and climate change related disasters; G 2 - Enhance water security and efficiency of water usages; G 3 - Ensure sustainable and integrated river systems and estuaries management; G 4 - Conserve and preserve wetlands and ecosystems and promote their wise use; G 5 - Develop effective institutions and equitable governance for in-country and trans-boundary water resources management; and G - 6: Achieve optimal and integrated use of land and water resources.

The **NAP** aims to build a climate-resilient nation through effective adaptation strategies to foster a robust society and ecosystems and stimulate sustainable economic growth. The NAP identifies six goals: (i) to ensure protection against climate change variability and induced natural disasters; (ii) to develop climate resilient agriculture for food, nutrition and livelihood security; (iii) to develop climate smart cities for an improved urban environment and wellbeing, (iv) to promote nature-based solutions for the conservation of forestry, biodiversity and the well-being of communities; (v) to impart good governance through the integration of adaptation into the planning process;and(vi) to ensure transformative capacity-building and innovation for climate change adaptation.

Regarding climate change mitigation, Bangladesh, as signatory of the Paris Agreement, is committed to achieving the objectives set in its **Nationally Determined Contributions** (**NDCs**), which is to be updated in 2025. However, this commitment is not yet fully reflected in its budget allocation and policy choices. Bangladesh aims at reducing carbon emission by 5%, which could increase up to 15%, by 2030 with the support of the international community. Bangladesh's NDCs also includes an adaptation component with priorities for future long-term vision keeping synergies with mitigation actions.

The key policy documents in renewable energy and energy efficiency include the following: (i) the recently updated **Renewable Energy Policy**, which sets ambitious targets for renewable energy generation, aiming for 20% by 2030 and 30% by 2041; (ii) the **Energy Efficiency and Conservation Master Plan (EECMP)** that declares Bangladesh's ambitious commitments for energy efficiency and implementation in seven key areas (i.e. large industries, residential consumers, building sector, financial support for private companies, government own initiatives, energy consumption data collection, and the global warming counter measures; and (iii) the **Integrated Energy and Power Master Plan (IEPMP**, 2023**)**, which would require a revision to better reflect alternative solutions from a more resource efficient clean energy perspective in alignment with the clean energy goals set in the national policies.

Vision and scope

The Climate component of the TEI adopts an holistic approach, addressing both climate change adaptation and mitigation in other sectors other than the energy one.

The **Climate component** of the TEI will follow three main directions. Firstly, it will promote the emergence and consolidation of a favourable and enabling policy environment where climate change adaptation and mitigation are supported by proper research, innovation, investments, planning and the enabling regulatory framework. Secondly, it will aim at enhancing the resilience of the Bangladeshi population, through climate adaptation actions, ensuring a sustainable safe environment, and improving people' s access to their basic needs, notably clean and drinkable water, with a specific attention to the groups most vulnerable to climate change. Thirdly, in addition to adaptation, it will help spread innovative technologies and nature-based solutions that support climate change mitigation beyond the energy sector.

Necessary interventions to address climate change adaptation in Bangladesh include: (a) developing climate-resilient infrastructure; (b) improving water management, including sustainable use and management of water resources and water availability and quality; (c) improving research and evidence based knowledge generation; (d) promoting climate-smart agriculture, by encouraging agricultural practices, including agroecology, that are resilient to climate change; (e) enhancing early warning systems; (f) promoting green investments and access to innovative financing; (g) supporting community-based adaptation, by empowering local communities through education, resources, and technology; (h) conserving and restoring ecosystems and biodiversity that are critical in mitigating climate change impacts. Regarding climate change mitigation beyond the energy sector, it is critical that research and innovation are enhanced, so that adaptation measures and projects, notably regarding infrastructure, include a mitigation component to promote smart cities, habitat and agriculture, including agroecology.

The **Energy component** of the TEI rests on a long-term vision for a green energy transition prioritising the required significant share of renewable energy in the energy mix and increased energy efficiency, in line with the Global Pledge on tripling renewable energy and doubling energy efficiency by 2030. Though the grid is not (yet) the major obstacle for the transition to renewable energy, given the low share in the energy mix, the quality of the grid is considered an important part of the green energy transition. Electrification of the economy, including important sectors, such as the RMG sector and the transport sector, require a well-functioning and smart grid and a significant reduction of power cuts. The TEI follows two main directions: on the one hand, the progressive decarbonisation of the energy

sector particularly by the increased deployment and diversification of renewables and the greenhouse gas emissions' reduction; on the other hand, a universal access to affordable, reliable, sustainable and modern energy services based on renewables.

Necessary components for an energy transition in Bangladesh include: (a) implementing energy efficiency measures, both supply- and demand-side; (b) increasing renewable energy investments connected to the grid; (c) improving the grid, to support renewable energy (RE) integration, energy reliability and regional energy connectivity; (d) creating an enabling environment for private investments in renewable energy and energy efficiency measures; (e) enhancing research and innovation; and (f) expanding regional power trade for renewable energies.

Key objective

The overall objective of the TEI is to assist Bangladesh in a green transition while addressing the challenges posed by climate change. The TEI will support these efforts and encourage the Government to scale up its ambitions to develop an inclusive low-carbon and climate change resilient economy in Bangladesh (impact).

Structure of the Joint Intervention Logic

The structure of the proposed Joint Intervention Logic (JIL) is organized around two strands of action and five pillars, reflecting the core elements of Team Europe (TE) integrated approach, within a framework tailored to the different levels of intervention and engagement under the TEI.

The two strands of action are: Climate and Energy. Though Energy is one of the sectors that can contribute to climate mitigation, it has been decided to keep it as a separate strand for the following reasons:

- The Green Energy Transition is a key priority for the EU-Bangladesh cooperation, with large scheduled investments by the Team Europe Members;
- Climate and Energy is one of the five priority areas under the Global Gateway initiative;
- By keeping Energy as a separate strand the good ongoing work under the Team European Initiative can fully continue and will not be delayed / impacted by the additional new strand on Climate.

The five pillars of action are therefore: 1) Climate-smart governance and climate finance; 2) Climate resilience (including climate adaptation activities); 3) Climate mitigation beyond energy; 4) Scaling up green energy - governance and finance; and 5) Innovation and knowledge sharing for green energy.

Strand of action 1: Climate

In the area of climate action, the specific objectives (Outcomes - OC) are: **OC 1.1)** Enhanced climate-smart governance, at national and local level, and increased climate financing; **OC 1.2)** Enhanced climate resilience of urban and rural communities and infrastructure, thanks to innovative and nature-based solutions. The aim of OC1 is to ensure that existing or revised policies, regulations or incentives, in favour of strengthening climate mitigation and adaptation are in fact implemented. This will require stronger coordination on climate mitigation and adaptation at both national and local level. The Nationally Determined Contribution, to be updated in 2025 and the still to be defined Long Term

Strategy This will require stronger coordination on climate mitigation and adaptation at both national and local levels. The upcoming update of Bangladesh's Nationally Determined Contributions (NDCs) in 2025, along with the development of a Long-Term Strategy (LTS), as encouraged under Article 4.19 of the Paris Agreement[1], will be instrumental in shaping the country's policies, regulations, and incentives for low-emission and climate-resilient development. They will provide a clear roadmap for transitioning to a low-carbon economy, enhancing resilience against climate impacts, while ensuring economic stability. They will strengthen international cooperation, attract climate finance and drive innovation. The OC2 will support both cities and villages in Bangladesh to withstand and recover more effectively from the impacts of climate change (such as flooding, cyclones, heat stress, and water scarcity). The TEI will promote the use of innovative approaches (e.g. climate-smart technologies, early warning systems) and nature-based solutions (e.g. green urban spaces, wetlands protection) to reduce risks, protect infrastructure, and safeguard livelihoods.

Pillar 1: Climate-smart governance and climate finance

Rationale:

Bangladesh has adopted climate change mitigation and adaptation plans, but these would need further integration into national policies and budgeting, ensuring more effective implementation, based on a good understanding of the existing policy framework and latest developments. Coordination between government levels, with communities and civil society must be further improved. Technical and organisational capacities needs to be strengthened at all levels, including in communities and particularly within vulnerable groups. Access to green finance should improve, along with stakeholder capacity.

Outputs:

- Climate change mitigation and adaptation is integrated and coordinated into national policies, budgeting and planning across all ministries, with a focus on its effective implementation.
- Technical and organisational capacities of national and local government, communities, including women and vulnerable groups, and CSOs are enhanced.
- Access to green finance is facilitated and investments in climate adaptation and mitigation are promoted.

Pillar 2: Climate resilience

Rationale:

Given the high vulnerability of Bangladesh to climate change impacts, and its multiple consequences, sea-level rise, increased frequency of extreme weather events, floods, in a context characterized by

[1] Article 4 paragraph 19 of the Paris Agreement, set out that all Parties should strive to formulate and communicate long-term low greenhouse gas emission development strategies, mindful of Article 2 taking into account their common but differentiated responsibilities and respective capabilities, in the light of different national circumstance.s

limited access of many communities to basic needs, Bangladesh must enhance its resilience through a multi-faceted approach that is embedded in both the NAP and NDCs. This integrated approach combines infrastructure improvements, agricultural innovations, resilient livelihood opportunities, protection of biodiversity, nature-based solutions and disaster risks reduction (DRR) interventions.

Output:

- Implementation of sector-specific NAP and NDCs adaptation actions are institutionalised and operational at national and local level, based on a good understanding of the ongoing activities.

Pillar 3: Climate mitigation beyond energy

Rationale:

In its NAP, the GoB recognises the interdependence of adaptation and mitigation, although the focus has been primarily on adaptation. While the TEI on Green Energy Transition has facilitated mitigation efforts through energy-related strategies, further actions are required to advance towards a green economy, including through cross-sectoral policies (such as modelling, carbon pricing, proper monitoring, review and verification) as well as mitigation in other sectors, including agriculture, transport, industry, and the urban environment. This necessitates the adoption of innovative solutions and the utilisation of low-carbon technologies.

Outputs:

- Innovative solutions and low carbon technologies enhance climate-smart urban development and infrastructure projects, green industries, and contribute to a more climate friendly food and agriculture sector.
- Monitoring, Reporting, and Verification (MRV) systems expanded to track non-energy GHG reductions.

Strand of action 2: Energy

Regarding energy, the TEI aims at scaling up the energy transition thanks to public and private instruments and adoption of adequate policies, advancing innovation and research, in cooperation with European stakeholders, so that the share of renewable energy in the energy mix is increased, the energy efficiency at generation and distribution levels is improved, and the grid is optimized and adapted, including a better regional connectivity. The four specific objectives are: **OC 2.1)** Increased amount of MW installed and generated from renewable energy sources; **OC 2.2)** Energy transition scaled up by public and private instruments and adequate policies; **OC 2.3)** Increased number of RE technologies and applications for an optimal energy mix; **OC 2.4)** Enhanced innovation and research supporting RE transition and energy efficiency in cooperation with European stakeholders.

Pillar 4: Scaling up green energy governance and finance

Rationale

Advancing towards a sustainable energy sector necessitates adequate financing, an enabling investment climate, including incentives for investments in energy efficiency, renewable energy and the grid, as well as appropriate policies. It is critical to mobilize a variety of financial instruments from both public and private sectors. The GoB must adopt and implement policies that support the transition of public fossil-fuel-based power producers towards renewable energy sources. Moreover, as the market price must allow refinancing of investment cost, while favouring green energy, it must also set incentives for technologies to cover the baseload.

Outputs:

- Private sector investments in market-ready green energy solutions are scaled up thanks to private sector instruments and TA;
- Investments in energy efficiency, RE and the grid, where necessary for RE integration, energy reliability and regional energy connectivity, are incentivized, and market barriers are reduced;
- A cost covering and socially just pricing structure is implemented;
- Energy sovereignty, energy security and regional energy connectivity are increased;
- The GoB is sufficiently financing basic infrastructure like the power grid itself.

Pillar 5: Innovation and knowledge sharing for green energy

Rationale:

Achieving a low carbon economy with higher energy efficiency and a larger and diversified share of renewable energy requires the development and adoption of new technologies and implementation of innovations on a large scale, ensuring a more diversified energy supply resulting in an optimal energy mix. Europe, thanks to its innovative private sector and its academic and research institutions, has the capability to offer innovative solutions to Bangladesh through exchange of information and cooperation.

Outputs:

- Increased exchange of information on standards and innovative technologies, including from Europe;
- Increased cooperation on research and innovation in the energy sector between Bangladesh and Europe.

Methodology

TEI's approach builds on national priorities and global commitments, and will operate through four key modalities:

1. **Policy Dialogue**
   Structured engagement will be pursued with the Government of Bangladesh and key stakeholders, drawing on frameworks such as the IEPMP, 8th Five Year Plan, NDCs, and EECMP . The TEI will promote inclusive dialogue involving public institutions, private sector, and civil society.
2. **Technical Assistance & Capacity Building**
   European expertise will support regulatory and governance reforms to improve the investments for climate and energy initiatives, including both mitigation and adaptation efforts.
3. **Coordination & Monitoring**
   A TEI Coordinator will map ongoing actions, support alignment, facilitate dialogue, and ensure joint visibility and knowledge-sharing among Team Europe actors.
4. **Financial Support**
   Grants, blending, and guarantees — in partnership with European DFIs — will be used to de-risk investments and make climate and energy projects bankable.

Partners, actors and stakeholders

The TEI will rely on a broad and complementary network of European partners working together to achieve shared objectives. This network includes the European Union (and the European Investment Bank), Denmark, Germany (including through its implementing agencies GIZ and KfW), France (including through AFD), Italy, the Netherlands, Norway, Sweden, and Switzerland. Each partner will contribute through different but coordinated channels - including financial support, policy dialogue, technical assistance, and project implementation - in line with their respective mandates and instruments.

As Team Europe continues to develop a coherent and strategic approach, the roles of different stakeholders will be further defined and operationalised. However, it is already foreseen that a wide range of implementing partners will be mobilised, reflecting the TEI's integrated and holistic approach. These partners are expected to contribute across technical, financial, regulatory, and advocacy areas, and can be grouped into the following categories:

1. Bangladeshi Public Institutions

These will remain key counterparts in policy formulation, regulation, and implementation. Likely institutions to be engaged include inter alia:

- Sectoral ministries and agencies such as the Ministry of Environment, Forests and Climate Change (MoEFCC), the Ministry of Power, Energy and Mineral Resources (MoPEMR), Bangladesh Energy Regulatory Commission (BERC), the Central Bank of Bangladesh, and Dhaka Water Supply and Sewerage Authority (DWASA).
- Public utilities and energy service providers responsible for generation, transmission, and distribution.

Cooperation with these institutions will focus on capacity building, policy and regulatory development, and investment facilitation.

2. Bangladeshi Private Sector Entities

Private sector organisations - including inter alia Dhaka Power Distribution Company (DPDC), Omera Solar, and the Bangladesh Sustainable and Renewable Energy Association (BSREA) - are expected to play a central role in piloting and scaling renewable energy and energy efficiency solutions. Engagement will likely include technical assistance, risk-sharing instruments, and measures to improve the investment climate.

3. Academic and Research Institutions

Institutions such as United International University and Bangladesh University of Engineering and Technology (BUET) will contribute to knowledge generation, innovation, and human capital development. They will be involved through research partnerships, curriculum development, and training activities.

4. European Member States' Agencies and Financial Institutions

Implementing agencies and financial institutions, such as the European Investment Bank, AFD[2] (France), GIZ[3] and KfW[4] (Germany), and FMO and SNV (The Netherlands) will likely contribute through project implementation, policy support, blended finance, and technical cooperation, in alignment with the joint strategic vision currently under preparation.

5. European Private Sector and Business Associations

Entities such as EuroCham, WindEurope, SolarPower Europe, and VEI (Dutch Water Operators) will likely be mobilised to foster private investment, technology transfer, and business-to-business cooperation, and support the local market for sustainable energy solutions.

6. International Organisations

Global actors like United Nations Development Programme (UNDP), International finance Corporation (IFC), Food and Agriculture Organization (FAO), United Nations Industrial Development Organization (UNIDO), United Nations Capital development Fund (UNCDF), UN-Habitat, World Food Programme

[2] AFD is the acronym for the Agence Française de Développement.
[3] GIZ is the acronym for the German Agency for Development Cooperation.
[4] KfW is a German state-owned development bank.

(WFP), United Nations High Commissioner for Refugees (UNHCR), and International Organization for Migration (IOM) will be potential collaborators for technical and operational support, standards alignment, and implementation partnerships.

7. Civil Society and Non-Governmental Organisations (NGOs)

Organisations such as the Centre for Policy Dialogue (CPD), Palli Karma Sahayak Foundation (PKSF), Manusher Jonno Foundation, and CARE, will help to ensure that the TEI remains responsive to the needs of communities, by contributing to policy dialogue, social accountability, and inclusive stakeholder engagement - particularly with women, youth, and marginalised populations.

Global Gateway