

In the NDCs, a guiding policy document stemming from the Paris Agreement on climate change, Bangladesh identified in 2015 the energy sector as a key one to achieve mitigation objectives¹³, albeit with very limited ambition. Bangladesh presented an updated NDC in 2021 with more ambitious targets, and in particular, it increased its conditional emissions reduction target from 36 MtCO₂e to 89.47 MtCO₂e by 2030 compared to business as usual. The country also increased its unconditional emissions reduction target from 12 MtCO₂e to 27.56 MtCO₂e by 2030 compared to business as usual. The revised NDC highlights progress made on adaptation, which is a key priority for the country, compared to mitigation. This, coupled with the extremely high levels of air pollution and a foreseen increase in fossil fuels as primary energy sources (natural gas and coal), makes the energy sector central in merging the international ambitions with the domestic implementation in the years to come.

The 2021-2027 MIP identifies in its second Priority area Green sustainable development, green growth, climate change mitigation and sustainable consumption and production as key to contribute to the country NDC commitments and ambitions to become an UMIC by 2031.

It is therefore, in line with the national development plans, and in particular: 8th Five Year Plan 2021-2025, Vision 2041, upcoming Integrated Energy and Power Master Plan, Renewable Energy Policy (in phase of revision), Energy Efficiency and Conservation Master Plan, Bangladesh Delta Plan (BDP) 2100, the SDGs agenda and Bangladesh's NDCs, and with the Mujib Climate Prosperity Plan up to 2030.

The programming will apply the principle of policy first and will be an opportunity to share European best practices and provide “know-how”, which justifies to enter into a new sector as energy with a pragmatic intention of obtaining significant changes in the current policies.

This Action is fully aligned with the EU political priorities of the Indo-Pacific Strategy, Global Gateway, Agenda 2030, European Consensus for Development and the European Green Deal. Supplying clean, affordable and secure energy in an efficient way by enabling a green energy transition is one of the Green Deal's main pillars to significantly reduce the EU's greenhouse gas emissions and achieve the EU's zero pollution ambition. It will also contribute to the implementation of the Gender Action Plan III, notably addressing the challenges and harnessing the opportunities of the green transition for a more gender equal society.

The AAP 2022 fully contributes to the Team Europe approach notably to the objectives and values of the Team Europe Initiative on Green Energy Transition (TEI GET), co-chaired by Germany and the EU Delegation and including several EU member States and like-minded partners. The TEI GET's overall objective is to support Bangladesh's power system to achieve a maximum coverage of the country's energy demand through renewable energy, while reducing demand through energy efficiency.

The Action is therefore fully in line with TEI GET 4 pillars, namely: 1. Politics and society are aware of the importance of a low carbon development and support a low carbon power system; 2. An effective market for sustainable energy is in place, which sets the right incentives for the best technology¹⁴ at the right place; 3. The grid infrastructure is continuously optimised and, where necessary, expanded to integrate the growing share of variable renewable energy sources, while at the same time the grid operation and ancillary services are adapted to the changing power system (smart grid); 4. Energy efficiency is enhanced in generation, distribution and consumption.

This will also support a substantial reduction of the country's GHG emissions and potentially air pollution. It will contribute to the Nationally Determined Contributions (NDCs), which have energy as one of the main sectors for climate change mitigation.

The proposed Action aims at supporting the Government to achieve the above objectives by promoting a transition towards a sustainable economic development and inclusive growth model with a focus on green energy, as well as improving EU visibility in the country.

2.2 Problem Analysis

Bangladesh's economic growth and the reduction of the socio-economic inequalities cannot be achieved without affordable, reliable, sustainable and modern energy for all, reduced GHG emissions, and reduction of the economic cost of pollution¹⁵. The country's GDP growth requires a higher energy demand, leading to increased ecological

¹³ https://www4.unfccc.int/sites/ndcstaging/PublishedDocuments/Bangladesh%20First/Updated_NDC_of_Bangladesh.pdf

¹⁴ A technology that is smart, sustainable, innovative and cost-effective.

¹⁵ <https://www.tbsnews.net/environment/bangladesh-loses-14bn-year-air-pollution-44359>