

SOUTH ASIA

# Bangladesh

GDP: **\$129.9bn**

Five-year economic growth rate: **8%**

Population: **156.6m**

Total clean energy investments, 2006-2013: **\$27.9m**

Installed power capacity: **9GW**

Renewable share: **N/A**

Total clean energy generation: **N/A**

Top energy authority:

**Ministry of Power**

**OVERALL RANKING  
2014**

**18**

**OVERALL SCORE  
2014**

**1.26**

★Dhaka

PARAMETER	RANKING	SCORE
<b>I. Enabling Framework</b>	<b>23</b>	<b>1.23</b>
<b>II. Clean Energy Investment &amp; Climate Financing</b>	<b>09</b>	<b>0.96</b>
<b>III. Low-Carbon Business &amp; Clean Energy Value Chains</b>	<b>18</b>	<b>2.57</b>
<b>IV. Greenhouse Gas Management Activities</b>	<b>43</b>	<b>0.66</b>

## SUMMARY

Bangladesh ranked 18<sup>th</sup> out of the 55 countries in *Climatescope* 2014, with a score of 1.26. Its best score was on Low-Carbon Business Parameter III, and it performed particularly well on the financial institutions, value chains and service provider indicators.

Bangladesh has begun to unbundle its power sector, yet the state-run Bangladesh Power Development Board is still the major player. Natural gas makes up 66% of the country's 9GW of installed grid capacity. Owing to gas shortages, however, much of this is underutilized and it has to rely on fuel oil and diesel generation to cover shortfalls. As a result, the Power Development Board is financially stressed.

Only 62% of Bangladesh's population has access to electricity from the grid. There is no grid-connected clean energy generation as yet, but more than 2.5m residential solar systems have been installed and there is a goal to increase this to 6m by 2016. Off-grid solar accounted for all clean energy investment (\$27.9m) between 2006 and 2013.

Services and industry account for more than 80% of Bangladesh's \$141bn economy; however, more than 45% of the population is employed in agriculture.

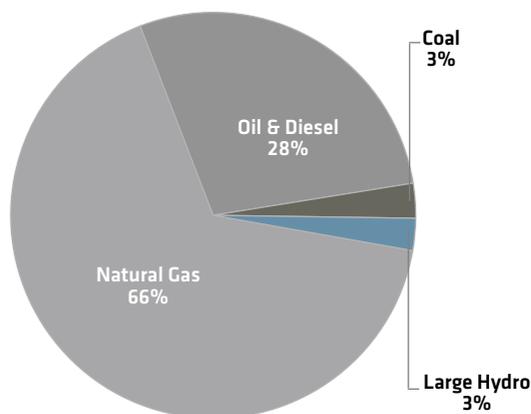
**For further information, access [www.global-climatescope.org/bangladesh](http://www.global-climatescope.org/bangladesh)**

## PARAMETERS AT A GLANCE

On Enabling Framework Parameter I Bangladesh placed 23<sup>rd</sup>, slightly below its average on the other parameters. The country scored relatively high marks for its power structure and its energy access policies, but was weaker elsewhere; for instance, power trading between private parties is not permitted. However, there is no licensing requirement for mini-grids below 5MW and so power prices within these systems can be mutually negotiated between private developers and end-users.

### INSTALLED POWER CAPACITY BY SOURCE, 2013 (%)

9GW total installed capacity



Source: Bloomberg New Energy Finance, Bangladesh Power Development Board

High diesel and kerosene prices, and widespread use of solid fuel for cooking, has helped to propel the spread of off-grid solar. Grid-connected renewable plants are also being developed, the largest of which is a 100MW wind farm that is due to come online in 2015. In 2013, the government ratified a program to install 500MW of solar by 2016 with the assistance of the Asian Development Bank.

### KEY POLICIES

<b>Auctions</b>	As of December 2013, two tenders for solar projects had been held. 3MW was allocated, with a further 30MW still to be auctioned.
<b>Debt-Equity Incentives</b>	The World Bank awarded a \$10m grant to install 1,300 solar-powered irrigation pumps on 30 September 2013. It also offered a \$386m loan to help facilitate energy access and efficiency and clean cooking solutions, of which \$155m has been issued.
<b>Energy Target</b>	In 2008, the government set a target of 5% of electricity consumption from renewable energy by 2015 and 10% by 2020. A solar program funded by the Asia Development Bank is targeting 500MW of solar energy by 2016.

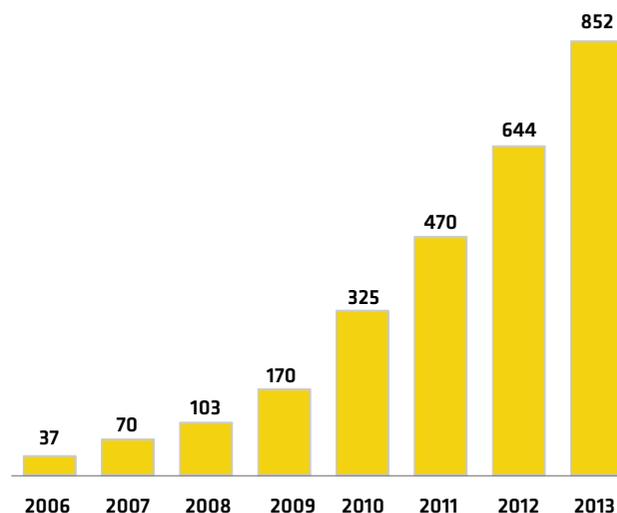
Source: Bloomberg New Energy Finance Policy Library

Bangladesh did well in Clean Energy Investment Parameter II, taking 9<sup>th</sup> position globally. Local microfinance bank Grameen Shakti has deployed \$500m of World Bank funding attached to a 500MW solar program. It disburses capital through micro-credit facilities and creates channels via NGOs and social enterprises for direct sales of residential solar systems in rural areas. The success of the World Bank-funded project led to an additional \$386m being made available in 2012 to scale-up renewable energy-based mini-grids and solar pump irrigation systems. The country's Infrastructure Development Company Limited (IDCOL) has also funded more than 3m distributed solar systems as well.

Bangladesh performed relatively well on Low-Carbon Business Parameter III, finishing in 17<sup>th</sup> place. Its vibrant off-grid market has created significant value chains in biomass-based cook stoves as well as solar home lighting. There are solar inverter and module manufacturers and system integrators, together with numerous ancillary service providers such as insurance companies.

The country ranked 43<sup>rd</sup> on Greenhouse Gas Management Activities, Parameter IV. It is classified as a Non-Annex I country under the UNFCCC, and therefore has no emissions cap and no legally binding reduction target. There are only four CDM projects registered with the UNFCCC.

### SOLAR HOME SYSTEM INSTALLATIONS PER YEAR, 2006-2013 (MW)



Source: Bloomberg New Energy Finance