Policy Brief

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Bangladesh's Position on the Energy Sector at COP30, Belem

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Executive Summary

Bangladesh, highly vulnerable to climate change, urges COP30 to prioritise a rapid, just, and fully-financed transition to indigenous, decentralised, and utility-scale Renewable Energy (RE). Continued investment in fossil fuels and "false solutions" is catastrophic, leading to debt and energy insecurity. A bold pivot to solar and wind power, utilising proven domestic models, will foster resilience, energy sovereignty, and sustainable prosperity. As COP30 focuses on turning commitments into tangible outcomes, Bangladesh calls for urgent, grant-based and concessional actions that ensure a rapid energy transition and climate resilience.

To this end, our demands for COP30 are consolidated into three core pillars:

1. **Finance:** Immediately operationalise the New Collective Quantified Goal (NCQG) with commitments well beyond the current floor. This finance, primarily granted via direct access, must fund RE, grid modernisation, and robust social safety nets to ensure a just transition and avoid increasing debt.

2. **Technology:** Unrestricted transfer of RE, grid management, and storage technologies, free from intellectual property barriers. It must include sustained support for domestic manufacturing and national institutions.

3. **Justice:** End all international public and private financing, insurance, and subsidies for fossil fuel projects. The Loss and Damage (L&D) Fund must be substantially, continuously, and needs-based replenished, based on historical responsibility and reparations for irreversible climate impacts.

Evolving Global Consensus

The COP28 UAE Consensus marks a turning point in climate negotiations, with a global agreement to move away from fossil fuels. Over 130 nations were committed to tripling RE capacity and doubling energy efficiency by 2030, a key point for negotiations. However, as emphasised ahead of COP30, the largest implementation gap remains in aligning finance, technology, and the phase-out of fossil fuels with the 1.5°C pathway.

The transition from Dubai exposed a significant implementation gap that needs to be addressed at COP30. COP29 in Baku failed to push for a phase-out of fossil fuels and introduced an insufficient New Collective Quantified Goal (NCQG) of USD 300 billion annually by 2035. It undermines the UNFCCC's credibility, as developed nations support a RE-powered world without providing the necessary resources to achieve this goal.

Therefore, our stance at COP30 is to demand concrete, non-debt-creating finance and technology transfer. The "Baku to Belém: Roadmap to 1.3T" initiative, aimed at escalating finance to USD 1.3 trillion, must become a central focus with explicit commitments. The current NCQG of USD 300 billion must now inform the Baku-to-Belém Roadmap, which targets USD 1.3 trillion annually — a key focus at COP30. While the early operationalisation of the L&D Fund was a triumph, initial pledges are meagre compared to the actual need, making continuous replenishment a top priority.

Bangladesh's stance at COP30 is reinforced through coordination with the LDC Group, G77+China, and South Asian peers, including

Nepal, Pakistan, Sri Lanka, and the Maldives. By aligning with these partners, Bangladesh advocates for a stronger NCQG, an accelerated phase-out of fossil fuels, and collective action to ensure a just and equitable energy transition.

Existential Imperative of Bangladesh

Bangladesh faces an immediate and severe climate emergency, ranking among the most vulnerable nations. This ongoing crisis incurs significant economic and human costs, including an average of USD 1 billion annually from cyclones and USD 3.72 billion in economic losses from extreme weather between 2000 and 2019. Projections indicate that 13.3 million people will be climate migrants by 2050, and a single severe flood could reduce GDP by 9%. This dire situation necessitates reform of energy policy and grant-based financing for initiatives such as coastal wind farms. An energy transition is crucial for Bangladesh's national security, economic stability, food security, and human rights, as continued reliance on fossil fuels exacerbates climate threats.

Compounding Crises of Fossil Fuels

Bangladesh's 98% reliance on fossil fuels causes significant economic, social, and environmental issues. Coal-fired plants, such as those endangering the Sundarbans, contribute to premature deaths and mercury contamination (e.g., the Payra plant). The shift to imported LNG has been an economic disaster, increasing electricity costs by 47% (FY21-FY22) and causing power outages that harm the export-oriented RMG sector, creating a cycle of price shocks and depleting foreign currency. Petroleum, primarily used for transportation, accounts for over half of the country's CO2 emissions from oil, with refineries like ERL polluting rivers and posing public health risks. These vulnerabilities are directly at odds with COP30's agenda to phase out fossil fuel finance and redirect flows toward renewables.

Pitfalls of the So Called Advanced Technologies

Influenced by Japan International Cooperation Agency (JICA), Bangladesh's national energy plan, the IEPMP, promotes 'false solutions' by advocating for expensive and unproven fossil fuel technologies as 'clean'. These technologies, such as ammonia firing, carbon capture and storage (CCS), liquid hydrogen, and waste-to-energy (WTE), pose risks by extending reliance on fossil fuels, misdirecting funds from RE, and creating long-term environmental damage. This strategy, likened to a 'Trojan Horse', attracts investment in fossil fuel plants under the false pretence of future decarbonization. Bangladesh should reject these 'false solutions' at COP30.

The RE Pathway for Bangladesh

Bangladesh's assertion that it is resource-poor and reliant on imported fossil fuels is incorrect. The nation has a significant, largely unexploited RE potential that far exceeds future demand. Political and financial factors, not geological limitations, hinder its realisation.

Moreover, Bangladesh's current NDC and targets for RE, while ambitious, fall short of the scale required to meet global 1.5 °C pathways. Revising these targets upward for 2030–2041 would align national plans with international ambition and unlock additional finance and technical support. To achieve this transition, Bangladesh should seek global support to implement reforms of fossil fuel subsidies, establish fiscal transition frameworks, and introduce green investment incentives that redirect public finance from fossil fuels to RE sources. Independent assessments indicate solar potential ranging from 50,174 MW to 140,000 MW and wind potential from 30,000 MW to 50,000 MW, particularly in coastal and offshore areas.

The potential dismisses the 'land scarcity' argument for innovative deployment, including over 60 GW from floating solar on existing water bodies and an additional 25 GW from rooftop solar. This combined potential surpasses the projected 2041 peak demand of 60 GW. RE is also economically compelling, with solar PV's LCOE being highly competitive (e.g., 5.82 BDT per kWh) compared to imported fossil fuels (18-20 BDT per kWh for oil-fired power).

Meeting the goals for RE demands significant financial commitment, yet it's a vital investment for a resilient future. Achieving the government's 20% renewable electricity target by 2030 requires an annual investment of USD 933 to 980 million, while civil society advocates for a more ambitious 30% share by the same year. Looking ahead, a 30% renewable share by 2040 would necessitate a total investment ranging from USD 35.2 billion to USD 42.6 billion. To reach an even higher target of 40% by 2041, annual investments need to be between USD 1.53 billion and USD 1.71 billion.

A People-centric, Dual-track Transition

Bangladesh needs a two-pronged strategy to harness its RE potential: empowering communities through distributed RE sources and decarbonising the national grid with utility-scale projects. The successful Solar Home System (SHS) program, which has provided clean electricity to 20 million people and created 75,000 jobs, serves as a model for community-owned assets, such as solar microgrids, irrigation pumps, and rooftop solar systems. Simultaneously, Bangladesh must invest in large-scale solar parks and wind farms, along with smart grid technologies and energy storage, to replace fossil fuels. It will require overcoming infrastructure limitations and institutional deficiencies, with international collaborations being crucial for financing and technical support.

Our Demands for Enabling a Just Transition

Our demands at COP are based on climate justice, historical responsibility, and past commitments. Key to these demands are the conditions for Bangladesh to implement its NDCs and align with a 1.5°C pathway. These demands for Finance, Technology, and loss and damage are an interconnected and indivisible package, supported by Bangladeshi youth, researchers, and civil society, and are all essential for a successful energy transition.

At COP30, Bangladesh calls upon developed countries to act with integrity and urgency. The window for a fair, fossil-free future is rapidly closing. The Belém outcome must deliver finance and technology at the scale necessary to ensure a livable future for the most vulnerable nations.

Finance for Fulfilling the Commitments

1. Operationalise the NCQG with Grant-Based, Direct-Access Funding

The current USD 300 billion climate quantification goal is insufficient. The COP30 must establish a time-bound framework for mobilising USD 1.3 trillion per annum as Climate Finance and disburse the fund primarily in the form of grants instead of loans to avoid possible debt crisis It should also be directly accessible to national and local institutions, bypassing multilateral intermediaries, to quickly expand proven initiatives.

2. A Complete and Immediate Phase-out of Fossil Fuel Finance

Developed countries and MDBs must stop all public and private financing, investment, insurance, and subsidies for new fossil fuel projects, including LNG. We also oppose any types of false solutions (Ammonia, CCS, Hydrogen, Nuclear, Waste-to-Energy, etc.). Financing fossil fuel and 'false solutions' expansion while negotiating climate transition is a contradiction that must end.

3. Dedicated Funding for a Just Transition

Establish a ring-fenced climate finance window for fossil fuel workers and communities. Funds should support reskilling, social safety nets, and the creation of green jobs to ensure an equitable transition.

Technology Transfer & Capacity Building

4. Removal of Intellectual Property Barriers

Classify key energy transition technologies (advanced solar photovoltaics, wind turbines, battery storage, smart grid systems) as global public goods. It would remove patents and intellectual property barriers, making these climate solutions affordable and accessible for developing nations.

5. Support for Domestic Manufacturing and Supply Chains

Prioritise international finance and technical aid for local RE manufacturing (e.g., solar panels, floating solar pontoons), which builds green jobs, reduces supply chain reliance, and lowers transition costs.

6. Strengthening National Institutions

Long-term support is crucial for enhancing the capacity of under-resourced national bodies to manage a rapid energy transition. It includes technical assistance for grid modernisation, RE integration, and the development of the regulatory framework.

L&D for Addressing Unavoidable Impacts

7. Replenishment of the L&D Fund

The Initial contributions to the L&D fund are covering only a small portion of the annual expenses faced by vulnerable nations. Developed countries must commit to a multi-year, multi-billion-dollar replenishment cycle, using new funds separate from existing mitigation and adaptation funding.

8. Acknowledgement of Liability and Compensation

The L&D Fund should operate on the principle of climate justice, acknowledging that major emitters have historically contributed to the climate crisis. The discussion must shift from 'aid' to 'reparations' for the irreparable damage suffered by vulnerable nations, such as Bangladesh.

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