

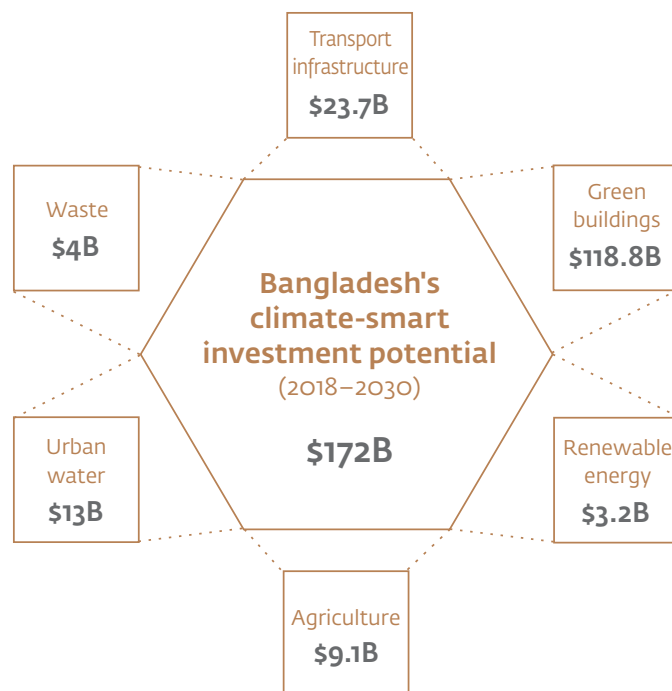
Climate Investment Opportunities in South Asia

Bangladesh

Bangladesh is a fast-growing economy, driven by exports from the development of its garments industry, critical to the transformation of its economy over the last 20 years, alleviating poverty and increasing employment.

Bangladesh is benefiting from its demographic dividend, with half of its population under the age of 25 in 2016, and is likely to achieve its goal of reaching middle-income country status by 2021. The Climate Change Vulnerability Index ranks Bangladesh as the country most vulnerable to the impacts of climate change. Recognizing this extreme vulnerability, the government has put in place more than 200 laws and by-laws to mitigate the effects of climate change. Bangladesh's Nationally Determined Contribution (NDC) under the Paris Agreement emphasizes resilience across all sectors, estimating a total investment need of \$40 billion for adaptation from 2015 to 2030. The NDC also includes a 5 percent unconditional and 15 percent conditional reduction in emissions from the power, transport, and industry sectors.

Private sector engagement and investment is central to helping Bangladesh achieve its development objectives. The government is attempting to catalyze private sector climate investment through the Bangladesh Investment Development Authority, and policies such as the incentivization of private lending to enterprises that invest in green technologies, and the financing of decentralized climate-friendly energy programs, such as solar home systems.



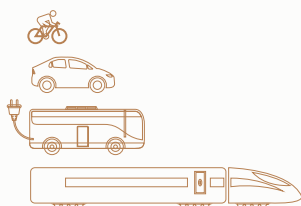
IFC estimates a total climate-smart investment opportunity of \$172 billion in Bangladesh from 2018 to 2030:



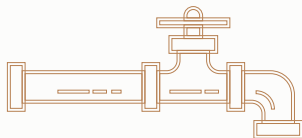
\$3.2 BILLION IN RENEWABLE ENERGY, created by the government's pledge to generate 10 percent of its energy from renewable sources by 2020, going up to 3,800 MW by 2041, and 100 percent by 2050



\$118 BILLION IN GREEN BUILDINGS arising from its emphasis on energy efficiency in buildings and annual addition of 500,000 urban and 3.5 million rural houses to bridge an annual shortfall of 5 million homes



\$23.7 BILLION IN TRANSPORT INFRASTRUCTURE to help achieve its goals of a multimodal public transport-oriented sector, with a focus on developing its inland waterways network



\$13 BILLION IN CLIMATE-SMART URBAN WASTEWATER, in line with the government's interest in seeking investment in water-related infrastructure and water management



\$4 BILLION IN MUNICIPAL SOLID WASTE MANAGEMENT, to bring collection up to 80 percent in 2030 and manage the increasing amounts of waste generated by a rapidly urbanizing population



\$9.1 BILLION IN CLIMATE-SMART AGRICULTURE, reflecting the government's intention to modernize the sector and encourage climate-smart irrigation practices



Priorities for Bangladesh to Attract More Climate-Smart Investment

Improving access to low-cost, long-term finance and developing demonstration projects to assure banks of their commercial viability are essential to unlocking investment. Streamlining land procurement processes and promoting rooftop solar at manufacturing facilities through net metering and grid connection will help promote renewable energy investments. Launching green building codes and voluntary certifications will enable investments in greening new buildings. Public private partnerships to reduce water pollution and promote wastewater recycling, complemented by enhanced groundwater pricing to encourage water conservation can create investment opportunities in the water sector.

IFC Advisory and Investment Spotlights



PARTNERSHIP FOR CLEANER TEXTILE (2013–2016)

IFC launched the Bangladesh Partnership for Clean Textile (PaCT) Program in January 2013, with financing of \$11 million to improve resource efficiency across 13 global brands and 200 textile factories. Since 2013, these measures have annually helped save 21.6 billion liters of water and 2.5 million megawatt-hours of energy, reduce greenhouse-gas emissions by more than 460,400 tons of carbon dioxide equivalent, and realize cumulative cost savings of \$16.3 million. They have also helped catalyze \$39 million in additional investments in the program's member factories. IFC partnered with Levi Strauss & Co in 2016 to develop a global program for environmental sustainability through the PaCT Program for six facilities in Bangladesh, India, Sri Lanka, and Vietnam.

BRAC BANK AND THE INDUSTRIAL DEVELOPMENT LEASING COMPANY OF BANGLADESH LIMITED (2012–2014)

IFC is working with financial partners in Bangladesh to help increase access, improve affordability, and promote financing for sustainability initiatives for small enterprises. In June 2012, IFC supported Bangladesh's leading SME bank, BRAC Bank, to increase its business performance by using evaluation tools and sustainability reporting. With IFC's support the bank has since launched the Planet Solutions Loan—an affordable financing product to support water and energy efficiency improvements for textiles manufacturers and technology service providers that are PaCT partners, and have undertaken water/energy audits. Similarly, IFC is partnering with the Industrial Development Leasing Company of Bangladesh Limited to provide financial solutions to PaCT partners to promote investments in resource efficiency technologies. The partnership will expand the company's loan portfolio in energy-efficiency financing in the textile sector by providing technical advisory services and business development support to generate a sustainable pipeline of clients in the water and energy-efficiency sector.



GREEN DELTA INSURANCE LIMITED (2015)

IFC signed an agreement with Bangladesh's leading private insurer, Green Delta Insurance, in February 2015 to develop index-based insurance products that minimize the impact of crop losses caused by natural disasters such as drought, heavy rain, and cyclones. By the end of the project, the facility expects to cover about 75,000 farmers in Bangladesh. The project is also supported through the Pilot Program for Climate Resilience, which aims to increase the revenues of farmers and agribusinesses through sustainable and climate-smart technologies and practices.



BANGLADESH VENTURES FUND (2010–2017)

In June 2010, the Small Enterprise Assistance Funds and IFC launched the Bangladesh Ventures Fund as a commercial finance company to invest in SMEs in Bangladesh. It focuses on key high growth-potential sectors in Bangladesh that lack access to traditional financing sources including renewable energy and energy efficiency. The Fund has invested \$1 million in SOLARIC Ltd., which supports energy access by providing patented micro-inverter based solar home systems and power backup systems that optimize energy efficiency and facilitate the use of smaller batteries, solar panels and energy-saving appliances. In May 2017, the fund received a follow-on commitment of \$10 million from IFC and the Climate Investment Funds' Pilot Program for Climate Resilience.

ENERGYPAC AGRO-G LIMITED, SUPREME SEED, ACI LIMITED, AND LAL TEER LIMITED (2013)

IFC is providing advisory and financial support for a partnership between the country's largest private seed companies and nongovernmental organizations to produce and market eight new varieties of stress-tolerant rice seeds that can withstand extreme weather conditions, while developing contract farming and building farmers' overall capacity. To date, more than 67,000 farmers and 600 dealers and retailers have gained a better understanding of stress-tolerant seeds through the initiative, expanding the market for high-yield seed varieties. These farmers have reported a 15 percent increase in revenue compared to farmers who did not receive the training.

This factsheet summarizes details from the Climate Investment Opportunities in South Asia report, which covers Bangladesh, Bhutan, India, the Maldives, Nepal and Sri Lanka. <http://wrlld.bg/PgpC30gS88e>



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