

RESEARCH MICROS



Insights that matter.

A brief by UNDP Bangladesh Research Facility

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Bangladesh: Facing the Twin Challenges of Inflationary Pressures and an Energy Crisis

MESSAGE FROM THE RESIDENT REPRESENTATIVE




Stefan Liller

2022 has been a tough balancing act for Bangladesh: it is mired in the uncertainties arising out of the Covid-19 pandemic, the Ukraine war, and the cost-of-living crisis. For example, we have been witnessing how inflation has been heating up to record levels, raising concerns about disproportionate impacts on the poor and vulnerable non-poor in both rural and urban areas. This was partly driven by an evolving energy crisis in Bangladesh that has forced the country to also take a hard look at its energy security situation. Impacts of natural calamities over the year such as devastating flash floods in north-eastern Bangladesh and Cyclone Sitrang in coastal areas have added to distress. On a macro level, these interlinked challenges are making it harder for countries like Bangladesh to achieve Agenda 2030 and its Sustainable Development Goals by 2030.

We are optimistic about Bangladesh’s ability to persist in the face of challenges, however. According to the 2021-2022 Human Development Report, Bangladesh saw its scores improve to rank 129 out of 191 countries at a time when many of its peers were facing erosions in hard-won gains.

In this issue of ‘Research Micros’, UNDP Bangladesh explores some of these themes. First, we draw attention to the need for development solutions to address crisis and fragility and build resilient communities.



From an analysis of 360 households across seven cities in Bangladesh, we highlight the need for adopting context-specific Multidimensional Poverty Index-based programming, and to increase resilience of urban poor during crises. Secondly, we examine trends in female labour participation in Bangladesh and highlights concerns for progress in women's economic empowerment especially for those not in employment, education, or training. Lastly, we examine Bangladesh's twin challenges of inflationary pressures and energy crisis, its repercussions and areas for policy attention.

I am hopeful that the findings in this publication will contribute to policy and advocacy efforts supporting Bangladesh to thrive in a world in flux.

Stefan Liller

Resident Representative

UNDP Bangladesh



I. IN FOCUS

EMPLOYING THE MULTIDIMENSIONAL POVERTY LENS TO DELIVER LIVELIHOOD SUPPORT TO THE URBAN POOR: LESSONS FROM A UNDP BANGLADESH INTERVENTION

- Results from a survey of beneficiaries of UNDP Bangladesh's Livelihoods Improvement of Urban Poor Communities (LIUPC) show that the impact of business grants on beneficiaries' Multidimensional Poverty Index (MPI) scores varies across different socio-economic groups, and although cash support helps in tackling MPI in crises situations, aggregate MPI scores can mask disparities across households with vulnerabilities.
- Among the surveyed three household categories, poor households who received grants from the project before the Covid-19 crisis exhibited the largest decrease in their multidimensional poverty, with 63 percent of such households showing reduced MPI scores two years into the pandemic.
- Larger shares of poor grantees (31.5 percent) and poor non-grantees (28 percent) received cash as a form of Covid relief, compared to only 10 percent of non-poor households.
- Non-poor households just beyond the grant-eligibility threshold fared worse than poor non-grantee households in terms of MPI, most likely because they were less prioritized in crisis response.
- Lessons from the survey call for adopting context-specific MPI-based programming to increase resilience of urban poor during crises, prioritizing cash programs, including vulnerable non-poor in crisis response, investing in youth and other vulnerable populations, and encouraging use of data and technology to improve poverty tracking.

The Context

In Bangladesh, the national discourse and official statistics have historically focused on income-based measures to understand poverty issues and design policies, including in crisis response. The country's periodic Household and Income Expenditure Survey (HIES) uses income poverty as its focal lens for analysis. However, Global Multidimensional Poverty Index (MPI) scores of Bangladesh, which take into account measures of education, health and living standards, have consistently outstripped national income-based estimations.

The COVID-19-induced crisis has further revealed the shortcomings of a unidimensional metric for

addressing poverty. The crisis's multifaceted impacts have stressed the importance of pre-emptive measures and resilience-building efforts to address underlying multidimensional aspects of vulnerabilities beyond income. Against this backdrop, this policy brief attempts to contribute evidence to shifting the emphasis on the discourse towards more multidimensional perspectives for addressing issues related to urban poverty and vulnerability, especially in crisis contexts. The brief discusses results of a survey based on UNDP Bangladesh's LIUPC project's beneficiaries to offer important insights into the programmatic approach of delivering grants using the MPI metric.

The Survey

The LIUPC project maintains a database of MPI indicators for 700,000 households living in low-income urban settlements. The project has been using the MPI metric to identify and deliver conditional cash support to female members of eligible MPI-poor households to either start a new business or expand an existing one.

For this analysis, 360 households across seven cities in Bangladesh were randomly selected from the project's beneficiaries following certain criteria. The project considered households with MPI scores (the sum of weighted scores for deprivations) of 20 and above as multidimensionally poor and eligible to receive business grants. For comparison, sample households were categorized under three groups based on their pre-COVID MPI scores and whether or not they received business grants prior to the pandemic (i.e., during 2018–2019): (i) vulnerable non-poor households with pre-COVID MPI between 10 and 20; (ii) poor grantee households that received business grants with pre-COVID MPI between 20 and 40; and (iii) poor non-grantees with pre-COVID MPI between 20 and 40. The third category did not receive grants based on secondary vetting by the project in consultation with community members to choose the neediest and most deserving households for the limited number of grants.

The study used a structured questionnaire to compare MPI scores across the three groups mentioned above over two periods—before the COVID-19 crisis and before receiving grants (applicable for grantees) and two years into the COVID-19 crisis and after receiving grants. The present multidimensional poverty situation of the households is assessed based on the same set of questions asked during their registration in 2018 and 2019, with some additional questions related to the use of business grants and COVID-19.

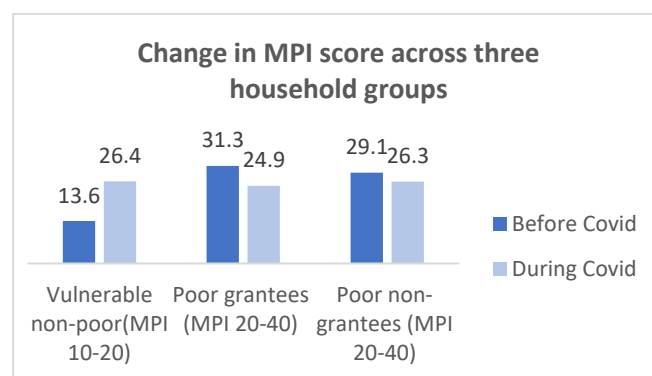
Main Findings

Business grants *helped poor households improve* MPI scores

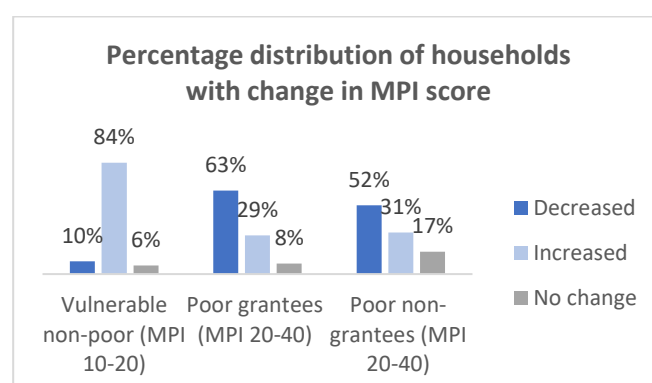
The findings show that among the three household categories, poor grantee households experienced the most significant decrease in their MPI scores over time, with 63 percent of such households

having reduced MPI levels (Fig B). The MPI is a combination of poverty headcount ratio and intensity of deprivation. While poor grantees experienced a four-percentage point fall in the headcount ratio there was an increase in the intensity of deprivation by 5.5 percentage points which reflects the multidimensional nature of the crisis (Fig C). Grant recipients reported that the grants helped them by increasing their regular income, allowing them to continue their children's education and improving the overall family welfare.

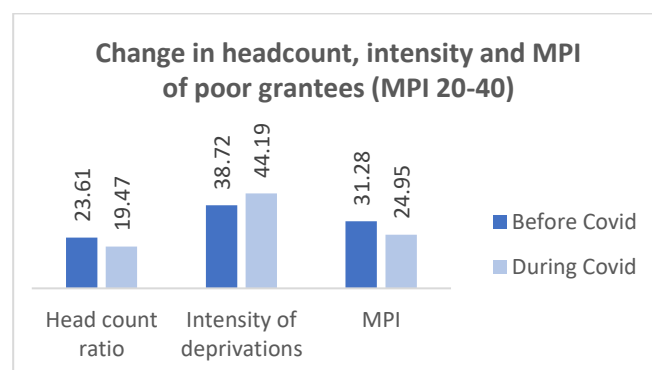
Fig 1: Impact of MPI on Households in the Sample



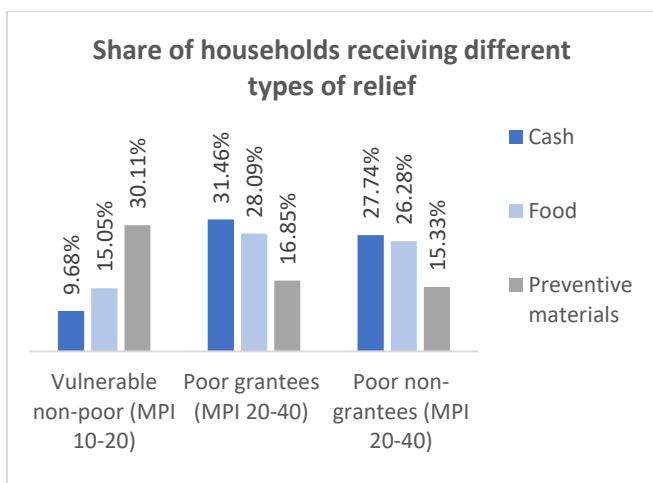
(A)



(B)



(C)



(D)

Source: Authors' own calculations based on LIUPC Survey in 2022

Vulnerable non-poor were the most affected in terms of multidimensional poverty

Non-poor households with pre-COVID MPI scores between 10 and 20 i.e. just below the poverty eligibility threshold, exhibited an increase in their MPI score by almost 13 points (Fig A). 84 percent of these households experienced worsening of their multidimensional poverty levels. People in these vulnerable categories usually remain outside the scope of emergency policy measures. As such, their vulnerabilities remain unaddressed and are exposed during crises.

Cash support helps in tackling multidimensional poverty, even during crises

Households belonging to all three categories (vulnerable non-poor, poor grantees and poor non-grantees) benefitted from one or more forms of relief measures from different sources. According to survey data, larger shares of poor grantees (31.5 percent) and poor non-grantees (28 percent) received cash as a form of Covid relief. This is compared to only 10 percent of vulnerable non-poor households receiving the same. Preventive materials were the most common form of support received by this group. As a result, non-grantee poor households performed better than vulnerable non-poor households and saw a decline in their MPI at the time of the survey.

Aggregate changes in MPI mask disparities across households with different vulnerabilities

In terms of **disability status**, the survey revealed that MPI scores have increased for all households with one or more persons with disability (PwD), including poor grantee households where MPI scores have declined on average. In terms of demographic groups, the post-COVID MPI scores suggest that, overall, the pandemic has hit households belonging to the youngest and the oldest beneficiary age groups the hardest. The only exception is poor grantee households with youth beneficiaries. This implies, that young women can effectively use cash and contribute to reducing their families' multidimensional poverty if given access to finances. In terms of geographical region, the impacts have been particularly harsh on low-income urban settlements in cities that are comparatively less socio-economically developed, e.g., Chandpur and Narayanganj compared to more advanced metropolitan areas like Dhaka and Chittagong, with only Sylhet bucking this trend. And finally, in terms of gender, across all three groups, female-headed households exhibited higher levels of multidimensional poverty on average during COVID. For vulnerable non-poor households, the increase in MPI score was higher for female-headed households. On the other hand, for poor grantee households, the decline in MPI scores was lower for female-headed households.

Key Policy Messages

Adopt context-specific MPI-based programming in addressing resilience during crises.

Since multidimensional poverty measures deprivations across a range of indicators, MPI-based programming can help identify vulnerabilities that go beyond income. MPI indicators can be further disaggregated to see which dimensions contribute the most to poverty. This is especially useful during crisis periods, where deprivations often occur due to not just income but to various other factors. In light of this, there is a need for a more multidimensional lens in development programming in Bangladesh in line with the existing National Social Security Strategy and for greater emphasis on the collection of non-income data from households. The beauty of the MPI metric is that it allows a certain level of contextualization to be more locally relevant. As

such, the MPI used should capture spatial differences and regional realities of a country.

Consider vulnerable non-poor in program design and crisis response

The starkest finding of the survey is how the vulnerable non-poor fared worst during the pandemic. They were worse-off than poor non-grantees because they were largely left out when it came to receiving adequate COVID relief, especially cash, that could address their loss of livelihoods. It is imperative that both the government and development programming do not neglect the vulnerable non-poor. Not including them in programs will decrease their coping mechanisms in response to crises, adding to their risk of falling into more extreme multidimensional poverty.

Continue to prioritize cash programs and focus on efficiency

Cash-based support should continue to be among the primary responses to address shocks. However, there is a need for these to be more efficient, especially in light of the leakages and irregularities that often occur. A reliable and functional national database of poor and vulnerable non-poor households with relevant information needs to be in place to quickly and effectively mobilize cash transfers and improve coverage.

Invest in youth and other vulnerable populations and in cities with fewer economic opportunities

The survey shows that business grants were more effective in reducing the MPI of households when the beneficiary member was a youth. While grants and other measures also help people when targeted to higher-age groups, from specifically a poverty reduction point of view, it would be more useful to spend resources and create investment and credit opportunities for the younger population to increase their opportunities and market access.

Encourage use of new data and technology to improve multidimensional poverty tracking

Static data (as used in this survey) cannot account for real-time changes. For example, migrants may move from one slum to another, or some beneficiaries may get multiple livelihood improvement supports from different development interventions. The use of big data, dynamic data, artificial intelligence (AI) and machine learning could address these inconsistencies and help attain the most updated information on households through remote sensing, mobile data, and other means for better evidence-based decision-making. A monitoring mechanism based on such technology could be more efficient in evaluating crisis response and to provide recommendations to improve the effectiveness of programmatic interventions.

Read the full brief here: [UNDP Global Policy Network Brief: Employing the Multi-Dimensional Poverty Lens to Deliver Livelihood Support to Urban Poor - Lessons from a UNDP Bangladesh intervention](#)



II. FOOD FOR THOUGHT

WOMEN'S ECONOMIC EMPOWERMENT AND THE CASE OF DISCONNECTED FEMALE YOUTH IN BANGLADESH

- The latest labor force survey (LFS) of 2016-17 reveals that although female labor force participation has increased over time on the aggregate, there are underlying trends that raise concern for women's economic empowerment.
- The increase in LFPR has not been spatially equal, share of female employment in sectors with low productivity has increased, labor force participation of female youth is declining, and women are disproportionately burdened with household work impeding their chances of competing with men at a level playing field.
- A significant share of female youth population (49.4%) is not in education, employment, or training (NEET). This is ten times higher than the corresponding figure for young men.
- Young women are finding it hard to transition from school to work, they face unique barriers from being married and having small children, and the NEET status is most common among young women belonging to non-poor households with income vulnerability.

The Context

Bangladesh has made remarkable strides for women's empowerment over the past decades. Yet, significant challenges remain in achieving gender equality including, women's low participation in the labour force, inadequate access to formal employment, limited ownership over productive assets, lack of recognition of their contribution to the formal economy, uneven burden of unpaid household and care work, gender-based violence and differential impact of climate change. These challenges adversely affect their agencies and thus empowerment. A concerning trend that has also recently been brought to focus is how a disproportionate share of young women (aged between 15 and 29) compared to young men, are neither employed nor spending time in building skills for potential employment. The phenomenon is depicted by the indicator *Not in Education, Employment or Training* (NEET). According to the latest national

labour force survey (2016-17) almost 49.4% or half of the female youth population belonged to the NEET category. Around 87% of all NEET youth in the country are currently females.

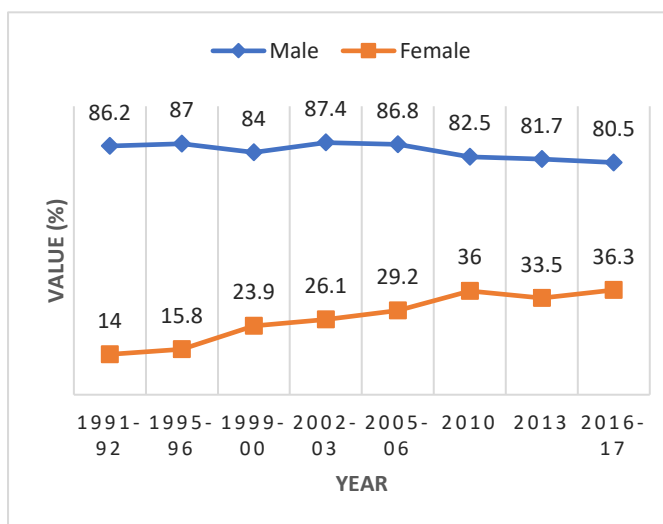
In the above backdrop, the research facility looked at updated trends in female employment, with an extended focus on the female youth NEET category. The full study also delves into supply-side determinants of women's labour force participation, employment, and NEET status with the purpose of identifying intervention opportunities from policy and programmatic perspectives. This brief focuses only on the emerging trends evident from the latest Labour Force Survey (LFS) of 2016-17.

Trends in female employment in Bangladesh

The female labor force participation rate (LFPR) in Bangladesh has been more or less on an increasing trend since the 1990s owing to varying factors which also include better enumeration of

self-employment and unpaid family work of women. In 2013, the LFPR for women dropped for the first time in years compared to the previous LFS in 2010. The LFPR picked up again in 2016-17 to 36.3% from 33.5% in 2013. This improvement is particularly marginal if compared to 2010 when the participation rate was 36% (see figure 1). Female LFPR in Bangladesh remains below the averages for both lower-middle income countries (39%) and middle-income countries (48%). Low levels of labor market participation among women have been associated in literature with high rates of early marriage, concentration of household responsibilities, mobility constraints, social attitude towards women's economic activities and employers' perceptions in the context of social and cultural norms.

Figure 1: Labour force participation over the years by sex



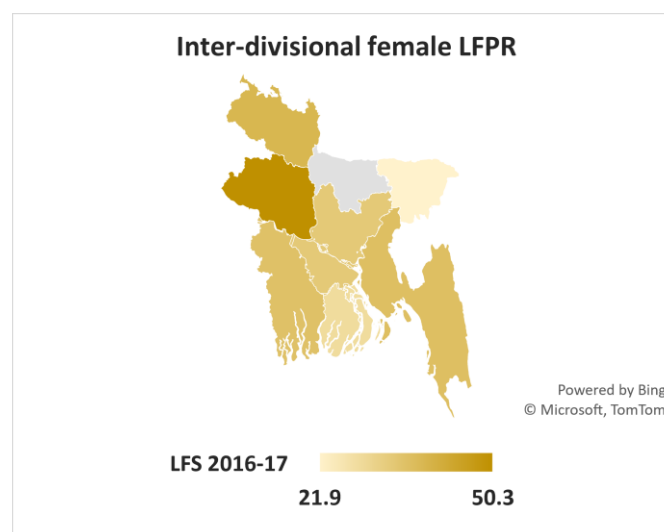
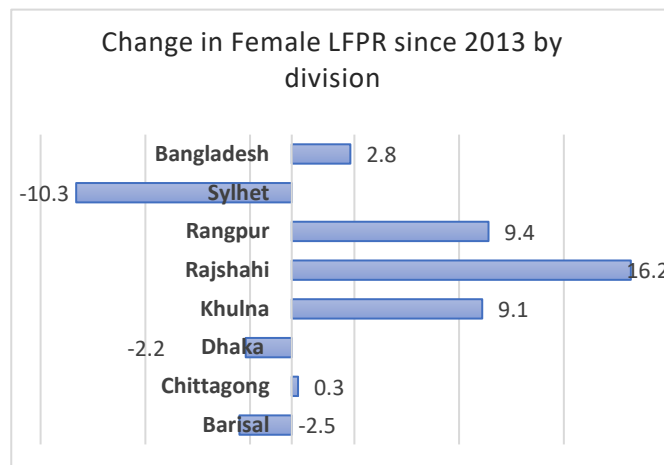
Source: Based on data from LFS various years

There are four trends that emerge from the data in the latest LFS that have implications for women's empowerment.

First, the increase in female LFPR has not been spatially equal.

The increase in LFPR from 2013 to 2016 did not happen ubiquitously across all geographic locations in Bangladesh. LFPR increased considerably in only three (Rangpur, Rajshahi and Khulna) out of seven administrative divisions considered in the survey, marginally improved in Chittagong, moderately decreased for Dhaka and Barisal and drastically declined for Sylhet. Sylhet also belonged to a historically backward region as

far as female LFPR or women in general are concerned.



Source: Based on data from LFS (2013 and 2016-17)

There was also a rural-urban disparity in how female LFPR changed from 2013 to 2016-17. Despite overall improvement in LFPR, female LFPR declined in urban areas to 31% from 32.9% in 2013. The LFPR in rural areas, on the other hand, increased from 33.8% to 38.6% during this period. Opportunities for female employment differ between urban and rural areas. Urban areas offer more paid employment whereas rural areas generate more scopes for informal employment and self-employment. The improvement in rural LFPR is partly due to the better enumeration in recent survey rounds that accounted for the rural unpaid family labour.

Second, there was a reverse structural change for female workers

The previous LFS of 2013 exhibited a positive structural change for female workers i.e., a declining share of female employment in agriculture sector (lower contribution to GDP) and

increasing share in manufacturing sector (larger contribution to GDP). However, the 2016-17 LFS saw a reversal in that trend. Share of female employment in agriculture sector increased from 53.5% in 2013 to 63.2% in 2016 but fell in manufacturing and services sectors (by 6.6 and 1.1 percentage points respectively). These trends are bound to have worsened during the Covid-19 crisis. The increase in informal labour among women in recent years, adding to their vulnerability to shocks like Covid-19, is a manifestation of this trend. The reverse structural change is driven by a

sharp increase in female employment in animal/livestock farming (a subsector in the agriculture sector) from less than 10% in 2013 to 41% (the largest sector with female employment) in 2016-17. While the latter could be partly due to better accounting of previously overlooked women’s contribution in homestead agriculture and livestock rearing activities, but other factors like improved access to microcredit, skills training and other programmatic support targeted at women empowerment have also contributed to this trend.

Table 1: Trends in Female employment share (%) by sector

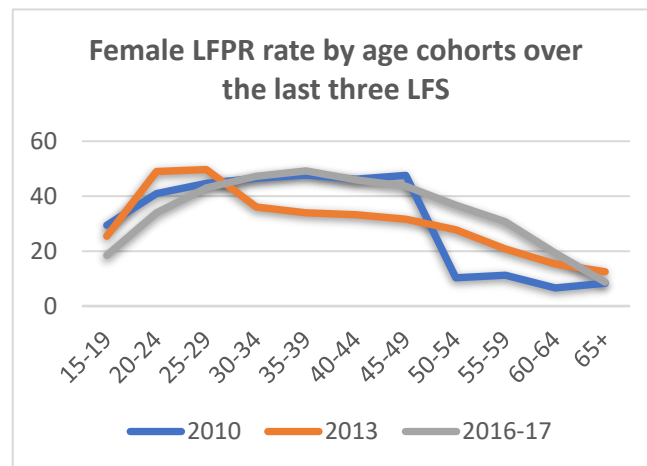
Economic Sectors	2010	2013	2016-17	Change (between 2010 and 2013)	Change (between 2013 and 2016-17)
Agriculture, forestry, and fishing	64.8%	53.5%	63.2%	-11.2%	9.6%
Industry	13.3%	23.6%	17.8%	10.3%	-5.8%
Manufacturing	11.8%	22.5%	16.3%	10.7%	-6.2%
Services	21.9%	22.8%	19.0%	0.9%	-3.8%

Source: Based on data from LFS (2010, 2013 and 016-17)

Third, declined labor force participation among female youth

Trends in LFPR among females belonging to different age cohorts in the last three labor force survey suggest that youth participation fell in 2016-17 compared to levels in the preceding two surveys for all three age cohorts (15-19, 20-24, and 25-29). This indicates that new female youth entrants are not joining the job market. The participation is lowest for the age cohort 15-29 which corroborates the national trend that female enrollment in higher studies have improved. Secondary and tertiary school enrollment of female students increased from between 2013 and 2016 from 57% of to 69%, and 11% to 15% respectively. However, there was also a sharp decline in LFPR among the age cohort 20-24 and 20-29 since the last LFS. Contributing factors include disincentives from lower school completion rates leading to harder work to school transition, increased unemployment rate among

educated female youth in recent years, and lower returns to education. Early marriages have also increased among female youth could be an inhibiting factor in joining the labour force. Share of women between ages 20-24 who were first married by the age of 18 increased between 2013 and 2018 from 52% to 59%.



Source: Based on data from LFS (2010, 2013 and 2016-17)

Fourth, uneven burden of unpaid household and care work

The burden of household chores and care work disproportionately fall upon female members of the family compared to their male counterparts regardless of employment status, education level and/or wealth status. The LFS indicates that women spent an average of 16 hours more than men in a week attending to household activities. The difference is even higher if “shopping”, a predominantly male led activity in households, is excluded. Being employed also does not take that burden away. On average, women who are employed spent only an hour less in a day doing household chores compared to women who are not in the labour force, and only a few minutes less than women who are unemployed. The number of hours spent per week on household chores is also significantly higher (11 hours) for married females than unmarried ones but vary little with the marital status of men. These trends also highlight how conventional gender roles burden women unfairly and impede them from pursuing their professional careers at a level-playing field.

1. School to work transition is a challenge

Young women have a hard time transitioning from school to work despite entering the labour force. Within the youth category, the incidence of NEET is higher among females belonging to higher age cohorts of 20-24 (57.8%) and 25-30 (59.2) compared to 15-19 (29.5%). The corresponding figures for labour force participation is 12%, and 16.7% and 6.3% respectively for the three age-cohorts. This implies, despite entering the labour force (i.e., actively looking for jobs) young women are finding it hard to be in employment. While Bangladesh has been globally lauded for radically increasing school enrolment for girls, the reality remains that a high share of females is still unable to complete the secondary education cycle and drop out before attaining the necessary credentials to enter the skilled labor market. The challenges also get compounded by employer’s biases against hiring women.

Trends in Female NEET status in Bangladesh

WHY IS IT IMPORTANT TO FOCUS ON NEET?

STATUS OF FEMALE YOUTH IN BANGLADESH



First used in western policy discourse in late 1990s to understand young people’s vulnerabilities vis-à-vis the labor market

The term NEET in Bangladesh national discourse properly during LFS 2016/17 after inclusion as **SDG target 8.6** (indicator 8.6.1)



Bangladesh going through **demographic dividend** with females comprising more than half of youth population

49.4% of female youth NEET (10 times higher than share of male youth)



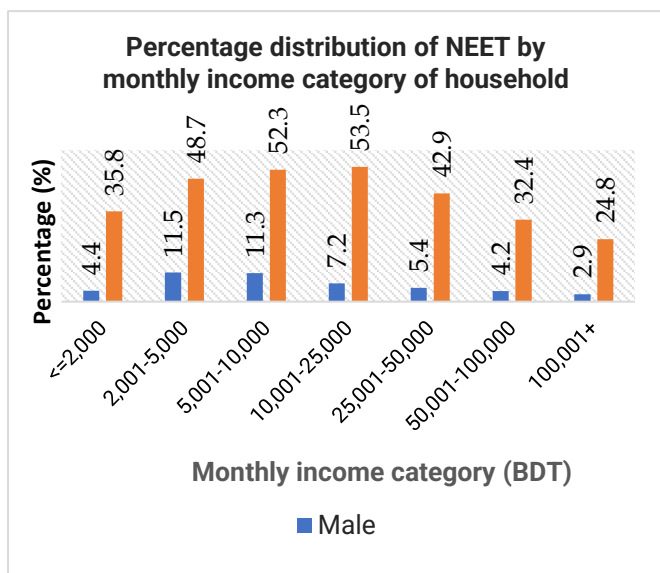
Around **87% of all NEET** youth in the country are currently females

Obvious and disproportionate underutilization of young female population **missed opportunity**



Still a relatively **understudied** topic of research in Bangladesh and the region

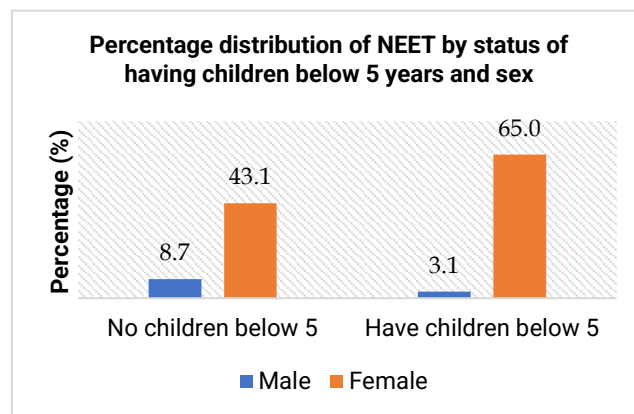
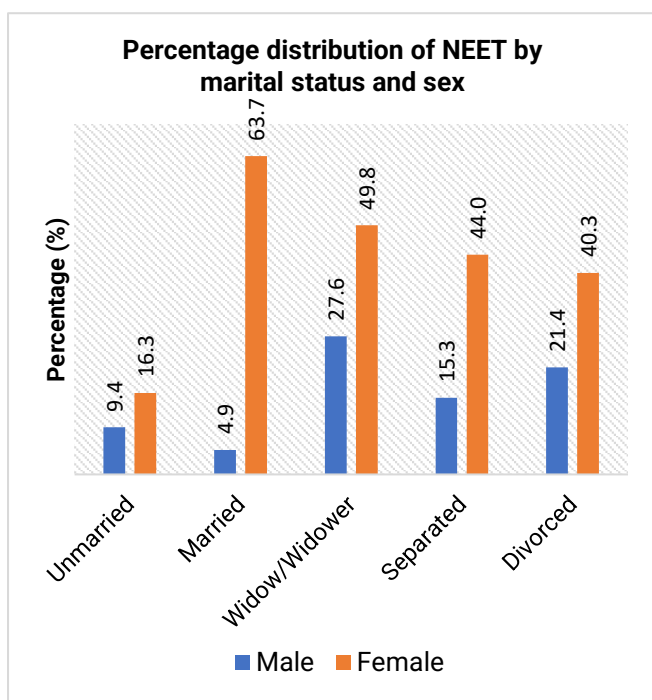
2. Vulnerable non-poor households have the highest concentration of female NEET



Source: Based on data from LFS 2016-17

The incidence of NEET is most prevalent among female youth belonging to households with monthly income just around the concurrent national lower poverty line of BDT 9601.9 per month. This is reflective of the additional and multifaceted vulnerabilities that women face in the household category who are not poor by definition but are extremely vulnerable to poverty in the face of shock. These households are often neglected by traditional policy responses despite being vulnerable and fare the worst during crisis.

3. A smaller share of unmarried females, and those without small children, are NEET



Source: Based on data from LFS 2016-17

The graphs depict the unique barriers faced by women owing to their marital status or having small children that refrain them from pursuing their education, working or get any training. Neither marriage, nor having small children have any discernible impact on men's status as NEET.

The trends discussed above are influenced by both demand side factors and supply side factors. Demand side factors pertain to labour market policies, working conditions, mobility conditions, employers' perceptions, and decisions etc. Supply side factors include individual and household demographic and socioeconomic characteristics as well as social norms and attitudes related to women's responsibilities at home vis-à-vis their work. The full study by the Research Facility focuses on the supply side issues determining women's employment and NEET status as a lens to understand their opportunities for empowerment and accordingly suggest possible programmatic and policy approaches for relevant stakeholders.



III. SNAPSHOT

BANGLADESH: FACING THE TWIN CHALLENGES OF INFLATIONARY PRESSURES AND AN ENERGY CRISIS

Bangladesh has been walking a tightrope in 2022 while responding to the economic hurdles rising with the global impacts of the Ukraine crisis since February. Rising dollar prices, a surge in import-induced, cost-push inflation, and declining foreign exchange reserves—these new realities have heightened concerns about Bangladesh's economy, aggravated already high budgetary pressures from responding to COVID's impacts for two years and made path to COVID recovery highly challenging.

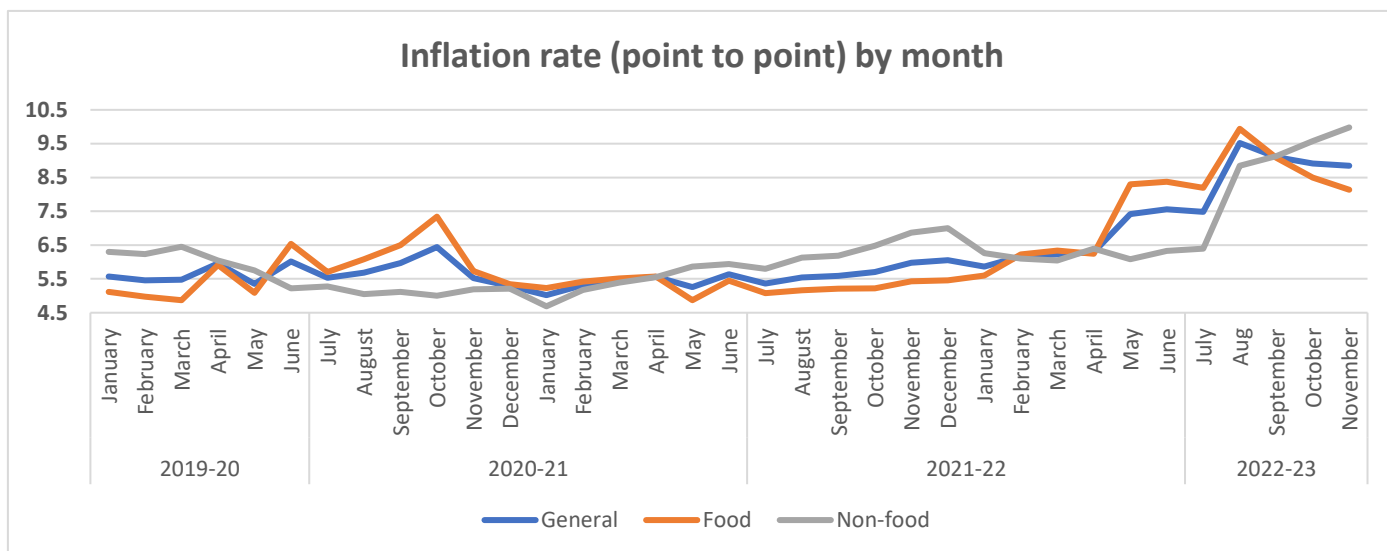
The ongoing situation has also forced Bangladesh to confront vulnerabilities in its energy supply chain. It was already experiencing a shortage in natural gas, the country's main energy source, and had been increasingly relying on LNG imports to meet demand. Gas prices were last hiked in June 2022. However, Bangladesh suspended imports since July amid soaring international prices.

This carried deep repercussions particularly for the country's gas-dependent power sector. With an ongoing gas crisis, the power sector switched to costly imported oil-based electricity generation. But the high import costs for oil (crude and refined) soon started taking toll. In turn, the Bangladesh government took austerity measures in July by suspending diesel-based power plants and introducing scheduled power cuts. An emerging electricity crisis saw the government reverting its decision in August. During this period, while the government highlighted that it saved on fuel costs, it also had to continue to make monthly capacity payments to non-operating power plants as per agreement. Moreover, demand for diesel for

private-run generators drove up amid ongoing power cuts.

Within this context, the highly debated fuel price hike by the energy sector in August has worsened challenges. It not only adds to power generation costs but hurts sectors already facing repercussions of the gas crisis and frequent power cuts. Moreover, with 90% of Bangladesh's transport sector dependent on fuel, the latest hike builds on the impacts of increased gas prices in June this year as well as when diesel and kerosene prices were raised in November 2021. Rising transport costs add to production costs with disproportionate impacts for small and medium-sized factories.

The fuel price hikes also affected the agriculture sector amid a water crisis this year. Record low rainfall between June to September, commonly the country's peak monsoon season, impacted Aman plantation season—Bangladesh's second biggest rice crop and for which production is mostly rainfed. Farmers were pushed towards supplementary irrigation as a result. But Bangladesh's irrigation system heavily depends on shallow tube wells, 80% of which are diesel-run while the rest relies on electricity. Irrigation costs surged with the diesel price hike and spikes in fertilizer prices despite subsidies also aggravated the situation. Overall, farming costs have risen high with concerns over lingering impacts for the upcoming Boro production season and for other major crops. Bangladesh's marine fisheries industry is also hurt, and these may add to further inflationary pressures challenging food security in the country.



Source: Bangladesh Bureau of Statistics (BBS)

Recognizing some of these impacts, the Bangladesh government reduced fuel prices by BDT5 per litre along with a reduction of oil import taxes. However, it has brought little relief to inflationary pressures. General inflation peaked to 9.52% in August, the highest in 12 years, compared to 5.54% a year back. It has since declined to 8.85% in November. Critically, food inflation had been driving the trend as it stood at 9.94% in August before also lowering in the following months. Now non-food inflation is on a rising trend. Nonetheless, the overall situation calls for aggressively monitoring especially food inflation and its impacts on low and lower-middle income groups. Social protection measures need to be continued and expanded across both rural and urban areas. Considering the food-security success of agricultural subsidy, government should consider fuel subsidy for irrigation even if it requires subsidy cut from other sectors.

Beyond rising inflationary pressures, among other issues, the ongoing situation illustrates that without a diversified energy supply chain, Bangladesh will face severe constraints in expanding and optimizing its power sector to meet

the country's growing electricity demand, with ramifications for growth and development. This is deeply worrying as the country's gas reserves are likely to run out in 10 years and in turn, Bangladesh's power sector may have to wholly depend on energy imports. The current situation has already highlighted how this leaves Bangladesh (and particularly its power sector) exposed to global energy price shocks and potential supply disruptions. Given that power generation in the country is subsidized, relying on energy imports also means pressure on state coffers to accommodate hefty import bills through subsidy payments to the power sector. This may become unsustainable in the future.

Going forward, these concerns need greater policy attention and has underscored the urgent need for concentrated gas exploration and extraction efforts in Bangladesh. Second, among other potential solutions, experts are pointing towards boosting investment in renewable energy resources. Nonetheless, Bangladesh will have to carefully plan to effectively manage its energy security both for times of crisis and for its long-term growth and development agenda.

THE TEAM



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COMING SOON

The Ukraine crisis and likely impacts on ODA flows to Bangladesh	<p>The paper highlights likely implications of the Ukraine crisis on ODA flows to Bangladesh. It takes stock of recent trends in global ODA flows, dives into aid flows to Ukraine considering the crisis and what it can mean for Bangladesh.</p>
Chittagong Hill Tracts (CHT) series	<p>Following signing of the Peace Accord in 1997, UNDP Bangladesh has been supporting the Government of Bangladesh to establish social cohesion in the Chittagong Hill Tracts (CHT) region since 2003. Its work encompasses service delivery, climate change initiatives, interventions aimed at women's economic empowerment as well as improving education, agriculture, and health outcomes.</p> <p>The Facility has undertaken a series of reflection papers that take stock of the various initiatives and touch on what happened after projects closed. These can feed into future programming for CHT-related initiatives.</p>
Export-oriented SMEs within the context of Bangladesh's prospective LDC graduation: Challenges and Opportunities	<p>The Facility has undertaken a study that focuses on export-oriented SMEs as part of Country Office efforts to support the Government of Bangladesh in developing a smooth transition strategy for its prospective LDC graduation in 2026.</p>
Urban Poverty Dynamics and Covid-19: Findings from the Large-Scale Panel Survey in Dhaka City	<p>UNDP Bangladesh has partnered with Bangladesh Institute of Development Studies (BIDS) to undertake a study that provides credible urban poverty estimates following COVID impacts in the country.</p>

If you are interested in research collaboration, please contact us at
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