



# National Budget 2023-24: Summary

## Energy and Power



Implemented by

### BAMU

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Centre for Policy Dialogue (CPD)

# BUDGET HELPDESK 2023

## 1. Background: The Budget for the Energy and Power Sector

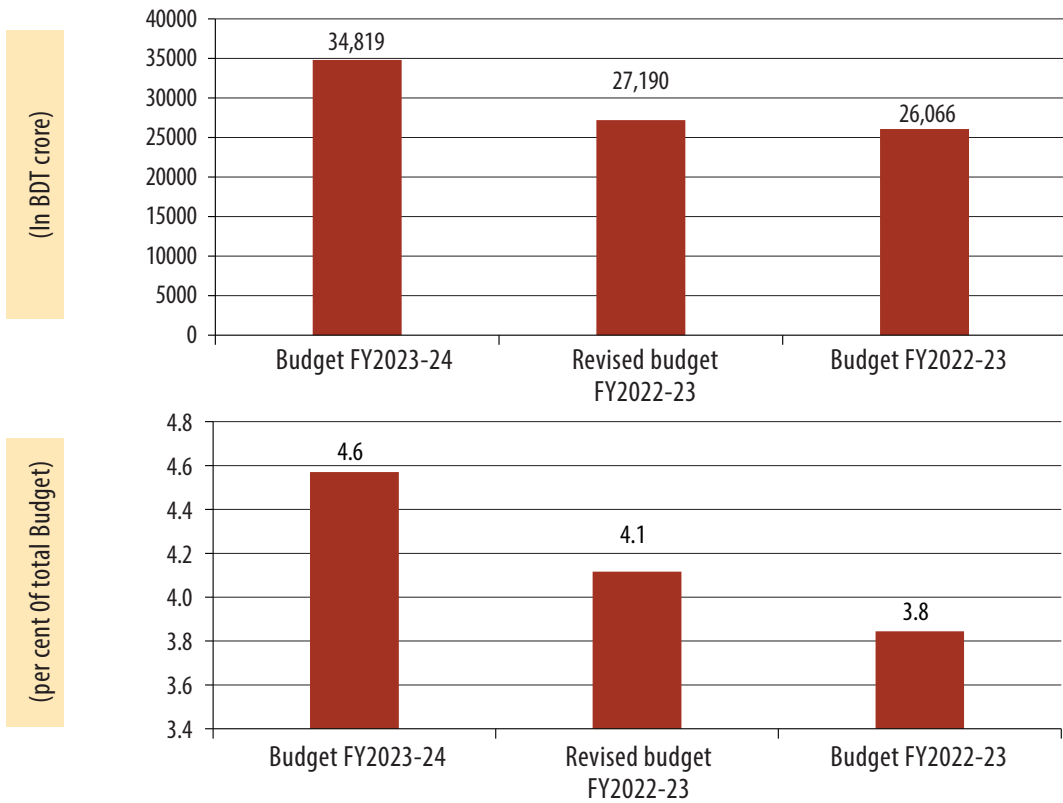
The Energy and Power sector plays a vital role in driving economic development. The remarkable progress made by the sector in recent years has contributed significantly to country's economic growth, poverty reduction, and job creation. Thanks to the advancements in power generation and distribution capacity, electricity facilities now cover 100 per cent of the population in Bangladesh. The country's generation capacity has increased by approximately five and a half times, from 492 MW in 2009 to 26,700 MW today.

To sustain this success, the government has been actively pursuing the development of the power sector with two primary objectives: the 'Power Sector Master Plan', aiming to increase power generation to 40,000 MW by 2030 with 10 per cent of the energy being generated from renewable sources and 'Vision 2041' which seeks to achieve a power generation capacity of 60,000 MW by 2041 with 40 per cent of the energy coming from clean and renewable sources. Consequently, the government is significantly emphasising on various power generation using diverse energy mix including renewable energy.

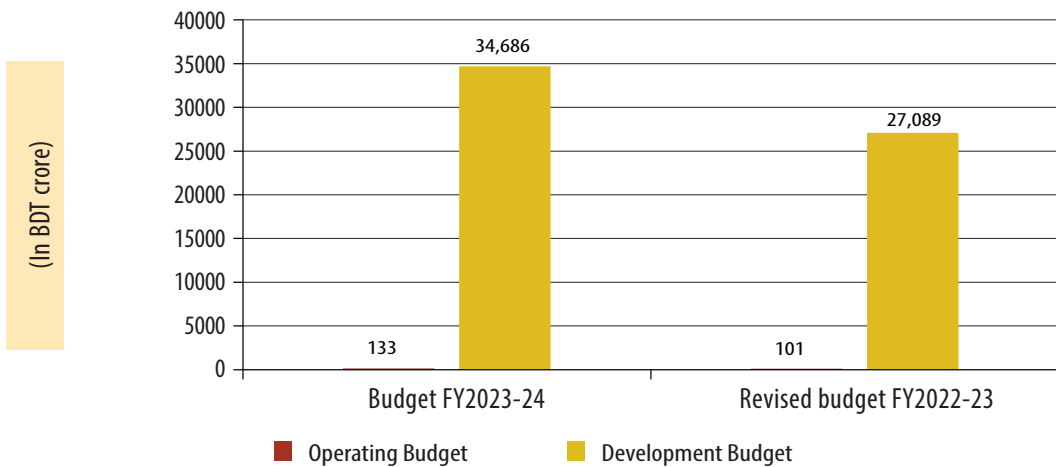
The national parliament approved the budget for FY2023-24 on 26 June 2023. In line with this focus, the FY2023-24 budget prioritises the energy and power sector. The budget outlines an increased allocation for the Energy and Power sector, reflecting the government's commitment to enhancing power generation capacity. Furthermore, the budget emphasises initiatives including improvement of regional and sub-regional collaboration for power generation, promotion of the use of versatile and environmentally friendly energy sources for power generation, enhancement of the power transmission and distribution systems, investment in energy storage solutions, and ensuring the safety of the overall energy infrastructure.

## 2. The Budget for FY2023-24 for Energy and Power Sector

In the FY2022-23, BDT 26,066 crore was allocated for the energy and power sector, accounting for 3.8 per cent of the total budget (Figure 1). This allocation was later revised to BDT 27,190 crore, representing 4.1 per cent of the revised total budget for FY2022-23 (Figure 1). Looking ahead to the budget for FY2023-24, the allocation for the energy and power sector is BDT 34,819 crore, equivalent to 4.6 per cent of the total budget (Figure 1). Notably, this allocation for the energy and power sector in FY2023-24 marks a significant increase of 33.6 per cent compared to the budget of FY2022-23 and 28.1 per cent compared to the revised budget (Figure 1). It is worth mentioning that 99.6 per cent of the sector's budget has been allocated for development expenditure (Figure 2).

**Figure 1: Allocation for Energy and Power Sector in the National Budget**

Source: Budget in Brief.

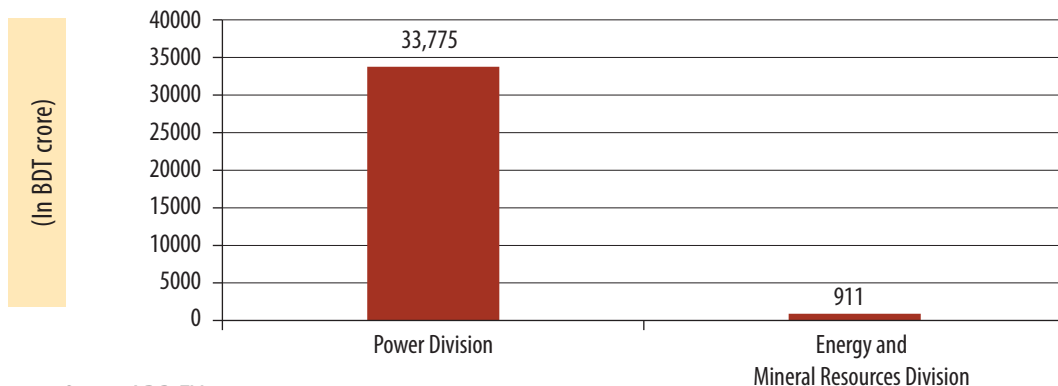
**Figure 2: Type-wise (Development and Operating) Allocation for the Energy and Power Sector**

Source: Budget in Brief.

### 3. Allocation for the Energy and Power Sector in ADP

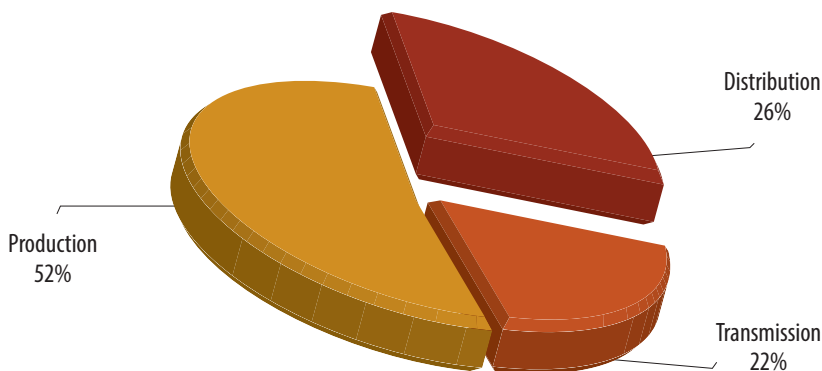
The Annual Development Programme (ADP) for the energy and power sector has received an allocation of BDT 34,686 crore in FY2023-24. The power division holds the majority share in this allocation, accounting for 97.4 per cent (Figure 3). The development expenditure will primarily focus on power generation, which will receive the largest portion of the budget accounted for 52 per cent (Figure 4).

**Figure 3: Annual Development Programme in Energy and Power Sector for FY2023-24**



Source: ADP, FY2023-24.

**Figure 4: Allocation by Type in the ADP for FY2023-24**



Source: ADP, FY2023-24.

### 4. Conclusion

The energy and power sector will be instrumental in long term development of Bangladesh. Recognising its significance, the government emphasises the energy and power sectors in the budget. By ensuring the proper utilisation of the allocated funds in this sector, Bangladesh can establish a sustainable foundation for its economy and transform the vision of a developed nation into a tangible reality.