Key Results

- More than 6,000 climate-induced migrants and vulnerable urban poor (77% women) have improved their livelihoods through the **provision of skills for employment or entrepreneurship training**.
- More than 200,000 slum dwellers received easy-to-understand information on the range of available public social services and support in applying for them through **the establishment of information hubs in five DSS** offices.
- More than 600 extremely vulnerable households have **improved** their **income through direct support and training in animal husbandry**.
- **Social labs in five slums have been established** to address the most pressing challenges of urban communities in a participatory manner with local government authorities.
- More than 7,700 slum dwellers received **multi-purpose cash grants** to help them **recover** from **income losses** caused by the COVID-19 pandemic.

Why does climate migration matter?

Global evidence from field research shows that climate change and the effects of climate change-induced internal migration may put socioeconomic and political stability of affected countries at risk. Security and conflict-dynamics may increase, unless governments take a strong action to address and mitigate effects of climate change, and their impacts on human mobility.

Bangladesh has been ranked 13th globally in the Global Climate Risk Index 2021, signifying it as one of the countries most adversely affected and vulnerable to the impacts of climate-related extreme weather events.[1]. According to the World Bank, 13.3 million Bangladeshis could be displaced by 2050 as a result of climate change.

Impacts are felt more severely among poor and vulnerable communities.[2]

Despite progress of the Bangladeshi government and the international community to proactively address climate-migration in policies and plans, support to climate migrants and migrant-receiving communities needs to be accelerated.

Summary

Climate migrants in Bangladesh face multiple and multi-faceted risks and vulnerabilities. Only a few climate migrants who primarily emigrated from rural to urban areas succeed in successfully integrating themselves into the urban labour market. Many have difficulties finding employment outside the megacities like Dhaka and Chattogram**.** At the same time the starting salaries are often below the poverty line. Self-employment is hampered by lack of basic financial literacy and access to collateral-free capital. This forces them to settle in urban informal settlements, so called "slums" and limits their capacities to cope with climate risks and to escape from poverty.

A further persistent challenge is the mismatch between the available budget for social services and the demand amongst the population of the informal settlements in urban areas. Moreover, climate migrants often lack formal registration in the recipient cities. With the registration process being a considerable barrier for them, many are not able to access the already limited social services in the city of their new residency.

This policy brief highlights the importance of providing integrated services to climate migrants in Bangladesh to address their needs and vulnerabilities.

[1] European Commission (2022), INFORM Climate Change Tool, (Last accessed: 10.09.2023)

[2] World Bank (2022), Key Highlights: Country Climate and Development Report for Bangladesh (Last accessed: 19.09.2023)

Climate-induced displaced persons in Bangladesh seeking a safer location tend to migrate to nearby urban areas or the slums of larger cities. Here, they are exposed to a new set of challenges and insecurities, including to higher impacts of climate risks in their precarious urban housing situation because of inundation, river erosion and frequent cyclones. After losing their livelihoods in their place of origin, climate migrants face more and more tensions and hostilities in their newly settled places over scarce resources, jobs and unmet demands for increased basic social services, overburdened infrastructure and facilities. At the same time the lack of secure tenureship and land tenancy for most inhabitants of urban informal settlements leads to constant eviction threats. This situation creates a structural determination of urban poor vulnerability, including systematic lack of access to most basic services.

Bangladeshi climate migrants have hardly any prospects for employment and livelihood security in their urban destination locations. Despite the high demand for qualified workers, affordable and accessible vocational employment qualification training opportunities are lacking. Especially migrants coming from rural areas seem to have severe challenges in finding income opportunities in the urban labour market due to their agriculture-related skillset and the lack of affordable vocational training programmes. Female climate-migrants seem to face compounded vulnerabilities. In addition to their already vulnerable conditions due to the status as "migrant", the status as "women" adds challenges. Existing gender norms, roles and responsibilities make it more difficult for women to meet their new expected role as contributors to their household income. Social power dynamics limit their access to resources, formal job opportunities, and basic services. Furthermore, in densely populated urban slum settings, vulnerabilities to violence and exploitation increases.

Although Bangladesh has identified climate-induced migration in urban areas as a challenge, so far, climate migrants receive little public support and services from local government and administrative structures. Few government social programmes have an explicit focus on urban poverty reduction, specifically on climate-induced poverty. Climate migrants are not sufficiently supported to register in their urban destination cities, which hinders them from accessing social safety net assistance.

General Recommendations

- Foster collaborative and inter-ministerial action to realise the potential for economic and social development of secondary cities in Bangladesh in the face of increasing population due to climate-induced displacement.
- Promote gender-responsive and gender-transformative approaches to strengthen the economic role of women.
- Ensure that decentralised government and administrative structures have the human, technical and financial resources to respond to specific local challenges.
- Promote horizontal exchange formats between cities regarding the tackling of determinants of urban migrants' vulnerability.
- Ensure that climate migrants living in the informal settlements benefit from the provisions detailed out in the Draft National Urban Sector Policy, 2014 with regard to in-situ upgrading and improvement of slums, resettlement of slum dwellers and ensure tenure security of urban poor.

An integrated support approach has the potential to put urban migrants in a better position to enhance and strengthen their livelihood options and escape from poverty. Only that approach allows to address multiple vulnerabilities and enhance different livelihood dimensions (economic, social, political, institutional and cultural) in a holistic way.

Access to skills training and employment support

The project experience has shown that the impact of skills trainings for vulnerable poor populations including migrants largely depend on the availability of suitable wage jobs for the graduates in the secondary migration destination cities. Extensive labour market and value chain analyses can provide a good foundation for designing Technical and

Vocational Education and Training (TVET) programmes that enable job placement after completion. However, entry-level wages can have a large influence on their success.

There is a considerable disparity between the capital city on the one hand and the regional cities on the other hand regarding incomes paid in the same industries. A strong emphasis should be put on the creation of sustainable income opportunities in the larger regional cities of Bangladesh to prevent large-scale internal migration to the capital city.

A wage survey of 26 occupations in the five decentralised cities, conducted in April 2022, found that 74% of semi-skilled workers were paid an "entry level" monthly wage of less than US$1.90 per day. This hardly creates any incentives for poor populations to sign up for education and training programmes. Ultimately, it limits their possibilities for a sustainable improvement of living conditions within their places of residence. In addition, many female learners face social, cultural and family barriers that might discourage their participation in the trainings, especially skills trainings aimed at wage employment outside their homes. Providing the necessary support to female learners is crucial (i.e. child care during trainings; sensitisation and engagement of male family members to support females in their role as income contributors, community mobilisation for gender-sensitive awareness raising and subverting the social taboo during learner mobilisation).

Against the backdrop of significant social barriers to women's' economic activity in the slums and the very limited availability of jobs in the formal sector, educational measures geared towards promoting women's self-employment have proven to be very successful. The impact for women is increased when this is linked with

individual counselling services for setting up a micro-enterprise. The promotion of additional business start-up kits further strengthens a sustainable business development and income generation.

Recommendations

- Support sustainable income opportunties in the secondary migration destination cities to prevent further economic-induced migration to the mega cities of Dhaka and Chattogram.
- Support the empowerment of women and their potentials to overcome women's barriers on the way to better economic participation.
- Improve the framework and access conditions for women's empowerment support programmes in collaboration with relevant government agencies (e.g. Ministry of Labour and Employment (MoLe), Ministry of Commerce (MoC), Ministry of Local Government, Rural Development and Co-operatives (MoLGRD&C), Ministry of Social Welfare (MoSW), Ministry of Women and Children Affairs (MoWCA), Ministry of Youth and Sports (MoY)).
- In cooperation with training providers and responsible agencies (e.g. National Skills Development Authority (NSDA), Bangladesh Technical Education Board (BTEB) and Bureau of Manpower, Employment and Training (BMET)), support the development of gender-sensitive and gender-responsive standards for training offers.
- Support Training Service Providers to meet required training standards.
- Establish employment centers that focus on job referrals at secondary cities.
- Provide systematic job placement support to skills training graduates and strengthen the role of the private sector in local skills trainings and job placement.

Generally, districts and cities in Bangladesh lack dedicated employment centers where citizens, including newly displaced individuals, can register to receive job referrals. Additionally, the local government institutions do not bear the responsibility of establishing and supporting initiatives for employment generation.

Industry-led and diversified Vocational Skills Training (VST) models were found to be very effective for learners to develop their employability skills and secure jobs in the labour market. Demands of the local labour markets are very heterogenous and therefore a "one size fits all" training plan model is not applicable. Training programmes should emphasise

flexible learning pathways to address the needs of individual learners and employers alike.

The training capacities of Training Service Providers outside of Dhaka often do not meet the required standards. Further capacity building investment support is needed to ensure an adequate quality of trainings. Moreover, the absence of structured job placement and career guidance agencies necessitates a concerted effort to fortify these crucial support systems.

Access to finance

Access to safe and secure financing sources is crucial to ensure the success of trainees' economic activities, especially for those who seek self-employment. Studies show that access to micro-credits is available for almost all inhabitants of urban slums, even the poorest. Most micro finance institutions (MFIs) practice a preferential policy towards women in terms of awarding loans. Evidence shows that the real challenge for trainees regarding micro-loans, particularly for female trainees, is not related to access as such but rather how to manage micro-loans.

Interviews in urban slums have shown a high percentage of slum dwellers have loans with many different MFIs and face problems with making repayments for those loans. Causes for over-indebtedness range from adverse economic shocks (e.g. unforeseen expenditures on medical treatment) and low returns on investments to debt-illiteracy. Especially the latter seems to hinder loan takers to make better informed decisions for or against possible loans and to be aware of the challenges when taking loans by different MFI providers.

In response to those findings, financial literacy trainings have found to be crucial. Financial education helps to prevent debts and financial problems and enables

women to play a stronger role in decision-making about the management of micro-loans in their families.

On the side of the numerous existing MFIs, compliance with regulatory requirements and the correct working methods need to be ensured. The mayor MFIs tend to graduate slowly to formal banks, more focusing on larger tickets to increase profit margins and reduce operational costs. In the mean-time micro-finance presents an opportunity for a multitude of charitable NGOs, cooperatives and public institutions. Some of these new lenders use micro-financing to earn money that can be used for cross-subsidising other activities or overhead costs. It is here where regulation deficits are most visible. Bangladesh's government created in 2006 the Micro-Finance Regulatory Authority (MRA). However, regulation and enforcement of existing regulations is still rather weak. Theoretically MFIs have to be certified by MRA. In practice, evidence shows that only a small fracrion of MFIs operating in Bangladesh are certified or have applied for certification.

Recommandations

- Increase financial competence of vulnerable urban poor to prevent their over-indebtedness and to enhance their access to collateral-free micro-loans
- Provide wide-spread financial education regarding safe use of MFIs and MFS.
- Strengthen regulatory framework of Microcredit Regulatory Authority (MRA) for MFIs and ensure their certification and compliance.
- Provide institutional advice to MFIs to include insurance schemes in their service provision.
- Creating better access for the urban poor to the formal banking sector.
- Formulation specific policies and dedicated programs by Insurance Development and Regulatory Authority (IDRA), Bangladesh Security and Exchange Commission (BSEC), and MRA, as well as relevant government agencies on financial inclusion and climate change, as proposed in the National Financial Inclusion Strategy (NFIS) for the years 2020-2025, developed by the Ministry of Finance.

Mobile financial services (MFS), such as mobile-enabled payment systems and mobile banking are widely used in Bangladesh and have the potential to be a powerful tool for financial inclusion of unbanked and underbanked populations into the formal financial sector. They can also be an opportunity for new business models based on mobile payments, such as

food delivery services or car-sharing. Moreover, it is also a risk mitigation instrument regarding robbery. To fully unlock MFS-potentials, capacities of MFS-users need to be strengthened, especially in terms of secure usage of MFS. Evidence has shown that Phishing attacks by criminals were particularly successful with uneducated poor users of mobile money.

Moreover, access to formal insurance schemes generally does not exist for vulnerable population groups in Bangladesh, due to a lack of awareness and an existing health system, that largely relies on out-of-pocket payments. Therefore, institutional advice to MFIs on how to include professional insurance services (i.e. collaborating with insurance companies) could have a lot of impact on clients. When including insurances in micro-finance schemes, clients seem more willing to pay the insurance premium when included in their loan interest rate.

Access to Social Services

The access to public social services in urban areas of Bangladesh is limited.

Most vulnerable poor are not aware about the available public social services they are entitled to. Counselling services are mostly inadequate and competent authorities are understaffed and not adequately trained to offer such services.

A persistent challenge is the remaining mismatch between the available budget for social services and the high demand for social services amongst the slum population in the urban areas. This systematic underfunding of the social services programmes remains a considerable barrier for the eligible population to access the services. As a result, each year, the number of applicants is much higher than the number of selected recipients.

Adding to this, selection processes in the form of decision-making committees, which decide on individual access to social services, are often not transparent and actors involved are not aware of their obligations. It is of crucial importance that selection criteria for available social services are publicly communicated and applied in a binding manner. Selection processes must be designed in a transparent way to avoid illegitimate backdoor procedures which negatively affect citizens trust in public services.

Recommendations

- Increase the number of Departments of Social Services (DSS) staff at city level and provide continuous capacity building support.
- Provide transport support for social workers to expand their service delivery and community outreach.
- Increase the budget allocation and the number of Social Safety Net (SSN) programmes in urban areas to better match the demand of eligible people.
- Engage community leaders to improve coordination and communication with service providers.
- Improve data collection on the delivery of social services to the vulnerable poor and actively use the data to improve access to services and reduce the gap between eligibility and actual selection of individuals.
- Form a city level selection committee for the overall SSN programme.
- Establish a coordination mechanism within and between the governmental social service providers.
- Digitalised social services can cover comprehensive services with limited human resources.

Furthermore, climate migrants often lack registration in the recipient cities, which makes them ineligible to access available public social services as registration is a necessary access requirement. Decentralised registration offices in the cities at the level of the Wards, as well as associated awareness-raising about the benefits of registration, have been able to significantly simplify the registration process for climate migrants.

One-stop service shops in urban areas have proven to be successful to better streamline public social services for the clients and bringing services closer to the clients' doorsteps. The Urban Community Development (UCD) and the Department of Social Services (DSS) offices are a good anchor point for the shop's services. In this way, One-stop shops can play an important role in supporting potential beneficiaries in being informed about existing services from various governmental and non-governmental agencies, as well as providing counselling support during the application process. For a successful functioning of these shops, responsible officers require sufficient training and support to be able to offer their advisory services. A comprehensive digital database on information, eligibility, terms of service and application procedures for public social had a significant positive impact on the quality of counselling under the existing limited staff resources.

The current reform process of the national social security system and the streamlining of social safety nets (SSN) offers the possibility to integrate necessary changes.

Community participation

Slum communities are often deprived of social and (local) political participation. The relationship between poor population groups and decisionmakers at local political level is mostly characterised by a uni-directional demand from one side to the other. Most of the marginalised urban population groups have little to no say when it comes to helping shape their own future, their living space and their direct spatial environment.

The project experience with so-called Social Labs has been very effective in changing this relationship and supporting the self-organisation of the involved communities. Social Labs are community dialogue forums that bring together relevant governmental, private sector and civil society actors to jointly develop plans to overcome key barriers for poverty reduction in slums.

The direct involvement of communities in the planning and implementation of local development projects is one key factor to improve the lives in informal settlements. So-called Community Development Committees (CDCs) have the potential to play a crucial role in this process. They are democratically elected representation bodies of the slum communities that were either pre-existing or that have been set up by the project. These CDCs increase the representation of communities enormously and make their concerns and demands more heard by local political decision makers.

Recommendations

- Enable the communities to advocate for their own needs and challenges.
- Engage with urban poor to formulate targeted poverty reduction policies and programmes that better address needs and concerns of climate-migrants.
- Engage local communities in the planning and implementation of projects that aim to improve their living situation.
- Support the promotion and expansion of the Social Lab Concept and the establishment of CDCs.

The direct involvement of the communities is essential in order sustainably change the situations in the slums. The city administrations and civil society should be encouraged to sustain and replicate such community forums for the betterment of their livelihoods in urban slums.

Way Forward

Bangladesh's can only realise its potential for economic and social development if cooperative and collaborative action is taken to build resilient cities capable of successfully integrating larger numbers of climate-displaced people in the future.

This includes both preventive and adaptive measures to minimise internal displacement caused by climate-related disasters, as well as integrated support for local integration through livelihood projects and improved services.

Local integration can only be successful and have the necessary widespread impact if marginalised groups are fully included and local communities are involved in the planning and design of local integration activities.