



Socio-economic regeneration project in Shamlapur: bringing together Bangladeshi nationals and Rohingya refugees for an improved local economy

Background and Justification

With a total population of 2,290,000 and an estimated influx of some 655,500 Rohingya refugees since August 2017, Cox's Bazar is today one of Bangladesh's most vulnerable districts. Malnutrition, health conditions and food insecurity are at a crisis level while the district's poverty rate far exceeds Bangladesh's national average.

According to the [JRP for Rohingya Humanitarian Crisis of March - December 2018](#), the rapid and massive increase in the refugee population in the south of the Cox's Bazar District has had an enormous impact on the host communities, including in terms of market access, labour competition, deforestation and inflation.

On the other hand, according to the same report, because the Bangladeshi host communities and the Rohingya refugees often share the same business markets, the new influx might have given small and medium-size traders, particularly in markets located close to settlements in Kutupalong and Balukhali, the chance to grow their businesses and customer base. However, the resulting population density, coupled with the lack of sustainable alternatives for meeting the refugees' basic needs, has also put considerable pressure on the environment, including through deforestation, depleting water resources and road congestion.

Support is today critically needed for both the local host communities and the refugee population. Alternative socio-economic recovery and development models that can benefit both populations must be designed and tested, initially through the launch of a well-tailored pilot project that would aim to identify the particular needs, opportunities and conditions for economic development in a specific area of the Cox Bazar district.

Based on existing data, it is suggested that Shamlapur would present many of the traits of an exemplary pilot area. According to the most recent data presented in [JRP for Rohingya Humanitarian Crisis of March - December 2018](#), Shamlapur, in the Teknaf Upazila, is currently home to some 9,900 Rohingya refugees. Although a lively farming and fishing village with a population of approximately 30,000, Rohingyas in Shamlapur are mostly living in makeshift accommodation and are only occasionally engaged in (illegal and seasonal) gainful employment. As illustrated in a recent [snapshot survey](#) conducted by the Xchange Foundation, two in five Rohingyas depend on financial assistance from a family member who holds an informal job in Shamlapur and almost half sell their non-food aid items to make a living. This is despite the Rohingyas' often remarkable potential and skills to contribute to the growth and revival of the local economy.

Objectives and Scope

The *overall objective* of the proposed initiative is to stimulate and regenerate the socio-economic fabric in Shamlapur by identifying and supporting new economic activities involving both Bangladeshi nationals and selected Rohingya refugees. This will be achieved through the provision of advice and assistance for enhancing the existing local production, trade and market access environments, through such means as:

- The identification of current and future market opportunities, within and outside the fishing industry
- The mapping of possible skill shortages and unmet labour demand
- *Ad hoc* training and upskilling programmes focused on current and anticipated needs of the local Shamlapur economy
- A partial re-channelling of existing donor resources and the attraction of new investment funds, including microfinance and loans for small business creation
- And possibly, to any viable extent, through the temporary lifting of some of the regulations regarding refugee employment and through the adoption of a preferential tax regime.

The proposed pilot project, which might involve some 500 beneficiaries subject to adequate funding and suitable demand from within the local Bangladeshi and refugee populations, will draw on some of the principles of the so-called Jordan Compact that was established in 2016 with a view to supporting new job opportunities for Syrian refugees through the creation of a Special Economic Zone.

However, because of its potentially more manageable and sustainable objectives, the proposed initiative in Shamlapur might have the potential of establishing a model scheme that could be replicated in several other refugee settings around the world.

The project's *immediate objective* will be to conduct an in-depth survey among the Bangladeshi and refugee populations in the Shamlapur area, including existing economic actors, local authorities, and other relevant stakeholders, with a view to collecting all the relevant baseline data and defining the exact objectives, scope, and activities of the proposed pilot project.

Preliminary Research Activities

After having secured appropriate support from the Shamlapur local authorities and the sampled interviewees in the course of various meetings held in March 2018, the initial stages of the survey, which will be conducted by a team of experts from Xchange in Bangladesh and in Europe, will be launched in the course of April 2018. The Xchange foundation, together with its sister organisation MOAS, have considerable operational and research experience in the Cox's Bazar District, and they will thus be able to secure immediate and adequate access to the full range of targeted respondents.

Particular sectors that have already been identified by the Shamlapur local authorities as meriting further consideration by the pilot project include fishing net weaving, handmade hats and the dried fish industry.

Through the administration of a well-tailored questionnaire as well as the organisation of informal discussions and focus groups, the survey will aim, in particular, to:

- Identify the existing local production and trading dynamics in Shamlapur, e.g. the predominant economic activities within and outside the fishing industry; the numbers and profiles of different categories of workers and entrepreneurs; the current trading channels and client base; the existing regulatory environment and its possible constraints; the potential for increasing current production and opening up new markets, within Bangladesh and internationally; the potential for creating incentives for Bangladeshi and foreign

companies abroad to offshore selected types of employment or production in the Cox's Bazar district, possibly through a preferential tax regime; and the potential for diversifying current economic activities and expanding into new sectors.

- Identify any particular skill shortages and unmet labour demand, within and outside the fishing industry, in Shamlapur.
- Survey the exact educational attainment, vocational training skills and employment history of a representative sample of Rohingya refugees.
- Establish the types of new skills that could be acquired by selected Rohingyas in order to engage successfully in specific economic activities in Shamlapur, and identify adequate training providers.
- Map out any key legal/regulatory revisions that might facilitate the integration of selected Rohingyas into Shamlapur's labour, entrepreneurial and trading markets.
- Identify the current employment and business aspirations of selected Rohingyas, as well as any existing business ideas and viable plans that could be supported in the future.

Based on the findings of the above survey and the explorative discussions to be held with the local authorities and other relevant stakeholders (including international organisations and NGOs active in the Cox's Bazar District), a practical and forward-looking report will be prepared that will provide a series of actionable recommendations for the launch of the proposed pilot project.

The report will then be shared and discussed with a range of institutional actors, donor agencies (including ECHO and EuropeAid, the World Bank, the Asian Development Bank and bilateral donors), private foundations and microcredit institutions, within Bangladesh and internationally, with a view to securing some initial technical and financial support for the launch of the pilot project.

Project co-initiators:

Solon Ardittis, Managing Director of Eurasyllum: sardittis@eurasyllum.org

Christopher Catrambone, Founder of MOAS and Xchange: cpcatrambone@moas.eu

Contacts:

Xchange: www.xchange.org

Maria Jones: mjones@xchange.org

MOAS: www.moas.eu

Christina Lejman: clejman@moas.eu

Eurasyllum: www.eurasyllum.org

Solon Ardittis: sardittis@eurasyllum.org

March 2018