



IMPACT BRIEF

CLIMATE BRIDGE FUND, MAY 2025

How the fund has been directly supporting people and organisations on the frontlines of climate change in Bangladesh, and making an impact globally.

Bangladesh is the world's seventh most climate-vulnerable country, and over half of its population—over 90 million people—live in high climate risk areas.

2.4 million people in Bangladesh were internally displaced in 2024 alone, with many ending up in slums. **Bangladesh now has the world's sixth highest rate of internal displacement.** There is a direct correlation with climate—a recent BRAC survey showed half the people living in urban slums in Bangladesh migrated from the 10 most climate-vulnerable districts.

While billions in adaptation funding has been pledged, countries like Bangladesh are receiving as little as 4% of what they need. **As a result, the people most affected are paying.** BRAC data shows people living in coastal areas are now losing half their annual income to climate disasters.

In 2019, Germany—through KfW—created the Climate Bridge Fund. The fund equips organisations closest to climate challenges with direct funding, and the trust that they know best how to use it. To date, the fund has supported 20 local organisations with 26 projects through a total investment of €10.53 million. The average cost per participant has been BDT 1945 (EUR 16). **The investment has been transformational**—600,000 people in climate-vulnerable areas are now more equipped to adapt to climate impacts; the capacity of local organisations in those areas has been significantly strengthened; and insights from the work have been shared globally.

1. People supported by CBF reported higher income, increased savings and reduced reliance on loans.

150,000 people, particularly women, youth and returnee migrant workers, not only accessed better livelihood opportunities through skills

training, business development mentorship, access to finance and hands-on guidance, but many have already transitioned into more secure, climate-resilient livelihoods. **Evaluations show this impact has been lasting**—even during economic and political turmoil, people grew or better protected their income.

Projects focused on young people saw the highest individual income gains, as much as €67.65 per month. Even in segments where incomes declined, like among farmers affected by COVID-19, involvement in CBF softened the blow, compared to farmers not involved in CBF.

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2. 71% of the people supported by CBF were women. Evaluations show they are now not only earning more, but have more control over those earnings.

The impact was particularly pronounced for women living in ultra-poverty, whose incomes increased by 82% more than people not involved in CBF. Evaluations showed they also saved more.

Women involved in CBF reported being able to use their voices more. 35% of women reported greater involvement in family decisions, with the most substantial impact reported among young women. Specifically among climate migrants and the 'new poor', the income gap between male-headed and female-headed households in urban slums decreased by 13%.

3. People involved in CBF had significantly higher access to basic services.

180,000 people can now access strengthened primary healthcare services; 100,000 people are accessing safe water and sanitation from gender-responsive facilities; and 17,000 people are benefiting from improved waste management systems. **There is also better support during crises.** 1,100 people have climate-resilient housing; 27,000 people use flood-resistant walkways and benefit from improved drainage systems, and microinsurance is expected to enable people to avoid working in extreme heat.

A specific highlight is in health and nutrition, with 24,000 people engaged in

homestead gardening, and 619 people using improved cookstoves to reduce indoor air pollution.

4. The emergency response window modality provided short-term, flexible support which had long-term impacts.

For example, to address the consequences of COVID-19, more than 141,000 people accessed some form of support. Migrant workers who were suddenly forced to return home and had to reintegrate into their communities accessed financial assistance, psychosocial counselling, medical support, entrepreneurship training, and connections to financial institutions. **They reported an average income increase of €43 per month after the support ended, as well as improved well-being and reduced stigma. Their average savings grew to an average of €127 higher than households without support.** Additionally, hundreds of people have been linked to government assistance programmes, such as disability, widow, or old-age allowances.

5. Funding reached the ground, through high impact projects.

A transparent and competitive project selection process resulted in the selection of high impact projects. This was then complemented by robust financial stewardship, monitoring and evaluation mechanisms, rigorous and systematic processes at all operational levels, and strong technical knowledge on the Board and in the Secretariat. Mechanisms

included biannual external audits, an annual internal audit conducted by BRAC, and a comprehensive MEAL system. All of these processes resulted in **strong transparency and accountability.** The fund successfully met all of its quantitative targets, and the structured procurement process and feedback mechanisms led to high-quality implementation. Gender mainstreaming was also evident, with clear contributions to women's empowerment at both the NGO and project levels. **Evaluations showed not only that funding got to the ground, but that it reached the people who needed it most.**

6. The design of the fund enabled constant innovation and pivoting.

CBF's robust monitoring and evaluation mechanisms enabled continuous learning, and the flexibility in design ensured continuous pivoting. Projects were able to regularly and reliably measure outcomes, adapt strategies and replicate successes across different contexts. Some examples of this included recently prioritising climate-resilient housing in response to intensifying climate-fuelled extreme weather, focusing on operationalising obsolete infrastructure and retrofitting existing facilities with low-cost locally available materials instead of building new, and incorporating co-benefits, such as solar-powered submersible pumps with rainwater harvesting for reduced groundwater use.

7. Capacity in terms of both identifying and adapting to climate impacts was

strengthened at multiple levels, both within the projects and more broadly within those communities.

During the concept note development stage, more than 200 local organisations received support to build their capacity to mainstream climate resilience within their proposed initiatives. Sessions with partners were held on a wide variety of topics, from identifying impacts, to understanding climate science and using forecasting tools. 19 organisations then received 360 degree mentoring support to build robust operational, financial, and strategic capabilities, with a particular focus on topics such as gender mainstreaming, to ensure inclusive and sustainable project design and implementation.

Many of these organisations went on to use these tools in their work more broadly.

Capacity building sessions were also delivered to over 2,000 community leaders, 1,300 committee members, and 139 NGO staff, to strengthen the capacity of local communities to independently design, manage, and sustain projects. Evaluations noted that CBF was able to create a culture of community-level engagement and ownership where participants were actively involved in project planning and monitoring.

8. CBF performed strongly on a wide range of criteria, and consistently achieved above targets.

The fund was independently evaluated this year by Broadpeak, a Swiss-based international advisory firm specialising in impact finance,

which used OECD Development Assistance Committee criteria to measure performance. CBF was rated as good in relevance, effectiveness and impact. **It met its targets, ensured strong gender integration, and contributed significantly to fulfilling its impact goal of strengthening the resilience of vulnerable urban populations.** It scored relatively lower in sustainability and efficiency, mainly due to the lack of sufficient financial resources to be sustainable over the long term.

9. CBF shows strong potential to achieve greater impact than traditional bilateral spending.

A key finding of the independent evaluation was that, even considering the fund's difficult start and challenging external factors (including COVID-19), it achieved all of its predefined targets, which was highlighted as a remarkable milestone. It was noted that CBF remains highly relevant in addressing climate-induced migration and is well-aligned with the needs of its target groups. While financial efficiency is still constrained at this stage—a typical J-curve effect—the foundation has been laid. **Under reasonable assumptions (e.g. scaling to a moderate €50 million size), the evaluation claims that the revolving fund model shows strong potential to achieve greater impact compared to traditional bilateral spending.**

10. Impact also rippled beyond projects.

To give a snapshot - A man, Goffar Gazi, living in the southern city of Khulna near

the community where CBF had funded a flood-resistant sanitation facility, was so impressed by the infrastructure that he took detailed notes and photos of the design, and constructed one for his own house. In the same area, a local organisation, Nabolok Parishad (Assembly for a New World), is constructing community toilets with funding from other organisations based on the design of the community toilets set up through CBF.

Recently on a visit to one of the project areas, our field staff reported a particular impact in a community of muchhi (shoe repairers) in Gaibandha, northern Bangladesh.

Traditionally stigmatised because of their profession, the community lived in extreme poverty in the corner of a slum and did not have any bathrooms. They used a small stream surrounded by a stand of trees nearby, and women would have to wait until the evenings for privacy. One night one of the girls was walking to the trees when she realised she was being followed by a group of boys. She escaped the situation, but it raised alarm, and the older women in the community started looking for solutions. They came across a sanitation facility built by CBF nearby, and the staff who had been involved in that project then supported them to lobby the local government, raise funds and even procure bricks, and within a year they had built a community bathroom.

11. CBF has strong alignment with existing national and global policy instruments.

CBF focuses specifically on supporting communities to build

resilience to minimise loss and damage from climate impacts, which evaluations highlighted has **strong alignment with the goals of climate policy instruments both in Bangladesh and globally**, including the Paris Agreement, and Bangladesh's National Adaptation Plan.

12. Beyond its impact on the ground, CBF has made national and global impact.

CBF was named **one of the three most successful examples of locally-led adaptation** in the draft Locally Led Adaptation Framework for Bangladesh. It was showcased during an international conference on

practical action for addressing loss and damage hosted by the Scottish Government, in collaboration with the UN High Level Champions and the Global Resilience Partnership in 2022. Insights from CBF were shared at CoP27 in Sharm El-Sheikh (2022), CoP28 in Dubai (2023), CoP29 in Baku (2024), the Paris Climate Finance Summit 2023, and the Climate Week 2024 in New York.

Climate impacts are rapidly intensifying across the world, and Asia and Africa are home to some of the worst affected countries. Increased cyclones, drought, flooding and heatwaves are fuelling a growing wave of displacement, leading to immense strain on areas like urban slums - already home to 1.1 billion people.

Local civil society organisations are ideally positioned to support communities to adapt, but struggle to access funding. This is not only because funding is shrinking globally, but even where funds are available, they often do not reach the communities who most need them. Across the world, it is estimated that less than 10% of climate adaptation finance actually reaches the communities most affected.

CBF has established a fast and agile mechanism that gets finance to the ground, even during challenging periods like COVID-19. The timeline can be as short as six months from application to fund disbursement - less than half the time required by many existing climate financing mechanisms. Through combining local leadership with climate science, it has also established a method for investing in not just addressing symptoms, but also tackling root causes - which are often not readily apparent.

CBF stands at a pivotal moment. The pilot has delivered high-impact results, demonstrated robust governance, and catalysed local action in some of the most climate-affected areas in the world. It has also strengthened the long-term capacity of local organisations to recognise and predict climate impacts, and design and implement programming to support communities to respond to them.

With the climate crisis accelerating, CBF could now be scaled up across Asia and Africa. It would provide much-needed support to communities and local organisations across the global south, and act as a demonstration platform for loss and damage financing globally. It would get funding to the ground at a speed that matches the need across the global south, and contribute to the creation of global public goods for how we better support communities facing displacement across the world. The fund is ideally positioned to partner with philanthropic foundations or multilateral development banks, or to channel equity investment from the private sector. **With adaptation needs rapidly increasing, and funding continuing to decrease, CBF is a rapid, transparent mechanism for getting money to the people most affected - and ensuring it makes a lasting impact.**

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