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Swiss Agency for Development
Cooperation SDC



**SWISS
COOPERATION
PROGRAMME
BANGLADESH
2026-2028**

**FOREIGN POLICY
STRATEGY
2024-2027**



**INTERNATIONAL
COOPERATION
STRATEGY
2025-2028**



**SWISS
COOPERATION
PROGRAMME
BANGLADESH
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Background

Bangladesh has achieved significant economic and human development over the past three decades and has consistently met the criteria for graduation from Least Developed Country (LDC) status — a milestone that reflects its sustained development trajectory. At the same time, the country faces heightened uncertainty. Student-led protests in 2024 led to the ousting of the government and the establishment of an interim administration. In 2026, executive authority was peacefully transferred to a newly elected democratic government.

The 2024 upheaval exposed the fragility of the country's social cohesion. Polarisation runs deep among Bangladesh's 175 million people. Entrenched political rivalries, corruption, nepotism, unemployment and a shrinking civic space have eroded public trust, complicating the transition toward a stable democracy. Economic pressures remain severe, with inflation, post-pandemic strain and climate stress driving rising poverty,

The significance of LDC graduation

The United Nations (UN) classifies the world's least developed countries (LDCs) as those with the lowest incomes, weak education and health systems and high vulnerability to economic or environmental shocks. Graduating from LDC status is a major milestone: it can boost a country's credit ratings, strengthen the economy and improve working conditions. It also brings challenges, including the loss of preferential market access and reduced official development assistance.

now estimated at just over 21%. Investment is ebbing and high U.S. tariffs have added external strain. However, the private sector remains resilient and is coping with the challenges. Bangladesh is among the world's most disaster-prone countries, facing recurrent floods, cyclones, salinisation and water scarcity. Rising sea levels threaten to submerge considerable parts of its land and farmland by the middle of this century.

Internal and international migration remains vital to the economy and a lifeline for many households, but has become a growing source of vulnerability, especially for unskilled workers and those displaced by climate change.

The Rohingya refugee crisis endures. More than one million refugees in camps in Cox's Bazar face deteriorating living conditions and rising tensions as the government presses for repatriation and international partners advocate for self-reliance and locally led solutions that include host communities. Reliance on official development assistance remains high, even as financing is declining and major donors are shifting to concessional lending.

Overall, Bangladesh's medium-term outlook hinges on a democratic transition of power and the effective interplay of political reform, inclusive economic development and climate resilience.



Results and lessons learnt

Results of Swiss cooperation

Switzerland's long-standing partnership with Bangladesh has yielded visible and lasting gains in the fields of governance, the economy and humanitarian action. In recent years, Switzerland has promoted democratic governance by partnering with the Bangladesh Election Commission to modernise voter registration, design a gender-sensitive electoral process and strengthen election security. It has also improved local governance and anti-corruption efforts by supporting district committees in 48 of Bangladesh's 64 districts and hundreds of citizen groups, enabling half a million people, including some from minority groups, to influence local budgets and service delivery.

In the economic sphere, Switzerland stood out for pioneering innovative approaches, particularly for strengthening the impact investment ecosystem, which mobilised significant private capital and improved

livelihoods for thousands of low-income people. On Bangladesh's erosion-prone river islands ('chars'), Swiss support boosted the incomes of thousands of farming families and strengthened their resilience to climate shocks. Switzerland also supported key financial sector reforms to make Bangladesh's economy more inclusive, transparent and sustainable. In the area of private sector development, it promoted responsible environmental, social and governance business standards and built capacity in green and climate finance.

In the humanitarian sphere, Switzerland is a trusted partner in the Rohingya response, working to protect refugees, support local communities and promote lasting solutions. In support of better-managed labour migration, it introduced a regional corridor model that integrates effective protection mechanisms for migrant workers. It brought together a wide range of partners to advance community-led solutions that

help people adapt to climate change and reduce the need for displacement.

Lessons and outlook

Collaboration with Bangladesh has been rooted in innovation, flexibility and trust. It has yielded valuable lessons. For example, shifting more responsibility to national and local actors ('localisation') proved vital, highlighting the value of knowledge transfer and capacity development to ensure lasting impact.

Considering the transition to a sustainable and responsible phase-out of Swiss bilateral cooperation with Bangladesh, the 2026–28 cooperation programme will consolidate proven, locally led and adaptive models that highlight the Swiss legacy areas of climate resilience, forced displacement and migration, and inclusive growth. Support for democratic processes, civic participation and institutional capacity building remains essential.

Switzerland's commitment – focus areas for 2026–2028

Responsible exit, strategic transition

Following budget reductions approved by the Swiss Parliament, which were driven by domestic and international economic and political realities, Switzerland will gradually conclude its bilateral development cooperation with Bangladesh. The Transition Cooperation Programme 2026–28 marks the final phase of the long-standing partnership, as Bangladesh prepares to graduate from least developed country (LDC) status. The programme translates over five decades of collaboration into a responsible and sustainable phasing-out that consolidates proven approaches and preserves Switzerland's long-standing contribution to peace and prosperity.

With a reduced budget of CHF 43.5 million over three years, the programme emphasises innovation, consolidation and learning. Its goal of strengthening climate and

economic resilience and effective humanitarian response aligns with Switzerland's International Cooperation Strategy 2025–28. It also supports Bangladesh's Smooth Transition Strategy (2024), which guides the country's post-LDC priorities of institutional reform, economic diversification, climate resilience and social inclusion.

This final phase of bilateral development cooperation combines continuity with strategic focus. It safeguards Swiss achievements, reinforces Bangladesh's capacity to steer its transition and applies Swiss expertise where it adds the greatest value. Looking beyond 2028, the programme serves as a bridge from bilateral development cooperation to regional engagement, consolidating experience and partnerships so that proven models can inform policy and practice beyond Bangladesh and facilitate regional cooperation. As bilateral

development cooperation ends, Switzerland will remain engaged in Bangladesh through its embassy and other tools of Swiss foreign policy and international cooperation, especially diplomatic and economic cooperation and humanitarian aid.

Building an inclusive and green economy

Swiss cooperation during 2026–28 will promote inclusive and sustainable economic growth through innovative financing channels that bring together public and private funds and incentivise positive social and environmental outcomes. By linking inclusive growth with good governance and the rule of law, it aims to embed financial transparency and sustainability standards in Bangladesh's post-LDC financial system.

Flagship initiative: Led by the private sector, the Access to Green Financing programme

reduces investment risks and provides access to climate-related finance, thus encouraging small and women-led enterprises in Bangladesh and beyond to adopt sustainable business practices.

Promoting good governance and the rule of law

Switzerland will continue to help make public institutions more transparent and accountable, while supporting citizens in claiming their rights and accessing essential services. It will place special emphasis on improving opportunities for women, young people, indigenous communities and people in remote areas.

Flagship initiative: The 'Nagorikota' Civic Engagement Fund supports civil society organisations in amplifying citizens' voices and advancing human rights, while encouraging public institutions to be more accountable and responsive to those voices.

Driving climate resilience from the ground up

In step with Bangladesh's development priorities and drawing on Switzerland's

comparative advantages, Switzerland will continue to strengthen locally led disaster preparedness, livelihood diversification and green economic growth. Work will be done to strengthen local government institutions, engage the private sector and emphasise inclusion.

Flagship initiative: The Climate Action at Local Level (CALL) consortium, comprising nine Swiss non-governmental organisations (NGOs), facilitates local actors and communities in leading actions to adapt to and mitigate the impact of climate change. Lessons learnt will inform national and regional policy dialogue and the replication of successful models.

Managing displacement and migration

Drawing on its strengths in migration governance and humanitarian diplomacy, Switzerland will link policy with action. Alongside its support for Rohingya refugees and host communities, it aims to make labour migration safer and address climate-driven displacement. These efforts will help local authorities and businesses plan for and manage population

movements more effectively.

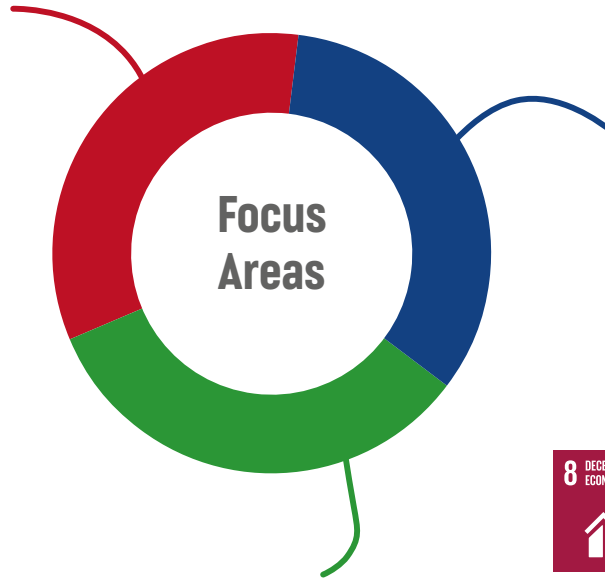
Flagship initiative: In Cox's Bazar, the CHANGE initiative, implemented with UN agencies and local NGOs, promotes locally led and lasting solutions for Rohingya refugees and host communities, linking humanitarian assistance with long-term development.

Flagship initiative: The Migration and Climate Change through the Lens of Local Action programme strengthens climate resilience in Bangladesh and South Asia by empowering urban municipalities to lead inclusive, locally driven responses to climate-related migration.

Transversal commitments

Throughout the programme, Switzerland will continue to treat good governance, human rights, gender equality, social inclusion and environmental responsibility as integral parts of its partnership with Bangladesh. These priorities will be woven into programme design and implementation to ensure fair access, participation and accountability.

Forced Displacement and Migration



Private Sector Development



Climate



রূপান্তর RUPANTAR swisscontact WaterAid

প্রার্দ পর্যায়ে অংশগ্রহণমূলক জলবায়ু পরিবর্তনজনিত
বিপন্নতা বিশ্লেষণ - ১ম দিন

সংগঠনকে ই-ইউএন পরিষদ ও হুপার
সংগঠনকে সুইডেনের, কানাডার এবং সুইসারল্যান্ডের

স্থান: ই-ইউএন পরিষদ কক্ষ

তারিখ: ১৩/০৩/২০১৫



Approach and partners

The Transition Cooperation Programme adopts an agile model suited to the closing phase of bilateral development cooperation. With a planned budget of .CHF 43.5 million, Switzerland will progressively transfer responsibilities, particularly to local partners and the private sector, under a responsible phase-out plan, maintaining transparency about its evolving role. Switzerland will gradually shift its bilateral cooperation focus to a select number of innovative and impactful flagship initiatives, as well as emphasising the strengthening of institutions and knowledge transfer. It will engage in multi-donor pooled funds and promote blended finance. Humanitarian aid will continue as planned and needed.

Implementation will rely on multi-actor collaboration combining Swiss, national and international expertise. UN agencies, NGOs, academic institutions and especially private-sector entities will remain central to delivering, and ultimately taking over and

scaling up activities. Closer coordination with development partners will reinforce complementarity and policy coherence, for example, in areas such as the Rohingya response, decent work and climate change. Following a whole-of-government approach, the Embassy of Switzerland in Bangladesh will provide political and strategic leadership. It will ensure coherence with Swiss federal offices and Swiss embassies in the region and ensure that lessons from Bangladesh can inform broader cooperation across South Asia.

Swiss interventions will continue nationwide, with climate, migration and displacement activities concentrated in climate-vulnerable areas and Cox's Bazar. Adaptive management, continuous monitoring and transparent and proactive communication will underpin the responsible exit. A comprehensive review in 2027 will determine the scope of Switzerland's engagement in Bangladesh and the region beyond 2028.

Swiss Cooperation Programme Bangladesh

Indicative bilateral budget

CHF 43.5 million for the period 2026–28*

Priority Areas

Private sector development

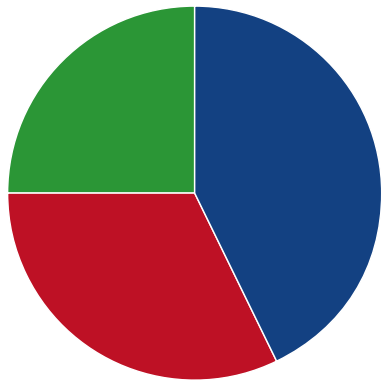
Forced displacement and migration

Climate

* *The information on the financial envelope is indicative. This information serves merely as a basis for the forward spending plans that are reviewed each year by the Federal Council and the Swiss Parliament.*

Swiss Engagement in Bangladesh

Budget Breakdown



- Private Sector Development
- Forced Displacement and Migration
- Climate





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