From Innovation to Replication:
Report of the Mid-Term Review of SDC's Prabriddhi Programme



Edward T. Jackson and Ahmed Jawad Yusuf

Prepared by E.T Jackson and Associates Ltd., Ottawa

Prepared for the Embassy of Switzerland in Bangladesh, Dhaka

Final March 31, 2025

Table of Contents

Executive summary ..... **ii**
Acronyms ..... **vi**
1 Introduction **1**
1.1 Background 1
1.2 Context 1
1.3 Objective 2
2 Methodology **2**
2.1 Approach 2
2.2 Limitations 3
3 Findings of the Mid-Term Review of Phase 2 ..... **4**
3.1 Overall performance assessment 4
3.2 Relevance 6
3.3 Coherence 7
3.4 Effectiveness 9
3.5 Efficiency 15
3.6 Sustainability 17
3.7 Impact 21
3.8 Gender mainstreaming 22
3.9 Climate change and the environment 24
3.10 Comparative analysis 25
4 Completed assessment grid (summary) **26**
5 Lessons learned **27**
6 Extending Phase 2 ..... **29**
7 Conclusions and recommendations **29**
7.1 Conclusions 29
7.2 Recommendations 32
8 Further information **33**

Annexes

Annex A: Documents reviewed **34**
Annex B: Persons consulted **35**
Annex C: General interview protocol **39**
Annex D: The Bangla LED model **42**
Annex E: The B-SkillFUL merger **47**
Annex F: Completed assessment grid (detailed) **55**

Executive summary

Introduction

This is the final report of the mid-term review (MTR) of the Prabriddhi Programme, a joint initiative of the Government of Switzerland and the Government of Bangladesh. Commissioned by the Swiss Agency for Development and Cooperation (SDC), the review was conducted from November 2024 through February 2025 by a two-person consultant team and involved site visits to Cox's Bazar, Dinajpur and Jashore, as well as extensive consultations in Dhaka. Feedback on an earlier draft of this report received in March 2025 has been addressed in this final version.

Objective

The objective of the mid-term review was "to conduct a pulse check of how the programme is tracking with implementation and reaffirming whether the current approaches are fit for purpose or requires modifications to achieve the desired goal of the programme. The ground realities, lessons learnt and findings from review will assist to inform Switzerland's decision-making process in taking the programme forward, especially in planning the next phase." The MTR assessed the programme's performance from January 2021 to June 2024.

Findings

Overall performance

Overall, the MTR found that the Prabriddhi Programme has demonstrated strong performance at both the local and national levels. The Prabriddhi team introduced an innovative approach to municipal economic development in secondary cities, building an array of productive partnerships with municipal and national officials, local entrepreneurs, farmers, universities, NGOs, and professional service providers. Taking an adaptive, learning- and results-oriented approach, and led by an experienced senior management team, the programme navigated effectively through both the pandemic at the beginning of Phase 2 and since the political revolution of August 2024. However, the MTR also found that Prabriddhi underperformed on gender mainstreaming, was ad hoc in its approach to climate change and environmental sustainability, and has been slow to disburse its programme-administered funds.

The Bangla LED model

The Prabriddhi team purposefully and systematically developed and refined the Bangla LED model. Among its key features are participatory planning, rapid economic appraisals, quick wins, and support to lead-sector growth. The Prabriddhi team successfully tailored LED activities to the unique obstacles to and comparative advantages of each unique local economy among the nine participating municipalities. The team also made notable gains toward institutionalizing elements of the model in national government institutions focused on training, investment and local governance. But the MTR found the model to be expensive and thus costly to replicate. There is an opportunity now to streamline the Bangla LED model so that it can be widely and rapidly replicated across many more secondary cities in Bangladesh and other countries.

Local interventions

The Prabriddhi team has performed impressively in developing and refining a wide range of local interventions responding to local needs, capacities and opportunities, and often creating visible,

relatively quick wins in the LED process, including the digitalization of municipal services (e.g. online business licensing platforms), one-stop service centres, women's "corners" to safely serve women, enhancement of local market facilities (Including security), improving the knowledge of entrepreneurs, farmers and workers to spur business growth, strengthening local industry associations, and modernizing technologies in leading sectors.

Sustainability

While it is too early for Prabriddhi to have generated substantial ultimate impacts, there are some data on stakeholder income gains that are credible and promising. More instructive perhaps is the diverse menu of strategies developed and refined by Prabriddhi for sustaining the methods and results of the Bangla LED model, including skills training for local stakeholders, institutionalizing courses through national organizations, digital platforms, support for industry associations, industry standards certification, incubation of local service providers, raising citizen awareness, university-industry linkages, regional peer-learning campaigns, and legal reform.

Merger with B-SkillFUL

Overall, Prabriddhi has done a good job in building on the capacities of B-SkillFUL, a formerly separate SDC-funded and Swisscontact-managed project that merged with Prabriddhi in 2022-2023 to form what was then termed Prabriddhi+. The MTR team rated both the incorporation if B-SkillFUL knowledge into the Prabriddhi Programme and the leveraging of strategic partnerships with industry associations and universities as satisfactory. However, the MTR found that the effectiveness of the merger in mobilizing B-SkillFUL tools and networks to strengthen supply chains and provide support conditional on gender and climate was not optimum.

Gender mainstreaming

It was not until 2024, nearly four years into the current phase, that Prabriddhi finally had an approved, high-quality gender strategy to guide all facets of its work. Moreover, the implementation of the strategy has not been comprehensive or robust. It is true that patriarchy is dominant in norms and culture in secondary cities in Bangladesh, but this underperformance is unacceptable for an SDC-funded project. Nonetheless, the MTR notes that Prabriddhi charted several promising gender pathways in LED through its support of women's corners in several municipal facilities and of training of 30 successful women's entrepreneurs and 3,000 women artisans in the embroidery sector in Jashore.

Assessment grid

Based on the findings of this mid-term review, the completed assessment grid shows that, overall, the Prabriddhi Programme performed at a level rated between Satisfactory and Highly Satisfactory. The programme was rated by the MTR as Highly Satisfactory on the criteria of Relevance, Coherence, and Sustainability, and Satisfactory for Effectiveness, Efficiency, and Impact. However, the MTR rated Prabriddhi as Unsatisfactory on Gender Mainstreaming, ad hoc regarding climate change and environmental sustainability, and found its model was expensive and slow to replicate. In its remaining time, the Prabriddhi team should formulate a more cost-effective LED model that can be replicated widely and rapidly by Local Government Division after the project ends in late 2025.

Figure ES1: Analysis of assessment grid



Lessons

Among the lessons to be learned from the Prabriddhi Programme are:

1) Strategic partnerships can yield dividends.
2) Effective model building is purposeful, adaptive, and learning- and results-oriented.
3) Participatory planning, quick wins, public-private sector dialogue, and lead-sector amplification are strengths of the Bangla LED model.
4) Multi-institution, multi-mode, and multi-level strategies for sustaining results are necessary and possible.
5) University-industry partnerships can generate diverse, long-term results.
6) Cost-effective replicability matters.
7) Gender mainstreaming must be addressed early.
8) New ways of supporting SMEs should be considered.

Recommendations

Considering the findings of this medium-term review of the Prabriddhi Programme, and the current budget situation, the review team recommends that:

To the Swiss Agency for Development and Cooperation

1) SDC approve, if funds permit, an extension of Phase 2 of the Prabriddhi Programme through December 2025. As of February 2025, ERD had requested extending Prabriddhi through mid-2026, but budget constraints do not allow SDC to agree to this request.

2) SDC work with Swisscontact and LGD to formulate a work plan for the remaining time on Prabriddhi that would:
   a) Consolidate the programme's gains to date and strengthen gender mainstreaming.
   b) Streamline the Bangla LED model so that it is cheaper and faster to implement.
   c) Consider spinning-off an independent, high-skill technical unit—to be housed in an NGO, foundation or university—to support LGD and other government agencies to advance LED.

d) Engage other donors and partners that could step up post-2025 to support LDG in scaling up a streamlined Banga LED model.
e) In all other ways ensure a responsible and transparent exit by Switzerland from the municipal economic development space.

3) SDC animate a conversation among development partners on ways and means of strengthening the organizational and regulatory capacity of the domestic philanthropy sector in Bangladesh.

To Swisscontact

4) Swisscontact develop new and separate project proposals to SDC and other donors and government agencies to scale in climate and humanitarian assistance (areas which Switzerland will continue to fund in Bangladesh) that build on lessons learned for the role of local governments from Prabriddhi. The MTR team understands that the climate proposal is underway.

To Local Government Division

5) Local Government Division endorse the package of reforms advocated by the Prabriddhi project for the Local Government Act to be amended to include an LED mandate for all municipal governments and the requisite budget and permanent posts (at least one LED officer), access to the Bangladesh Municipal Development Fund for key LED projects proposed by municipalities, as well as an LED capacity building program and a national LED knowledge sharing hub.

Acronyms

ADB	Asian Development Bank
BDS	Business development services
BIDA	Bangladesh Investment Development Authority
CHF	Swiss Franc
DAC	Development Assistance Committee (OECD)
DCED	Donor Committee for Enterprise Development
ERD	Economic Relations Division
GDP	Gross domestic product
GESI	Gender equality and social inclusion
GOB	Government of Bangladesh
IT	Information technology
JUST	Jashore University of Science and Technology
LED	Local economic development
LDC	Least developed country
LGD	Local Government Division
LGI	Local government institution
MAB	Municipal Association of Bangladesh
MCI	Municipality Competitiveness Index
MOU	Memorandum of Understanding
MSME	Micro, small and medium-sized enterprise
MTR	Mid-term review
NILG	National Institute of Local Government
NSDA	National Skill Development Authority
NTT	Nusa Tengarra Timur
OECD	Organization for Economic Cooperation and Development
OHS	Occupational health and safety
OSSC	One-stop service centre (municipality)
P2P	Peer to peer
REA	Rapid economic appraisal
SDC	Swiss Agency for Development and Cooperation
SLED	Sustainable local economic development
SMEs	Small and medium-sized enterprises
ToC	Theory of change
ToR	Terms of reference
ToT	Training of trainers
UHD	Ultra high density (technology for mango production)
USAID	United States Agency for International Development
WB	World Bank
WBT	Workplace-based training
WUF	World Urban Forum

1 Introduction

This is the report of the mid-term review (MTR) of the Prabriddhi Programme, a joint initiative of the Government of Switzerland and the Government of Bangladesh. Commissioned by the Swiss Agency for Development and Cooperation (SDC), the review was conducted from November 2024 through February 2025 by a two-person consultant team and involved site visits to Cox's Bazar, Dinajpur and Jashore, as well as extensive consultations in Dhaka. The report is organized into the following sections: background, context, objective, methodology, findings of the MTR for Phase 2, and conclusions and recommendations. Annexes provide additional information on documents reviewed, persons consulted, the main interview protocol, the Bangla LED model, and the MTR's completed assessment grid. Feedback on an earlier draft of this report received in March 2025 has been addressed in this final version.

1.1 Background

As the ToR state, Pradbriddhi is a local economic development (LED) initiative funded the by the Governments of Bangladesh and Switzerland and co-implemented by the Local Government Division (LGD) and Swisscontact. The programme focuses on establishing and strengthening LED capacities in selected secondary cities across Bangladesh and at the national level. Following a successful pilot phase in 2020, Prabriddhi began its first implementation phase in January 2021, which will run through 2025.

Prabriddhi has worked in nine municipalities, including: Shibganj, Jashore, Bogura, Bhairab, Dinajpur, Kushtia, Cox's Bazar, Kishoreganj, and Laksham. It promotes the Bangla LED model, involving participatory planning, bottom-up development, and public-private collaboration in these cities to create a competitive advantage for local enterprises and enhance communities' economic and social well-being, aiming to generate gains in employment, individual income and municipal revenue. The initiative has developed a Municipality Competitiveness Index (MCI) and works closely with the Bangladesh Investment Development Authority (BIDA), the country's apex investment promotion agency, as well as with the National Institute of Local Government, among other government agencies. The budget for the current phase is CHF 10.7 M.

1.2 Context

With an official population estimated at more than 170 M citizens, Bangladesh is the world's eighth most populous nation. Over the past 25 years, the country has enjoyed strong GDP growth, created a middle class of 40 M households, and is projected to "graduate" from least-developed-country (LDC) status in the next few years. Recently, however, the World Bank notes, GDP growth has slowed as has the pace of job creation in rural areas and among women.[1] This review was conducted six months after a student-led revolution in August 2024 sent the leadership of the previous government into exile and installed an interim government of military, student, NGO, academic and business leaders. The interim government has embarked on an ambitious political and governance reform agenda, including establishing a Reform Commission on Local Government.

[1] World Bank, Country Partnership Framework for Bangladesh" 2023-2027, Dhaka, 2023 https://documents1.worldbank.org/curated/en/099040523102036987/pdf/BOSIB037c73db00920ae960a4e78fa47587.pdf

The Government of Switzerland has been a valued development cooperation partner with Bangladesh for more than half a century. Its development arm, SDC, operates a robust and well-respected cooperation programme that advances sustainable and inclusive economic development, democratic governance for social well-being, climate and disaster risk management, and dignified solutions for Rohingya refugees.[2] During the conduct of the present review, on January 29, 2025, the Swiss Federal Council announced its decision to terminate Switzerland's bilateral cooperation programme in Bangladesh at the end of 2028.[3] This means that the Embassy team cannot commit funding for current bilateral projects beyond 2028. In addition, SDC announced immediate general budget cuts, further constraining Embassy spending. However, Switzerland will continue to support climate finance and humanitarian assistance in Bangladesh.

The Swiss decision to phase down its cooperation programme in Bangladesh was preceded by an unrelated executive order by the new American administration to stop all USAID activities in the country and, subsequently, severe budget cuts globally across USAID's programmes. These events underscored the importance for Bangladesh of other economic and political alliances, notably the South Asian Association for Regional Cooperation, the expanding BRICS bloc, the European Union, and triangulation among the US, China and India. Among some politicians and policymakers within Bangladesh, there are arguments for and against deferring the country's graduation from LDC status. Furthermore, debates continue around the questions of when and in what sequence the country's interim government should hold local and national elections in the 2025-2027 period. At the same time, the interim government has consistently prioritized public-sector revenue generation, including the collection of local taxes and fees, at all levels of government.

1.3 Objective

The objective of the mid-term review was "to conduct a pulse check of how the programme is tracking with implementation and reaffirming whether the current approaches are fit for purpose or requires modifications to achieve the desired goal of the programme. The ground realities, lessons learnt and findings from review will assist to inform Switzerland's decision-making process in taking the programme forward, especially in planning the next phase." The MTR assessed the programme's effectiveness from January 2021 to June 2024.

2 Methodology

2.1 Approach

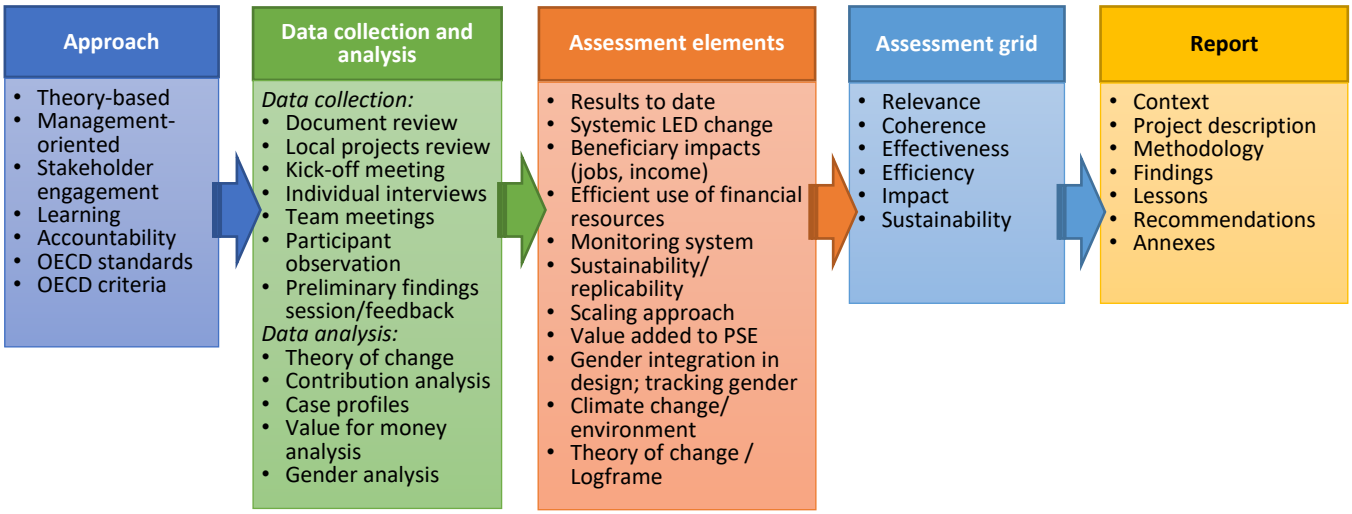
Figure 1 summarizes the approach and methodology employed in the conduct of the mid-term review of the Prabriddhi Programme and presented in detail in the MTR work plan. in addition to adhering to OECD standards for evaluation and its evaluation criteria, the review was theory-based and management-oriented. It facilitated stakeholder engagement, promoted learning, and ensured accountability. The review also placed a priority on gender equality and social inclusion. As the figure

[2] SDC, Switzerland's Cooperation Strategy Bangladesh, 2022-2025, Dhaka, 2022 https://www.eda.admin.ch/deza/en/home/sdc/publications.html/content/publikationen/en/deza/programme/swiss-cooperation-programme-bangladesh-2022-2025

[3] Federal Council, Development cooperation: FDFA and EAER implement Parliament's decisions, Bern, January 29, 2025 https://www.admin.ch/gov/en/start/documentation/media-releases.msg-id-103982.html

shows, the progression of this approach proceeded from these principles and priorities to data collection and analysis, which informed specific analytic elements (e.g., beneficiary impacts, replicability, scaling, gender), and enabled the review team to complete the ***assessment grid***. All these steps contributed to this report, including its recommendations.

Figure 1: Approach and methodology



In January 2025, the MTR team conducted further review of project and external documentation. In Bangladesh, the team undertook meetings in Dhaka with key stakeholders at SDC, Swisscontact, ERD, NILG, BIDA, SGS Bangladesh, Arits, and Dhaka University. The review team also held consultations with municipal administrators and staff, entrepreneurs and other partners during site visits to Dinajpur, Cox's Bazar, and Jashore, as well as a virtual meeting with Bhairab Footwear Association. In total, the MTR team consulted with more than 100 key representatives active in the Prabriddhi Programme, as well as many other staff and students of partner organizations. On January 30, 2025, a debriefing session with SDC and Swisscontact was held at the Embassy of Switzerland in Bangladesh in which the MTR team presented, and received feedback on, its preliminary findings and recommendations.

Annex A of this report lists the documents reviewed by the MTR team. Annex B presents a list of the persons consulted for the review. Annex C reproduces the main interview protocol from which questions were selected for specific stakeholders. Annex D summarizes background information on the Bangla LED model. Annex E is a discussion of the merger of B-SkillFUL with Prabriddhi. And Annex F presents the completed assessment grid for the MTR.

2.2 Limitations

The main limitation of this review was that, owing to political conditions on the ground, many politicians and government officials at both the local and national levels were not available to be interviewed or were newly appointed to their posts. Following the July-August 2024 student protests that brought the current interim government to power, appointees, allies and party members from the ousted regime had to leave government, including mayors, councilors, administrators, ministers and ministry secretaries. Current administrative appointees made themselves available for the MTR but usually had little direct experience with the project. In response, the MTR team consulted with an especially wide

range of entrepreneurs, companies, university partners, NGOs, and service providers to enrich the data collection process.

In addition, time and budget constraints constrained the MTR team from visiting more municipalities, notably Shibganj and Bhairab, where Prabriddhi's work is most advanced. However, the team conducted virtual interviews with key stakeholders in these cities. Moreover, the MTR team did, in fact, conduct site visits to Cox's Bazar, Dinajpur and Jashore, which provided the review with a useful perspective on three very different local economies and programming initiatives by Prabriddhi. Another limitation is that the MTR was only able to review a limited number of alternative municipal LED models and projects in other countries. However, the team is confident it collected sufficient background information on the most relevant cases in this regard.

3 Findings of the Mid-Term Review of Phase 2

3.1 Overall performance assessment

Overall Assessment of Phase 2

Overall, the medium-term review found that the Prabriddhi Programme demonstrates important strengths and achievements, notably:

1) Purposeful model-building through participatory processes. The Bangla LED model is now based on a strong and tested theory of change, localized analysis of the drivers of LED, and detailed engagement with lead economic sectors for each municipality.
2) Targeted innovation, testing and learning. Noteworthy examples at both the municipal and national levels include the digitalization of business registers, market security initiatives (CCTV cameras), women's corner projects, the rice mill ISO certification project, trade fairs, and the Municipal Competitiveness Index.
3) Diligent efforts to provide mechanisms for sustainability, such as enabling revenue generation by cities from increased business registrations, the introduction of new markets and customers for entrepreneurs, approval by government of the Jashore Stitch training course on the National Skills Development Authority portal, and peer learning activities among clusters of municipalities.
4) Prabriddhi has also presented recommendations to the Local Government Reform Commission to amend the Local Government Act to assign local governments a mandate for LED, budget allocation, and provision for at least one LED officer in each municipality.
5) Strong working relationships with municipal government leaders and staff, local entrepreneurs, and national policymakers, despite fluid political and social conditions.
6) Cooperative design and learning by Swisscontact, SDC and LGD, which has been a testimony to the skill, dedication and commitment of all parties.
7) Adaptive, accountable project management, making good use of concept notes and practical workplans, MOUs, and contracts to push programming forward while monitoring expenses.
8) Skilled, dedicated project team with an appropriate mix of specializations, good supervision and mentoring of younger staff, and regular collective learning processes.

9) Promising pathways for engaging women and youth, through targeted municipal services provision, entrepreneurship support, and vocational skills training.

However, Prabriddhi also displays several key weaknesses and challenges, including:

1) Modest reach, outputs and outcomes in relation to budget. By design, the programme has focused on only nine mid-sized cities amid a universe of more than 300 municipalities across the country. In the MTR's view, that reach is insufficient to advance scaling and sustainability.
2) Expensive project model with high fixed salary costs and extended interventions cycles. The project team is not wrong in pointing out that the full Bangla LED intervention cycle takes about five years. The problem is that this approach is too expensive and slow to scale across the country. The team must find a way, very soon, to streamline the model for widespread adoption and replication across the country.
3) Slow disbursement of Part 4 budget component. This is partly due to slow approval processes by government partners, but there is more that the programme can do through its contracts and grants with private sector actors. The Team Leader indicates that the outstanding balance on Part 4 funds can be spent out by August 2025, and the project should be held to this target.
4) Public materials on the Programme and the model are overly self-congratulatory and self-referential. A strong, confident model does not need to oversell itself. Indeed, its interventions, if problematized, can serve as excellent case study material for dissemination, replication and training.
5) Only basic support provided to SME ecosystems, but some notable examples—spare parts businesses in Jashore and Dinajpur, women business owners in Jashore and Cox's—can be built upon with more targeted business development services (BDS).
6) Slow action on gender equality. Patriarchy is a well-resourced, hegemonic opponent to equality. The programme must make stronger efforts to achieve meaningful gains in gender equality and social inclusion.
7) Ad hoc approach to climate solutions and environmentally sustainable economic development. Prabriddhi's partners at Erasmus University should be engaged to support a stronger push on green infrastructure and business through its training activities with NILG and through greener designs for local interventions.

The Bangla LED model

The MTR review team found that the Bangla LED model constitutes a strong intervention strategy, and a coherent theory of change, to advance municipal economic development in mid-sized cities in Bangladesh. Based on five drivers of LED competitiveness—municipal services, human resources, infrastructure, business development services, and sector potential—and drawing on experiences in Europe and Asia, the model has been implemented with purpose, a learning-orientation, accountability, and adaptive management by the Prabriddhi team. The model's anchoring in participatory planning and clear, results-oriented partnership agreements (through memoranda of understanding and contracts) were among several strengths that became evident as the MTR proceeded. So was the classification of the stages of the participating cities, as implementation on site moves from participatory planning to quick wins, then to long-term interventions and, ultimately, to exit from the programme. Annex D

provides more detailed information on the antecedents, definition, key features, and potential sustainability of the model.

As strong as the Bangla LED model is, though, it also has some weaknesses and limitations, at least as it has been conceived and implemented to date. One of the most important weaknesses is that it is expensive. The implementation cost for nine cities in Phase 2 is CHF 10.5M, or more than $1M per municipality plus national advocacy and engagement. Even if there were the same level of resources for widespread replication to the more than 300 municipalities across the country—which there is not—this level of expenditure is unsustainable—unimaginable, really—by Local Government Division. Moreover, the implementation process of Bangla LED is slow. Senior staff on the Prabriddhi team are not wrong in observing that the implementation process has taken five years in the most successful municipalities. Yet if the Bangla LED model—and the Prabriddhi Programme—is to have a robust future, it must be streamlined or "shrink-wrapped" to its most basic elements and its rollout accelerated. In fact, in our view, these changes are crucial to the success of any form of replication or scaling of the model in Bangladesh or elsewhere.

Box 1: Prabriddhi's recommendations for LED reforms

"Revise the Local Government Act 2009 to assign responsibilities for Local Economic Development (LED) in municipalities. This should include a specific mandate for municipalities to facilitate public-private dialogue through a designated Local Economic Development Standing Committee. Additionally, LED planning should be integrated into the municipality's master plan to ensure that economic development is a central part of long-term urban planning and growth strategies. Introduce the LED section/department into the municipality like many other countries where there is a dedicated department in the municipality for economic development. After introducing the section establish at least one LED-focused position/LED officer position in municipal organograms."

3.2 Relevance

The Prabriddhi Programme is highly relevant to the development cooperation priorities of both the governments of Bangladesh and Switzerland. Given the many pressures on metropolitan Dhaka, the economic development of secondary cities is increasingly recognized as a priority by the GOB. At the same time, Local Government Division strongly supports the increased involvement in local economic development of municipal governments and new ways and means for municipalities to generate revenue while making their administrative systems more efficient, particularly through digitization. Within the programme, Prabriddhi's strategies are appropriate and relevant to its overall purpose and objectives. In particular, the participatory planning, private-public dialogue through the LED committee, and partnership development elements of the Bangla LED model ensure that the unique needs of individual municipalities are well-identified and thoughtfully and creatively addressed through local interventions.

Two limitations must be noted here and are discussed in detail elsewhere in this report. First, while highly relevant, the Bangla LED model is expensive. Further work is required to strip the model down to its core elements so that it can be widely replicated, adopted and adapted at reasonable cost by municipalities. Second, Prabriddhi was late in developing a full gender strategy and has yet to fully implement that strategy's recommendations. While these issues are serious and need to be addressed in any extension of the current phase, it is still the view of the MTR team that the Prabriddhi Programme has performed at a highly satisfactory level on the criterion of relevance.

Box 2: Swiss international cooperation objectives in Bangladesh, 2021-2024

1) Contribute to sustainable economic growth, development of markets and the creation of decent jobs
2) Address climate change and its effects and manage natural resources sustainably
3) Save lives, ensure quality basic services, especially in relation to education and healthcare, and diminish the causes of forced and irregular migration
4) Promote peace, the rule of law and gender equality

Source: Embassy of Switzerland in Bangladesh, 2022

3.3 Coherence

The Prabriddhi Programme has also performed at a highly satisfactory level on the criterion of coherence. SDC's support of Prabriddhi's LED work in secondary cities complements urban infrastructure projects of the World Bank (WB), Asian Development Bank (ADB), China, and Japan in some of the larger cities outside Dhaka, such as Jashore. Local Government Division and other government bodies coordinate with the municipalities on the various foreign-funded interventions in secondary cities. There is little evidence of coordination by the Prabriddhi Programme directly with WB or ADB projects, though several key programme staff worked previously on other urban projects.

In fact, in 2020, when Phase 2 of Prabriddhi began after a successful pilot phase, SDC and ERD identified no fewer than ten projects working with municipalities in Bangladesh at the time. As Table 1 shows, three were funded by the World Bank, three by the Asian Development Bank (ADB), and three by the Government of Bangladesh (GOB), plus one by the Japanese International Development Agency (JICA). Almost all the projects aimed to build municipal capacity in planning, building and operating infrastructure, and to strengthen local governance. None of the projects included a specific mandate to advance local economic development and business growth. The way was clear, therefore, for SDC and ERD to join to launch a full-fledged five-year implementation phase of the Prasbriddhi Programme.

Table 1: Projects working with municipalities, 2020

Project	Funder	Priorities
1. Important 19 Pourashavas Infrastructure Project	GOB	Capabilities to plan, manage and operate infrastructure facilities
2. Municipal Governance and Services Project	World Bank	Improve the governance of basic services and emergency response
3. Coastal Towns Environmental Infrastructure Project	ADB	Climate resilient infrastructure in eight vulnerable pourashavas
4. City Governance Project	JICA	Governance and infrastructure in five city corporations
5. Third Urban Governance and Infrastructure Project (III)	ADB	Upgrading Infrastructure and strengthen governance in 30 pourashavas
6. Benapole Pourashava Infrastructure Improvement	GOB	Master plan, engineering study
7. Important Urban Infrastructure Development Project (II)	GOB	Construction of roads, bridges, culverts, drains
8. Second City Region Development Project	ADB	Infrastructure development and regional urban planning in Dhaka, Khulna
9. Local Government Support Project	World Bank	Fiscal transfer system for Pourashavas and United Parishads
10. Bangladesh Municipal Development Fund	World Bank	Strengthen cities/municipalities to plan infrastructure, raise funds

Source: ERD and SDC, 2020

Within SDC's portfolio of development projects in Bangladesh, Prabriddhi sits at the intersection of governance and economic development, consistent with Switzerland's cooperation priorities, and working at both the local and national levels. Prabriddhi also complements other interventions, such as that of Biniyog Briddhi (B-Briddhi), which promotes impact-linked finance among social tech start-ups. During the current phase, another SDC-funded, Swisscontact-managed project, B-SkillFUL, was merged with Prabriddhi, generally successfully (see below), further strengthening internal coherence.

Moreover, the Prabriddhi senior management team does an outstanding job in sharing and reflecting on project implementation experience in real time, especially around the design, execution and implementation of local studies and interventions. Deploying LED coordination staff in partner municipalities is an important advantage in this process. This action-learning orientation has enabled the Programme to purposefully build and refine its Bangla LED model.

The B-SkillFUL merger

Overall, Prabriddhi has done a good job in building on the capacities of B-SkillFUL, a formerly separate SDC-funded and Swisscontact-managed project that merged with Prabriddhi in 2022-2023 to form what was then termed Prabriddhi+. The benefits of the merger were realized in several ways.

Prabriddhi staff perspectives on the results of the merger are generally very positive and, in our view, credible. First, the merger resulted in stronger value chain integration. B-SkillFUL's micro-level work complemented Prabriddhi's meso-level interventions, leading to a more cohesive and fuller programming approach. And B-SkillFUL partners, like the light engineering associations in Jashore and Bhairab, could be tapped to mobilize micro-level activities. Second, the merger filled leadership gaps that B-SkillFUL had experienced due to multiple team leader transitions and stabilized the management and strategic direction of B-SkillFUL's work. Third, B-SkillFUL brought new monitoring and data-utilization tools to Prabriddhi, including the application of DCED standards to enterprise-level monitoring and the introduction of PowerBI for better quantitative tracking.

Fourth, staff point out that the merger resulted in Prabriddhi undertaking more work with private sector firms as scaling agents. Examples here include SGS's local accreditation work with rice mills in Dinajpur, the Academy for Information Technology in Cox's Bazar, and the Mango Association in Shibganj. Finally, the merger prompted new ways of Prabriddhi working with SMEs, focusing more on business and environmental outcomes, and testing an incubation approach for early-stage, cross-sector businesses, notably in Cox's Bazar.

In addition, Prabriddhi+ has strengthened supply chains through implementing market linkage models, technology upgrades, and digital marketing initiatives to bolster SME competitiveness. It has also facilitated light engineering enterprises in Bogura to supply agro-machinery to the Chars region and supported the upgrading of technology in footwear production in Bhairab via local collaborations. Further, Prabriddhi+ strengthened distribution channels for SMEs through partnerships and digital platforms like iFarmer. Moreover, in terms of transversal themes, post-merger, Prabriddhi+ has emphasized gender inclusion, workplace-based training for green business models, and supporting women entrepreneurs as BDS providers in sectors such as IT freelancing, tourism, and processed food at the micro and meso levels.

Annex E presents a detailed analysis of the B-SkillFUL merger. Following its assessment of this process, the MTR team has identified several possible directions for Prabriddhi+ to further optimize the value of

the merger. Among these directions are, for example, customizing BDS to the sector, stage and needs of each company; together with market access, mentorship, and innovative finance—and, especially, tying performance-based fees to revenues, growth, and/or investments.

Further, more technology companies can be engaged as forward supply chain links, as per efforts made with iFarmer and Chaldal for the agriculture sector, to fulfill market access and finance gaps to scale interventions nationally. At the same time, gender and climate lenses can be more frequently applied to business support, especially in key sectors—like agriculture and embroidery—that lend themselves to deepening impacts in both themes. On another front, that of upskilling talent for growth sectors, Prabriddhi should continue to nurture university-industry partnerships and student placements in leading businesses.

Box 3: SC Communications Manager assessment of B-SkillFUL merger
"The merger saw the impact amplification on efficiency, effectiveness and take benefits on the synergies of the two programs holistically improving governance, team capacity, and executive capabilities"

3.4 Effectiveness

Overall, the Prabriddhi Programme has carried out effective work at the local and national levels. Guided by the logical framework of the programme and the core elements of the Bangla LED model, the Prabriddhi team has taken a practical, participatory and results-oriented approach to its activities at both levels.

Local interventions

Table 2 summarizes the status of Prabriddhi's local interventions in mid-2024. Following the model's sequence of stages, from participatory planning and rapid economic appraisal to quick wins and then to longer term interventions, and, finally, exit and peer learning, each city's LED trajectory has been unique to its context, needs and leading sectors.

Table 2: Prabriddhi Participating Cities, 2024

City	Division	Population	Status	Activities
Bhairab	Dhaka	261,000 (2022)	Long-term interventions	OSSC, Footwear, Women's Corner
Bogura	Rajshani	486,000 (2022)	Long-term interventions	Light engineering, Solid waste
Cox's Bazar	Chittagong	417,000 (2022)	Quick wins	Tourism strategy, start-ups
Dinajpur	Rangpur	212,000 (2022)	Quick wins	ESG in rice mills
Jashore	Khulna	3,000,000 (2022)	Exiting / LED Fund	Light engineering, Handcrafts, Women's Corner
Kishoreganj	Dhaka	3,268,000 (2022)	New city	REA planning
Kushtia	Khulna	2,000,000 (2022)	Quick wins	Mini-garments (not prioritized), ICT, Light engineering
Laksham	Chittagong	334,000 (2022)	New city	REA planning
Shibganj	Rajshani	591,000 (2011)	Exiting / LED Fund	Mango sector, Solid waste

Source: Prabriddhi, Government of Bangladesh, 2024

During the pilot phase of the Prabriddhi Programme, and through the current implementation phase, Swisscontact worked with SDC and LGD to develop and refine a package of local interventions that brought the Bangla LED model to life in each participating municipality. The main types of interventions have been as follows:

1) ***Participatory planning:*** The Prabriddhi team has been committed to, and skilled in facilitating, a participatory planning process to identify local LED needs and opportunities. This process has involved public consultations as well as targeted engagements with the political and administrative leadership of municipal governments, the executives of industry associations, leading entrepreneurs**,** non-profit managers, professors and students at local universities, and other key stakeholders.
2) ***Partnership building and maintenance:*** The Prabriddhi team has also worked hard to create and nurture partnerships of trust and reciprocal benefits with mayors, councilors, administrators, and engineering and social programme staff of municipal governments, as well as leaders in industry and commerce, the non-profit development sector, and higher education. Seasoned development professionals, the Prabriddhi team has employed quick, visible wins in the LED process to enable their local partners to build support for the work.
3) ***Establishing LED Committees:*** One of the most important innovations introduced at the local level by Prabriddhi has involved the establishment of and support to standing committees for local economic development in each municipality. Comprising mayors, councilors and business leaders, these committees provide an ongoing forum for dialogue between local government and local entrepreneurs—a process that results in more accurate and relevant LED priorities, plans and actions.
4) ***Conducting rapid economic appraisals:*** Prabriddhi has relied upon rapid economic appraisals (REAs) and analysis to assess cross-sector and lead-sector LED needs, feasibility, and opportunities. Carried out by Prabriddhi staff, international consultants, or local or Bangladeshi service providers (firms, NGOs, professors), these studies were used, iteratively and with a consistent results orientation, to chart the most appropriate course of action in each unique local economy.
5) ***Advancing digitalization:*** Prabriddhi was also active in advancing the digitalization of services and administration in municipal governments participating in the programme. In particular, in several cities, the municipality's traditional cash- and paper-based trade/business system was converted into an online, digital registration system. Digitalization of public services has been a priority of the Government of Bangladesh for a decade. To support this new system, Bangladesh has an array of mobile payment services, notably BKash, with its nearly 80 million customers and 400,000 agents across Bangladesh.
6) ***Increasing revenue:*** In the cases where digital business registration platforms were created, the municipalities involved not only were able to identify an exponentially larger number of local enterprises, but the digital system also proved to be capable of generating much more revenue for the local government than the old system. This stronger revenue stream provided new resources to local governments for services, maintenance and other responsibilities. It also eliminated the "informal tax" imposed by some local officials on citizens registering their businesses through the former cash-based system.
7) ***Coordinating service provision efficiently:*** With Prabriddhi's support, several municipalities also established one-stop service centres (OSSCs) to more efficiently and effectively provide basic services to citizens. These centres, sometimes operated by local entrepreneurs, provide taxpayers with basic information such as birth and death certificates and payments from social

programmes. OSSCs are a visible and replicable mechanism that could be scaled up in the future.

8) ***Delivering of services safely to women:*** Further, in several municipalities, Prabriddhi has supported the construction and operation of "Women's Corners", designated areas in municipal facilities exclusively devoted to providing services to women. Against the backdrop of patriarchal norms and culture, providing women (often with their children) with a safe, orderly, and well-organized space is an important local innovation as part of a broader gender strategy for LED.

9) ***Enhancing market facilities:*** Another front on which Prabriddhi has worked locally, and entailed visible, relatively quick wins involved enhancing local market facilities. Bazars are important sites of trade and commerce. In at least two cities, Prabriddhi supported the installation of CCTV cameras to improve security, reduce crime and create safer conditions for entrepreneurs and consumers, especially women.

10) ***Improving LED knowledge in local government:*** Through its various activities at the local level, and targeted meetings with politicians, administrators, and staff, Prabriddhi improved the knowledge base in local government on the nature, purpose, strategies, tactics and tools of local economic development. When there has been regular human-resource rotation, or the widespread personnel changes catalyzed by July-August 2024 revolution, Prabriddhi has proven adroit in briefing new players on the programme and forming new working relationships quickly.

11) ***Improving entrepreneurs' knowledge:*** Through courses, advisory services, mentoring and industry association activities, Prabriddhi has supported a range of activities aimed at improving the knowledge of entrepreneurs in marketing, design, quality, production, finance and management to enable the growth of their businesses and sectors. Industry associations, universities, NGOs, and firms, both local and Dhaka-based, have contributed to these efforts.

12) ***Improving employees' knowledge:*** Especially following the merger with the B-SkillFULL programme, Prabriddhi expanded its support of direct training of employees or prospective employees in lead sectors. The most well-developed examples in this regard has involved Prabriddhi's engagement in Cox's Bazar of the Academy of Information Technology to train students in a full set of tourism and hospitality management skills, including front-desk, administration, food preparation and electrical maintenance and of the Daffodil Institute to train students in digital marketing for the same sector.

13) ***Modernizing technology:*** At the same time, Prabriddhi has supported university-industry linkages and industry-association efforts to modernize machinery that would make entrepreneurs, artisans and workers more productive and commercially successful, bolstering livelihoods in lead sectors. These efforts have been made, for example, in light engineering and embroidery in Jashore and leather footwear in Bhairab, as in introducing UHD mango production in Shibganj.

14) ***Raising environmental management standards: In*** a few cases, Prabriddhi developed innovative interventions aimed at raising environmental standards in municipalities. One example is the improved solid waste management system in Bhairab. Another involves the ISO 14001-2015 certification in environmental management systems for participating rice mills in

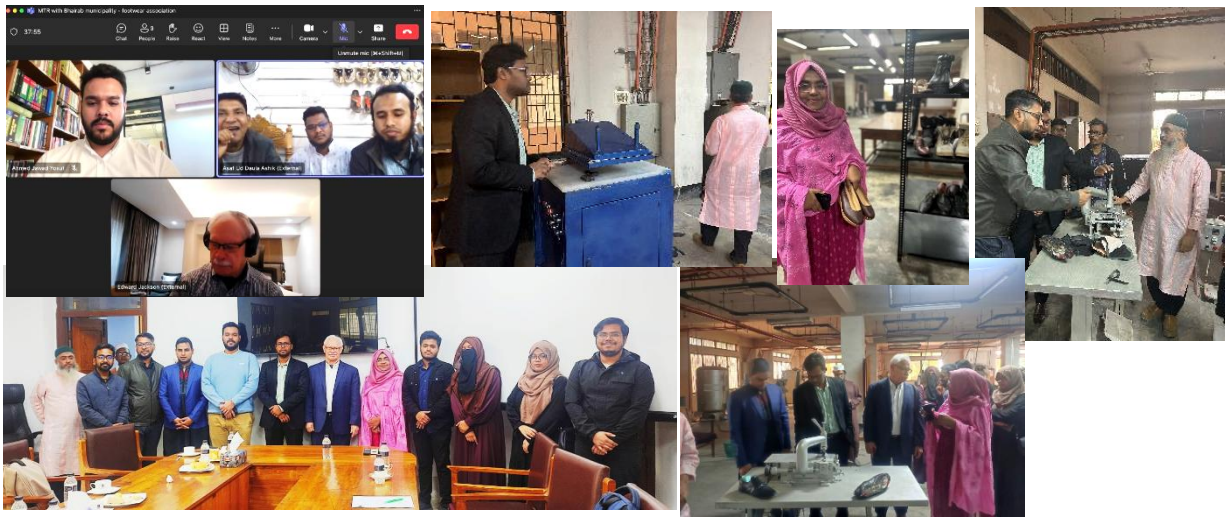
Dinajpur. In both cases, Dhaka-based firms with links to Switzerland were engaged by the programme to provide technical assistance.

15) ***Facilitating peer learning:*** Toward to the end of the current phase, the Prabriddhi team prioritized peer learning activities as a means of sharing knowledge, lessons and technologies horizontally across municipalities clustered in a region. In early 2025, the Shibganj regional campaign (see section 3.6 below) was the fullest expression of this approach to date. Other similar campaigns are planned for Bhairab and other areas.

In summary, with their public-sector and private-sector partners, the Prabriddhi team has performed impressively in developing and refining a wide range of local interventions tailored to local needs, capacities and opportunities. The challenge now is to convert what was done with extensive Swiss funding and considerable calendar time to more cost-effective, faster-cycle replications of these interventions in a larger number of cities.

Box 4: Increasing the productivity of the Bhairab footwear sector

The Bhairab footwear sector comprises 5,000 small, informal businesses which rely almost entirely on hand tools to produce leather shoes. Prabriddhi is assisting the Bhairab Footwear Association to increase the productivity, quality and safety of its members by adopting affordable and reliable machines designed and tested by the professors and students of the Institute of Leather Engineering and Technology at the University of Dhaka. Working with the association, Prabriddhi has also engaged the IT firm Arits to develop an online marketing platform for Bhairab footwear producers and both wholesale and retail buyers and are currently onboarding and training members of the association. Business models must still be developed to pay for the ongoing operations and maintenance of the digital platform and to help footwear SMEs purchase the machines they need; there may be an investment opportunity to mass produce and market the machines



Box 5: ILET lead professor on product development

"Currently, we are in the beta stage of our product development. We are constantly iterating and taking feedback from footwear entrepreneurs. It has been amazing to receive positive reviews from practical use cases which makes our finished product useful and provides our students with relevant industry knowledge and practices"

National initiatives

Prabriddhi has also worked extensively to advance the elements of its model at the national level, primarily through the National Institute of Local Government, the Municipal Association of Bangladesh, and the Bangladesh Investment Development Authority, as well as through Local Government Division and the Local Government Reform Commission.

National Institute of Local Government

Working with the National Institute of Local Government (NILG) and the Institute for Housing and Urban Development Studies at Erasmus University, Prabriddhi has supported the development of five handbooks that form the basis of training courses in LED. Aimed at building knowledge and skills of mayors, councilors and municipal staff, the handbooks set out an overview, the objectives, lectures, target groups, duration, teaching methods, sessions and assignments for each course. The proposed approach makes good use of discussion, case studies, group work, and action planning by participants. Each course would be delivered over two to three days at NILG's regional offices.

Two officials from NILG were invited to Erasmus University to lead the drafting of the handbooks. The five courses focus on sustainable local economic development and political leadership, the digital and smart municipality, market upgrading, and accessing urban finance. Further work on this national level intervention was slowed in the past six months by the effect of the revolution, the resulting dismissal of most mayors and councilors across the country, and the deferral of new local and national elections while the interim government reforms the country's political institutions.

While the handbooks provide a solid basis for proceeding with a nationwide training effort in municipal economic development, several limitations must be noted here. First, there is almost no reference in any of the materials to integrating gender equality or women's economic empowerment into the LED process. This is a strange omission given the progressive gender policies of both Switzerland and The Netherlands at home and abroad and the extreme gender imbalance in the economy and governance of Bangladesh.

Second, most of the proposed readings are, curiously, very old, some published 25 years ago; the reading list should be updated and, as much as possible, address and be anchored in Asian experience. Finally, although the handbooks indicate, appropriately, that Prabriddhi examples will be used throughout the courses, there is little evidence to suggest that these cases will be approached from a critical or problematized perspective, which would make them even more pedagogically effective.

Municipal Association of Bangladesh

The Municipal Association of Bangladesh (MAB) is a forum of mayors and other local-government officials that advocates for administrative decentralization and democratization. In 2023, Prabriddhi assisted MAB in developing and launching a platform for sharing information on ideas, cases and tools for local economic development. The platform has attracted more than 10,000 Facebook followers and operates a LinkedIn account, as well. In 2024, political changes resulted in the suspension of MAB's operations. With the agreement of LGD, Prabriddhi temporarily took on the management of the platform. In early 2025, the platform's LinkedIn page featured stories of Bhairab's two women corners and the Shibganj regional campaign. Before Prabriddhi is completed, the programme will need to hand over the management of the MAB LED platform to a reconstituted MAB or a different organization.

Bangladesh Investment Development Authority

Another national level initiative has involved Prabriddhi working with the Bangladesh Investment Development Authority (BIDA) and the advisory firm Policy Exchange Bangladesh to develop a Municipal Competitive Index (MCI) to enable municipalities to address obstacles to business growth and help BIDA mobilize investment for secondary cities in priority sectors. Building on the five drivers of competitiveness of the Bangla LED model, key areas tracked by the MCI will include assessments of local infrastructure, governance, business environment, and quality of life. The initiative also supports BIDA to develop a virtual platform that will showcase the MCI and, according to Prabriddhi, will "facilitate better advocacy, peer exchange, and knowledge-sharing on local economic development practices, further enhancing the impact of the MCI." The initiative complements the work of BIDA and, previously, by the World Bank, on ease of doing business in Bangladesh.

Prabriddhi reports that its work on the MCI involved surveying over 400 businesses in seven municipalities, focusing on gender and business-size inclusivity and that eight meetings were held "with municipalities and LGD to refine the index". In addition, three national policy workshops were organized by BIDA, including in February and May 2024, with the latter attracting nearly 80 participants from municipalities, city corporations, ministries, agencies and development partners. Prabriddhi and BIDA jointly appointed a business analyst based in BIDA "to manage data, analyze reform progress, and operate the virtual platform."

In early 2025, senior BIDA officials participated actively in the Shibganj regional campaign in early 2025. While BIDA's focus has heretofore been mainly on promoting investment in large-scale, industry-leading businesses, particularly by foreign investors, there is evidence that Prabriddhi has increased the awareness by senior management at the Authority of business innovations and opportunities in medium-sized cities. In the remaining months of the programme, the Prabriddhi team will need to push this work forward as far as possible and officially hand over the finalized MCI and the virtual platform to BIDA for its ongoing use and stewardship.

SDC and Swisscontact should also explore possibilities of doing further work on the MCI in other countries, building on their experience in Bangladesh. It is interesting to note that there is a well-developed Provincial Cities and Municipal Competitiveness Index in the Philippines.[4] In Kosovo, in 2020, the United States Agency for International Development published a municipal competitiveness index based on eight sub-indices on barriers to entry, transparency, participation and predictability, time costs, taxes, municipal administration, labour market and business support, and infrastructure.[5]

[4] https://www.sentineltimes.net/2024/11/quezon-crowns-its-most-competitive.html
[5] https://www.riinvestinstitute.org/uploads/files/2023/March/29/10_-__MCI_Index_2020_-_ENG_-_02_11680082341.pdf

Box 6: Looking ahead, engaging youth

Prabriddhi has developed several channels for youth engagement, including supporting vocational trainees in priority skill areas and young entrepreneurs building on key local sectors





The remaining time of Phase 2 will present new opportunities for peer learning among young people working in the same sectors (e.g., tourism and hospitality) or running similar small businesses

3.5 Efficiency

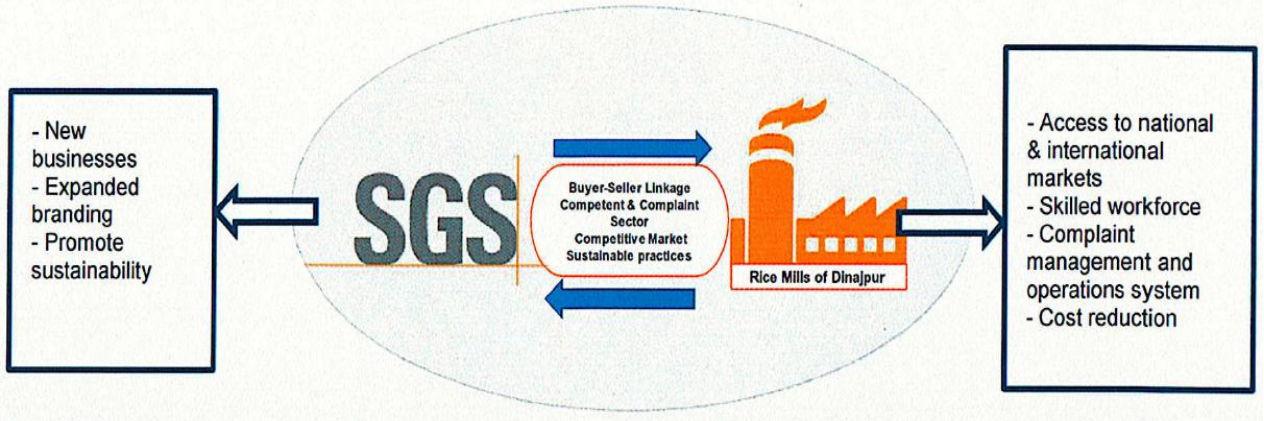
In general, the Prabirddhi programme has been administered efficiently, including timely, accountable and professional financial reporting provided by Swisscontact. However, as Table 3 shows, the project's burn rate as of the end of July 2024 was slow, running at 30% overall. For its salaried line items—parts 1, 2 and 3 of the budget—Prabriddhi expenditures were largely on track to that mid-point of the calendar year. These are essentially fixed costs, with long-term experts (part 3.a in the budget) constituting fully 38% of the total Phase 2 budget. In fact, this item is roughly equivalent to the line item for all project administered funds (about 42% of the total budget). The source of the slow burn rate is marked underspending in Part 4 of the budget due to, at the beginning of Phase 2, the effects of Covid; and later slow approval processes in government and then the July-August 2024 student revolution which slowed government processes further.

The MTR team found that Prabriddhi's manages a very traditional, old-style aid budget with about 60% of all expenditures going to personnel costs and just over 40% to project-related costs. Such salary-heavy budget models are less affordable than they were in the past. In any case, the Prabriddhi team has proposed to spend out all part 4 funds by August 2025, when the current phase was originally due to end. The Government of Bangladesh has agreed to extend the project to mid-2026. While recent budget constraints prevent SDC from accepting this request, there may be sufficient current funds for Prabriddhi Programme to continue through December 2025. But, in the MTR team's view, there should be no such time extension unless Prabriddhi tables a feasible plan to fully spend out all Part 4 budget items by the end of August 2025.

Box 7: The blurring of the Prabriddhi and Swisscontact brands

It is natural enough, perhaps, that local stakeholders see Swisscontact as synonymous with the Prabriddhi Programme. After all, Swisscontact is the contractor that fields the team to implement the programme. But the frequent blurring of the two "brands"—Prabriddhi and Swissontact— in the responses of interviewees in conversations with the MTR team appears to confer a commercial advantage on Swisscontact for future work with these or other government organizations and indeed with other donors. We have no suggestions on how to manage this blurring more efficiently but simply want to point out that it is there.

Figure 2: Benefits for the parties to the ISO 14001 certification project



Source: Prabriddhi, 2024

3.6 Sustainability

Strategies for Sustainability

The MTR team is impressed by the diverse menu of strategies for sustainability of methods and results created, tested and refined by the Prabriddhi Programme, including:

1) ***Skills training for key stakeholders:*** Based on economic studies, needs assessments and local consultations, the Programme has provided direct and indirect—through service providers—targeted skills training for municipal officials (politicians, administrators and technical staff), entrepreneurs, artisans, and workers to boost local economic development.

2) ***Institutionalization of training courses at the national level:*** Prabriddhi has undertaken this sustainability strategy through a series of courses on LED for municipal officials to be delivered by National Institute of Local Government and approval and posting of industry courses (e.g. embroidery entrepreneurship in Jashore) on the National Skill Development Authority portal.

3) ***Digital platforms for efficiency and revenue:*** In several participating cities, Prabriddhi supported the design, development and launch of a digital business register, which generated considerable new revenue, as well as some commercial digital tools, such as the B2B matching platform for the Bhairab leather footwear industry.

4) ***Support* for *industry associations:*** Prabriddhi also nurtured local industry associations in the leather sector in Bhairab, informally in the embroidery and light industry sectors in Jashore, and in the rice milling sector in Dinajpur, as examples. The Prabriddhi team were cognizant of rivalries among leading entrepreneurs in sectors that undermined or prevented for formation of associations.

5) ***Industry standards certification:*** Working through quality-standards advisory firm SGS Bangladesh, Prabriddhi is supporting the ISO certification in environmental management of seven leading rice mills in Dinajpur, which will result in improved branding and pricing by the rice mills and reduced rice-husk pollution through recycling husks into fertilizer and concrete blocks.

6) ***Incubation of local service providers:*** Through initial contracts and memoranda of understanding, Prabriddhi has set the groundwork for ongoing business expansion in municipalities by local and external service providers, such as AIT, Daffodil, and Turtle Venture in Cox's Bazar, RRF in Jashore, and POPI in Bhairab, among others.

7) ***Raising citizen awareness:*** The Prabriddhi Programme has also sponsored public consultations and other events with municipalities that raise the awareness of citizens to demand and utilize improved public services, such as one stop service centres, women's corners, and solid waste management initiatives.

8) ***University-industry linkages:*** Linkages between university engineering faculty and students with the Bhairab leather footwear industry with Dhaka University and the light engineering sector in Jashore with Jashore University of Science and Technology expand industry's access to technological innovation, improved machinery, and leading-edge research and development.

9) ***Regional peer-learning campaigns:*** Pioneered in early 2025 in Shibganj, one of Prabriddhi's earliest partner cities, the model of the peer-learning regional campaigns involves presentations and site visits for other municipalities in the area on interventions, achievements, innovations, and learning in advanced municipalities that are shared by public-and private-sector leaders.

10) ***Legal reform:*** Finally, Prabriddhi has worked with Local Government Division and the Local Government Reform Commission to recommend that municipalities be given an LED mandate, that they employ one or more LED officers on an LED "desk," and that well-prepared LED project proposals be eligible for grants from the national municipal development fund.

Box 8: ISO Environmental management certification for Dinajpur rice mills

Prabriddhi is supporting efforts by seven rice mills in Dinajpur to achieve ISO certification for the environmental management of their operations, particularly by reducing and recycling hyper-polluting rice-husk ash, including blending the ash in fertilizer and the production of construction blocks. Swiss-owned quality-inspection firm SGS Bangladesh serves as trainer/advisor to support and verify the certification process. The rice mills are motivated by achieving higher prices and increased export markets for their rice under this certification. "But what about the other mills that aren't certified," said a young owner whose family mill is participating in the initiative; will they continue to pollute? Plus, how does Prabriddhi moderate elite capture here and spread the benefits of the certification project? And what is the revenue model to sustain this work?



Box 9: Lead SGS Bangladesh executive on growing interest in ESG reporting

"ESG reporting has become a norm in leading industries in Bangladesh. RMG compliance managers are now trained and hired locally. Similar certification programs can help other cities and sectors like the rice kernel industry, jute, cotton, light engineering, and leather"

It is worth noting there are what could be called "second-generation" sustainability challenges. When Prabriddhi, appropriately, creates digital tools through which the municipality can generate revenue—through an online business registration platform, for example—such tools eliminate the informal benefits some staff received under the old cash system via tips and bribes. There may be a backlash, therefore, by some staff against digitalization in favour of a return to cash-based procedures. Municipal leaders will have to be vigilant to protect the gains made in this area. So, no doubt, will anti-corruption activists in civil society.

This type of second-order challenge may also surface in the private sector. Corrupt syndicates often control swaths of industry sectors. When Prabriddhi or other development actors provide technology, finance or training that enable entrepreneurs to grow and disrupt markets and supply chains, the syndicates may move to reassert control. The Prabriddhi team is aware of this risk and fully capable of understanding how to manage and respond to such countervailing actions by entrenched interests. It is, in a sense, the downstream price of success in LED.

The Shibganj regional campaign

In January 2025, prior to the MTR team's fieldwork, Prabriddhi implemented a regional campaign in Shibganj, a city from which it had exited from local LED work. Attended by representatives of nine municipalities in the area, the campaign comprised several key components: speeches by national and district leaders; a seminar on LED; a trade fair with 20 stalls that attracted 3,000 individuals and resulted in BDT 100,000 in direct on-site sales and BDT 4.5 M in committed downstream revenue; more than 500 visitors to municipal booths on conservancy, holding tax, and trade licenses; a research paper on the value of applying ultra-high density technology to local mango production and exposure visits to farmers who have successfully applied UHD; five e-commerce booths that attracted over 400 participants; a

business to business (B2B) corner involving seven participating companies; and competitions for women entrepreneurs and 100 students from six area schools. The event also drew extensive press coverage.

It is noteworthy that among the speakers at the event was the Director General of the Bangladesh Investment Development Authority, who committed to working with BIDA's leadership to mobilize investment in the mango processing industry in the district (see the Box below). Agro processing is one of the Authority's priority sectors. Prabriddhi must hold BIDA to this commitment and solicit its engagement and support to activate investment in promising sectors in other partner cities, as well.

By all accounts, the Shibganj regional campaign was a success. Its creative combination of activities did much to enable important peer learning about the Shibganj LED experience and achievements by other municipalities in the area. It also facilitated peer learning among UHD-adopting farmers and other farmers who could become potential adopters. At the same time, the Shibganj regional campaign provided a showcase through which to engage senior leaders at the national level (e.g. BIDA) and re-engage district leaders on-site. Clearly, the regional campaign model requires considerable staff preparation time and resources to support local activities, but it is one that can and should be replicated widely in the future.

Overall, the MTR finds that the regional campaign initiative is an excellent approach to advance, replicate and sustain local economic development in a geographic cluster of municipalities. The mix of activities forming the campaign is creative, energizing and instructive for participants. We fully endorse the further use of regional campaigns in Bhairab, Bogura, and Jashore in 2025 and in other partner cities during a possible extension of Phase 2 in 2026-2028. Indeed, the regional campaign approach is an appropriate exit and hand-off instrument in cities where the local LED cycle of work has been completed.

One limitation of the approach in Shibganj, however, was the absence of women at the leadership level. In a photo carried by the press of about 50 key stakeholders involved in the campaign, for example, only one person was female, and she was a Prabriddhi staffperson. In fact, not only the images, but the de facto reality of the leadership of the Shibganj campaign were overwhelmingly male-dominant. This is not an easy or simple issue to address, of course. But Prabriddhi must do more to insist on women's representation in the leadership of this type of very public event, especially in visible roles such as giving speeches and launching activities. It is not good enough to let patriarchy rule unchallenged. It is essential for local women and girls to see themselves as potential leaders in the future.

Box 10: Chief Scientific Officer of Chapainawabganj District on UHD technology for mangoes

"Shibganj's pioneering use of advanced UHD technology in mango production is exemplary. Not only has it increased production, but the region has also made significant strides in establishing an effective marketing process, creating opportunities for year-round mango exports and expanding the global export network**"**

Box 11: BIDA's Director-General at the Shibganj regional campaign

"BIDA is committed to digitalizing the foreign investment process, allowing investors to engage in the local economy from abroad without visiting. BIDA's recent 19 high priority sectors for heat map showcases potential for agro processing & Chapainawabganj District has potential for mango processing which many of you has shared with me personally. I will convey this message to BIDA leadership for investment in this region**"**

3.7 Impact

The logical framework for the Prabriddhi Program states the ultimate impact sought by the programme as follows: "Municipalities are more capable and responsive to the needs of private businesses and support farmers, non-farmers entrepreneurs, and workers to increase their income". The logframe proposes a set of indicators to measure this impact, including the number of beneficiaries, net additional income, additional funds for LED, and additional municipalities selected by LGD for replication (see Annex D).

While it is relatively early to expect Prabriddhi to have generated substantial impacts on these indicators, some data are worth noting from the cities the MTR team assessed most closely. For example, the programme estimated that the installation of CCTV surveillance cameras at the Bhairab market was associated with net additional income of BDT 41.5M (CHF 348,000) for 1,330 entrepreneurs (2% women) and 3,100 citizens (15% women) and BDT 4.25M (CHF 35,400) for 1,440 workers (none of whom were women) from nearly 10,000 additional labour days.

In Jashore, where Prabriddhi has worked with local businesses and NGOs to strengthen the local embroidery sector, known as Jashore Stitch. Here, the programme reported tht 30 women entrepreneurs whose skills were enhanced and who themselves became trainers in marketing, product quality and design, earned combined additional income of BDT 12.2M (CHF 110,600) while 2,020 women artisans in the area who received training collectively earned additional income of BDT 1.79M (CHF 14,390).

The MTR review team judges these and other reported impact results to be both credible—that is, prudently calculated—and promising in their directionality. The entrepreneurs, workers, and artisans supported in the two cities can reasonably be expected to build positively on this progress in earning additional income in future years, contributing more to the local economy and to the stability and quality of life of their own households.

Yet a steady upward trend in additional income by project participants is not a given. Experience elsewhere indicates that the achievement of such impacts is difficult to sustain. In Indonesia, Swisscontact implemented a decade-long LED project (2004-2014) in Nusa Tengarra Timur (NTT) that aimed to promote productivity and revenue from cashew, cacao and seaweed through the provision of business development, extension services and organizational capacity building in these value chains. In 2012, improvements in the livelihoods of cashew farmers receiving the project's services (the "treatment" group) were reported, despite price and income fluctuations due to seasonality.[6] However, three years later, an impact evaluation found only mixed results for treatment-farmer income compared with control-group households.[7]

Thus, while the Prabriddhi Programme is expected to close in mid to late 2025, Swisscontact and SDC could consider working with third parties (universities, institutes, or firms) to continue to study the trajectory of income earned by key project stakeholders over the long term and how they navigate obstacles and opportunities without the services provided by Prabriddhi.

[6] Y. Keraf, Flores Timir, LED-NTT Project, Swisscontact, 2012
[7] M. Pradham et al, Report of the Endline Evaluation of LED-NTT, Swisscontact Indonesia, 2015

3.8 Gender mainstreaming

On the one hand, the Swiss Agency for Development and Cooperation is one of the world's most sophisticated donors in formulating and executing progressive and appropriate gender equality and social inclusion (GESI) policies to guide its work. On the other hand, extreme patriarchal norms and practices dominate culture, governance and economy in Bangladesh outside Dhaka; systemic opposition to gender rights and equality is formidable and well-resourced. So, for projects like Prabriddhi, SDC's expectations and standards on the gender dimension are high while conditions on the ground are difficult, especially in most secondary cities and their surrounding districts.

The Swiss Federal Department of Foreign Affairs is clear that it promotes gender equality, women's rights, and women's economic empowerment as "essential elements of economic policy." In its 2017 guidance document on gender, the Department prioritizes interventions that, among other things, enhance women's economic opportunities and agency; engage the private sector to contribute to women's economic empowerment; and, in the public sphere, encourage women's participation in decision-making processes.[8] SDC's 2019 guidance sheet on gender, climate, and disaster risk reduction recommends livelihood interventions that reduce women's vulnerabilities but increase their economic options, such as access to clean, affordable energy.[9]

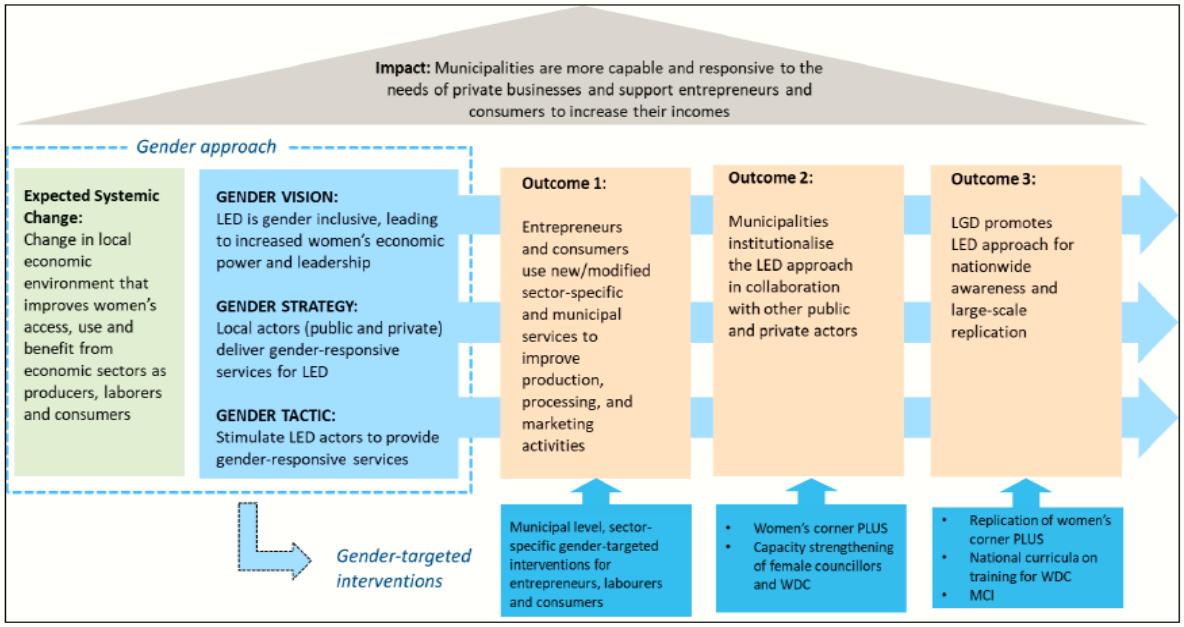
Yet, curiously, there are barely any mentions of gender and women in SDC's 2022 internal guidance document on managing LED projects, which focuses largely on territorial analysis, institutional stakeholders, and project management processes.[10] It may be that there is a broader issue of a failure to fully integrate gender into LED projects in SDC's global portfolio, though that is a question beyond the scope of this review.

Four years into the current phase, in 2024, Prabriddhi published its gender strategy. While the document was unnecessarily late in arriving, in our view, the quality of the strategy is strong. In fact, the consultants provide an excellent approach for the integration of serious gender vision, strategy and tactics into the programme's logic model. As Figure 3 shows, the document recommends that LED actors—public and private—be engaged through gender-targeted interventions for women entrepreneurs, laborers, and consumers; through the women's corner PLUS (including a business desk and business service providers), with women councilors,[11] and via Women's Development Committees; and national replications and training initiatives.

However, as appropriate and thorough as this approach is, to date there has been little evidence of robust adoption and execution of the strategy by Prabriddhi. Such underperformance on gender is disappointing as well as unacceptable for an SDC-funded programme.

[8] Federal Department of Foreign Affairs, FDFA Policy on Gender equality and Women's Rights, Bern, 2017
[9] SDC, Gender, Climate Change and Disaster Risk Reduction, Bern, 2019
[10] M. Jenal and M. Ruegg, Managing LED Projects, SDC, Bern, 2022
[11] It will be interesting to see what the Local Government Reform Commission of the current interim government recommends regarding the 30% quota of councillor seats for women in municipalities. Apart from the patronage and partisan dynamics in selecting women councilors during the previous regime, and the feeling by some women councillors that their positions were "ornamental" rather than functional, as the gender strategy notes, there may nevertheless be value in retaining the quota, especially in light of patriarchy's hegemony in most secondary cities.

Figure 3: Gender strategy and Prabriddhi's log frame



Source: Prabriddhi, Gender Strategy 2024

It is certainly true that Prabriddhi has taken innovative steps to advance women's interests in several of its municipal-level interventions, particularly through the women's corner initiatives in some participating municipal offices. For example, the programme reported that as of mid-2024, 3,100 women consumers and entrepreneurs used the Bhairab women's corner, a safe, orderly facility through which women can access municipal services. Moreover, Prabriddhi's support for the installation of CCTV cameras in that city's market rendered that commercial space much safer for nearly 30 women entrepreneurs and about 500 women consumers the first half of 2024.

Further, in Jashore, Prabriddhi partnered with the non-profit Rural Reconstruction Foundation in supporting the piloting of a course for the training of 30 women entrepreneurs in improved design and competitive marketing in the extensive local embroidery industry known as "Jashore Stitch." In turn, these women entrepreneurs became trainers, and some were appointed assessors by the government, a signal of their expertise. Notably, this training of trainers' course was adopted into the government portal by the National Skills Development Authority. In addition, also supported by Prabriddhi, a local NGO trained 3,000 artisans in the area in design and improved quality and production techniques.

Box 12: Jashore Stitch entrepreneurs on government certification
"Being NSDA-approved trainers, assessors, and entrepreneurs, we have experienced an empowering sense of dignity, respect, and recognition from society"

To be sure, these and other initiatives chart a path toward women's inclusion in local economic development, and the MTR team gives high marks to Prabriddhi for these efforts. However, there were many more lost opportunities across the project, horizontally and vertically, to do more. It was surprising that women were invisible in leadership roles in Prabriddhi's most advanced LED initiative: the regional campaign for peer learning in Shibganj carried out in early 2025.

At the national level, the Municipal Competitiveness Index says nothing about women's economic empowerment. Nor did the proposed communications strategy for the Municipal Association of Bangladesh. There isn't a single reference to gender or women's participation in the curriculum module for political leadership training prepared by NILG and Erasmus University, or in any of the other training modules. Also, there is nothing on gender or women in the programme's advocacy strategy of late 2024. Finally, there are only two professional women on Prabriddhi's own headquarters team; the programme could have recruited several more but chose not to do so.

In summary, therefore, and notwithstanding pockets of very good work, the MTR team judges Prabriddhi's performance on gender as unsatisfactory. It can, and should, do better. This imperative applies especially to the consolidation work planned for the remaining period of the current phase, through 2025.

Box 13: Capacity building of Jashore Stitch

Working with the NGO Rural Reconstruction Foundation, Prabriddhi supported the capacity building of 30 leading women entrepreneurs in Jashore's handicraft sector to improve product quality and innovation. RRF secured NSDA approval for its Level 2 training course, which was placed on the government portal. Adapting the main course, another NGO trained 3,000 women artisans in new skills in design, patterns, and colour combinations. The 30 entrepreneurs now run successful, growing businesses, accessing national and international markets for their improved products, and several have been appointed as government assessors, gaining professional respect as well as opportunities to further strengthen the industry. The core Jashore Stitch members are negotiating with the Municipality for a common space to house their products and a common website as well as seeking new national and international trade fair opportunities; after several false starts, they may try again to establish a formal sector association



3.9 Climate change and the environment

The Prabriddhi Programme has developed, with its local partners, leading-edge climate-related initiatives. Perhaps the most prominent of these is the effort by seven rice mills in Dinajpur, supported by SGS Bangladesh, to achieve ISO certification in environmental management by reducing pollution from rice husk waste, including using it in concrete blocks and fertilizer. ISO certification will enable participating mills to sell their rice as a verifiably environmentally friendly product. While there is still

much work to do on this initiative, the commitment of the owners of participating mills, and the expertise of the SGS team, are very positive factors that will help to optimize success.

A second notable intervention is Prabriddhi's work with the municipality of Bogura to strengthen that city's solid waste management system through improved waste segregation services for citizens. The Prabriddhi team projects that the municipality "will generate more revenue from selling waste to scrap dealers (if the business model operates as planned)". Planning was also undertaken in Bogura to introduce environmentally friendly infrastructure for the local market. The project has already renovated transfer stations for waste segregation. Currently, the campaign is ongoing and the results will trickle in from March 2025.

In fact, an earlier waste management initiative was supported by Prabriddhi in Bhairab to enable the collection, segregation and disposal of municipal solid waste produced by leather goods workshops in that municipality. To design and implement this pilot, the Programme partnered with Geocycle, the Bangladesh affiliate of the Swiss firm LafargeHolcim. As a result of this initiative, Prabriddhi reports, more than 900 metric tons of waste generated from the leather footwear sector in Bhairab have been removed and disposed of safely through a coordinated commercial model.

Notwithstanding this good work, however, Prabriddhi's approach to climate has generally been ad hoc and situational. Indeed, it is surprising that climate change and the environment do not explicitly feature more systematically in the Bangla LED model, especially in a country so vulnerable to extreme weather events and other climate threats. In contrast, building on their joint massive open online course on LED,[12] Prabriddhi's academic partner, Erasmus University, and the Institute of Social Studies jointly offer courses on what they term *SLED: sustainable local economic development*, exploring such topics as green cities, sustainable urban development, and urban management tools for climate change.[13]

Future iterations and adaptations of the Bangla LED model could, and should, more fully integrate the dimensions of climate change and environmental sustainability. Likewise, future climate interventions should be informed by lessons and experiences from the Prabriddhi Programme.

3.10 Comparative analysis

While the main purpose of this medium-term review is to assess the performance of Prabriddhi's against its own plans and interventions in Bangladesh, it is also useful to examine the programme and the Bangla LED model in the broader context of the theory and practice of municipal economic development internationally. In fact, the Prabriddhi team has actively engaged with UN Habitat and Erasmus University, particularly through the World Urban Forum (WUF), to develop international research and project collaborations.

In November 2024, the programme presented its model and experience to WUF 2024 with special reference to its work in Bhairab, particularly on digitalization, the women's corner, and CCTV security for the local market. The MTR team supports this outward dissemination trajectory that could produce not only project replication opportunities in other countries with other donors but also, through research, deeper knowledge about what works and what doesn't. Again, there is a need to streamline the model so that its scaled delivery can be cost-efficient in settings outside Bangladesh.

[12] https://www.ihs.nl/en/news/mooc-local-economic-development
[13] https://www.ihs.nl/en/education/short-courses/sustainable-local-economic-development

Indeed, future efforts to implement the Bangla LED model should be receptive to adaptation and integration of UN Habitat's work on local government finance and "own-revenue" strategies for municipalities; "her city" projects and tools for improved gender-equality outcomes in cities; the circular economy; clean transport; waste management; and other climate initiatives. Reciprocally, UN Habitat and other allies can, and should, facilitate the adoption into other municipal economic development interventions appropriate versions of the Bangla LED model's strengths in participatory planning, quick wins, public-private dialogue through LED committees, and sustainability strategies in the private and public sectors.

In general, it is time for the Bangla LED model to test itself in the broader world of independent knowledge and peer-reviewed comparative analysis—outside the self-defined "cocoon" of the SDC project framework. The model must be analytically resilient enough to persist in a world of competing projects and ideas on municipal economic development—and it is now "ready for prime time." For example, one jurisdiction about which there has been considerable peer-reviewed publishing on LED in cities is that of South Africa.[14] Another is Indonesia.[15]

It is the view of the MTR team that a stronger, a more intellectually robust body of knowledge on and around the Bangla LED model will, ultimately, attract new funding, perhaps in Bangladesh but even more likely in other geographies in Asia, Africa or the Americas. Among the donors that should be engaged with this better knowledge are FCDO/UK Aid, the Nordics, the EU,[16] Australia, Japan, the Rockefeller Foundation, and others.

4 Completed assessment grid (summary)

Annex F presents the completed assessment grid based on the findings of this mid-term review, which Figure 4 summarized. The completed assessment grid shows that, overall, the Prabriddhi Programme performed at a level rated between satisfactory and highly satisfactory. The programme was rated by the MTR as highly satisfactory on the criteria of relevance, coherence, and sustainability, and satisfactory for effectiveness, efficiency, and impact. However, the MTR rated Prabriddhi as unsatisfactory on Gender Mainstreaming, ad hoc regarding climate change and environmental sustainability, and found its model was expensive and slow to replicate. In its remaining time, the Prabriddhi team should formulate a more cost-effective LED model that can be replicated widely and rapidly by Local Government Division after the project ends in mid to late 2025.

[14] See, for example, Academia ; Sage Journals ; ResearchGage ; IJESSS
[15] ResearchGate
[16] See the EU's Mayors for Economic Growth Facility with UNDP

Figure 4: Analysis of assessment grid



5 Lessons learned

There are many lessons to be drawn from the Prabriddhi experience. Here are eight lessons worth noting:

1) ***Strategic partnerships yield dividends:*** Prabriddhi's design blending governance and economic development, and its effective implementation, benefited from skilled, thoughtful representatives of the key partners to the programme: SDC, Swisscontact and LGD who were committed to working together—and adroit in building additional partnerships with key local (mayors, councilors, municipal staff) and national stakeholders. Like all effective partnerships, these productive relationships were powered by trust, reciprocity and visible, shared benefits.

2) ***Effective model building is purposeful, adaptive, and learning- and results-oriented:*** The Swisscontact team, led by its senior management group, and supported by SDC and LGD, was very purposeful in building, testing and refining the Bangla LED model, learning from what worked and what didn't work, using MOUs to focus on results, and moving smoothly horizontally across municipalities and vertically between the local and national levels. Regular staff discussions sharing insights on projects-in-process, in real time, were crucial to this process.

3) ***Participatory planning, quick wins, public-private sector dialogue, and lead-sector amplification are strengths of the Bangla LED model:*** Stakeholder consultations, rapid economic planning, and special studies were valuable activities to understand the specific obstacles and opportunities in each municipality. Achieving quick visible wins—CCTV security cameras in a central market, a one-stop service centre in the municipal office, an online digital business registration platform—enabled the programme team and the LED committees to maintain credibility and momentum and then move on to the more complex work of spurring growth in lead sectors.

4) ***Multi-institution, multi-mode, and multi-level strategies for sustaining results are necessary and possible:*** The Prabriddhi team performed at a high level in developing and testing strategies for sustaining their results. For example, at the local level they supported skills training for

entrepreneurs and employees, the formalizing of industry associations, certification of industry standards, university-industry collaborations, and new tools for municipal revenue generation (e.g., digital business registration platforms). At the national level, the programme sought to sustain the advancement of LED through institutionalizing training courses for municipal politicians and staff, sharing knowledge across municipalities through social media platforms and in-person regional campaigns, investment mobilization, and legislative and regulatory reform through amendments to the Local Government Act.

5) ***University-industry partnerships can generate multiple, long-term results:*** Prabriddhi has facilitated productive university-industry partnerships that have engaged faculty members and students in technology innovation and new-knowledge production through research in key sectors like light engineering in Jashore and the leather industry in Bhairab. Universities are multi-generational institutions. These partnerships have engaged senior administrators and scholars, early and mid-career faculty members, and third- and fourth-year undergraduates. Many of these actors will continue to work with their industry partners to advance knowledge and innovation in key areas. One supplementary approach here would be the placement of more students in leading businesses in the targeted sectors, to enrich their learning and focus their contributions.

6) ***Cost-effective replicability matters***: As strong and creative as the Bangla LED model is, the Prabriddhi Programme did not do sufficient work to streamline the model and render it more cost effective for many more municipalities to replicate. There are more than 300 municipalities across Bangladesh which should benefit from the cases and tools generated by Prabriddhi. To be fair, until early 2025, it was presumed that there would be several more years of support, perhaps through a third phase, in which this streamlining and scaling up effort could be undertaken. But recent events have precluded that. Nonetheless, in the remaining months of the programme, the Prabriddhi team should accelerate their efforts to pare their model down to its essentials so that it can be rolled out widely by Local Government Division.

7) ***Gender mainstreaming must be addressed early:*** While the Prabriddhi Programme commissioned a strong gender strategy for the programme as a whole, it came too late and there was little time for the management team to thoroughly adopt and apply the strategy. It is true that the programme supported some strong initiatives to empower women in the economy, notably entrepreneur and artisan training in the embroidery sector in Jashore and in improved municipal services through women's corner projects. However, too many activities were undertaken with women on the margins or invisible altogether. SDC, Swisscontact and LDG are all responsible for Prabriddhi's underperformance on gender.

8) ***New ways of supporting SMEs should be considered:*** Prabriddhi learned much and gained new capabilities through its merger with B-SkillFUL, which prompted new engagements with individual entrepreneurs in leading sectors as well as more support for private service providers, such as local training institutes like the Academy of Information Technology in Cox's Bazar. However, even better results in supporting SMEs could be achieved by customizing BDS to the sector, stage and needs of each company, providing market access, mentorship, and innovative finance, and, especially, tying performance-based fees for BDS providers to revenues, growth, and/or investments. Plus, more technology companies, like iFarmer in the agriculture sector, could be engaged to enhance SME supply chains.

6 Extending Phase 2

Events in early 2025 have limited SDC's options for supporting an extension of Phase 2 of the Prabriddhi Programme. In January 2025, the Swiss Federation announced a general budget reduction across Switzerland's development cooperation programme and its decision to terminate its bilateral programme in Bangladesh at the end of 2028. In February 2025, SDC Dhaka substantially reduced the budget for Swisscontact's contract to implement Prabriddhi. While the Government of Bangladesh approved an extension of Prabriddhi through 2026, the Embassy of Switzerland cannot agree to this request. As of this writing, there are two options for completing the current phase of the programme, neither involving additional funding. The first is to terminate Prabriddhi in August 2025, the original end date of the programme. The second is a no-cost extension of Prabriddhi through December 2025. The second option, if financially feasible, would give all key players—SDC, Swisscontact and LGD—more time to consolidate gains, strengthen gender mainstreaming, streamline the Bangla LED model, finalize and hand-off all products and tools, and continue to advocate for reforms that would embed an LED mandate and personnel for local economic development. These options are currently under discussion among the parties.

Under different circumstances, the MTR team would have recommended that SDC and LGD support a fully funded, five-year third phase of Prabriddhi that focused on scaling and replicating a streamlined Bangla LED model across a larger number of secondary municipalities, with greater attention on gender equality and environmental sustainability and new ways of supporting SMEs. Such a follow-on phase could be supported by a different source of external funds, such as another bilateral donor or a consortium of local and international funders that might include foundations as well as development agencies and banks. It is worth the parties to Prabriddhi exploring potential new funding partners in the remaining months of the programme.

7 Conclusions and recommendations

7.1 Conclusions

The Prabriddhi Programme has demonstrated important strengths and achievements and has generated valuable interventions, innovations and tools for Local Government Division and municipalities to spur economic development in secondary cities. The Bangla LED model's deployment of participatory planning, quick wins, and lead-sector amplification, together with a variety of practical sustainability strategies, constitute a strong legacy that many more municipalities can and should build upon. Swisscontact and LGD should be very proud of what their collaboration has achieved through the Prabriddhi Programme. Much has been accomplished that can be built upon in the future.

In the remaining months of the Prabriddhi Programme, the priorities of the collaborating parties—SDC, Swisscontact and LGD—should be to consolidate the programme's gains and strengthen gender mainstreaming, streamline the model for replication by a larger number of municipalities, explore potential new funders, consider spinning off an independent a technical unit to accompany LGD on LED, and in all other respects carry out a responsible exit by SDC from the municipal economic development space.

At the same time, as Bangladesh progresses toward middle-income status and more bilateral programmes ramp down or exit altogether, it is essential that serious efforts be made by local and international actors to rapidly build a domestic philanthropy sector capable of complementing government tax and fee revenue by replacing some of the foreign funding that has supported key programmes in social and economic development in Bangladesh. SDC can play a role in animating a conversation toward practical action on this front.

Spinning off a new technical unit: Regarding spinning off a technical unit, in the remaining months of the project, it should be possible for Swisscontact, SDC and LGD to collaborate in designing a new institute or centre for sustainable local economic development (ISLED or CSLED) that would be constituted as a for-profit consulting firm or a non-profit organization with a small organizational footprint and compact team (e.g. 4-5 professionals plus support staff). This new unit and refreshed brand would mobilize the knowledge, lessons and contacts generated by Prabriddhi and provide technical assistance, training and studies in support of replicating a lean version of the Bangla LED model with greater focus on climate and gender.

The proponents would market the proposal to other funders to take the lead in establishing the new unit. Among foreign donors, this could include The Netherlands (with links to Erasmus University), Norway and other Nordics, Germany, the United Kingdom, Canada, and others. Perhaps SDC could task the new unit with a climate finance mandate. Local NGOs and foundations would be engaged to cover the operational expenses of the unit (salaries, sub-leased office space, etc.). And the unit would compete for consulting assignments in the broader development space, including requests for proposals issued by the World Bank, ADB, JICA and others.

In addition, Bangladeshi and international corporates would be invited to buy into the work of the institute through CSR grants and loans as well as interventions that would help grow the supply chains, market access and business expansion of local lead industries—and that also would benefit the bottom lines of participating corporations. Taken together, such a diversified approach to revenue generation for the new entity would require a very nimble and entrepreneurial leadership team.

Equipped with this blend of support, the proponents could then approach major institutions to consider hosting the new technical unit. Examples of potential host institutions might include BRAC, North South University, the University of Dhaka, or even a major management consulting firm. To be viable, each option would require one or more internal senior managers or faculty members to champion the new entity inside their institution. The proponents of the new unit would need to assess the overhead and other administrative costs to be charged to the new entity for being hosted as well as the likely resilience of internal institutional support for the unit over the next five to ten years. In general, once nested within a host institution, the new technical unit would be responsible for raising its own funds.

Streamlining the Bangla LED model: In the remaining months of Prabriddhi, Swisscontact, SDC and LGD should work together to streamline the Bangla LED model, including greater attention to climate and gender. In fact, the new lean model would be essentially the *Bangla sustainable local economic development (SLED) model* with a refreshed brand that could appeal to new international and local partners. However, the main purpose here is not new branding but rather to create a cost-effective, lean and widely replicable model.

In the view of the MTR team, the streamlining of the model is a fundamental priority for a responsible exit by SDC and Swisscontact from the Prabriddhi Programme. As such, a small task force of Prabriddhi

staff members should work with SDC and LGD representatives to create this lean model by August 2025 in both English and Bangla written formats and perhaps also in video form. Any materials generated by this taskforce must be written in an accessible style, and be actionable, for local government officials.

In terms of substance, the task force should determine the core elements of the model and how they can be reduced to their essence and applied at low or no-cost. Among these core elements are, in particular: participatory planning, establishing an LED committee of local entrepreneurs and officials, rapid economic planning, quick wins (notably online business registration platforms, one-stop service centres, CCTV at local markets, women's corners, technology innovations), entrepreneur and employee training, support to lead-sector businesses and associations, and university-industry linkages. To these and other elements should be added gender and climate action plans as well as national initiatives on LGD training with NILG and priority-sector investment with BIDA.

It would be ideal for the implementation of the lean version of the Bangla model to be driven by legal and regulatory reform to the Local Government Act, as advocated by Prabriddhi, that would provide for an LED mandate for municipalities, and LED desk and staff for each city administration, and access to a national fund run by LGD for local LED projects. In any event, the MTR team recognizes that even a streamlined model will require periodic technical support and backstopping. The spin-off technical unit proposed above could provide these services as could other local and international experts.

Deepening public-private partnerships: Considering recent cuts to the development cooperation budgets of the US, UK, Switzerland and other EU member countries, the public sector in Bangladesh must, where there are reciprocal incentives and rewards, deepen its partnerships with the private sector. For the streamlined Bangla SLED model, there is an opportunity to foster such partnerships by building on the experiences of Jashore Stitch, RRF, and the NSDA; light industry and JUST in Jashore; Bhairab footwear and ILET, and the Shibganj Mango Association; and well as the Shibganj regional campaign. Indeed, short, practical (and not overly triumphant) case studies of these projects can give government officials and corporate decision-makers alike an understanding of how to advance their common interests.

Furthermore, to attract corporate support for such initiatives in additional cities, there must be a payoff for corporates in, for example, gaining access to new markets, supply-chain efficiencies, increased supplier productivity and product quality, and upgraded skills in the workforce and among entrepreneurs. Forging private-public partnerships at the meso-level of industry associations and lead sectors can be an effective approach to operationalizing a lean SLED model going forward. This route also should open opportunities for BIDA to animate external investment in growing local industries.

Sustaining the sustainability strategies: As the MTR has noted, Prabriddhi has developed and refined a diverse menu of strategies for sustaining the methods and results of the Bangla LED model. These strategies include *skills training* for local stakeholders, *institutionalizing courses* through national organizations, *digital platforms*, support for *industry associations*, industry standards *certification,* incubation of *local service providers*, raising *citizen awareness, university-industry linkages, regional peer-learning campaigns,* and *legal reform*.

It is difficult to judge the extent to which these strategies will themselves be sustained once the Prabriddhi Programme has been terminated. Many Local Government administrative officials, who regularly rotate across different municipalities, have been exposed to these strategies and generally understand how they work in practice. Knowledge and awareness have been established. Assuming that

political and economic conditions can be navigated reasonably well over the next five to ten years, and that some modest project funding can be raised by LGD and its partners to support a small team of external technical advisors to animate new SLED interventions and backstop ongoing activities, it is likely that these strategies can be extended and replicated.

However, if extreme political or economic conditions were to bring the country to a standstill, Local Government officials and corporate managers would necessarily default to carrying out only the most basic of their responsibilities, effectively sidelining work on SLED. And, even in a relatively stable policy environment, without some "pump-priming" funding to facilitate lean SLED initiatives in new cities, it will be challenging for the key players to bring the streamlined model to life. Accordingly, it would make sense for the Prabriddhi team to develop a minimum budget (say $500,000 to $1 million) to serve as this pump-priming money that would enable new SLED activities to replicate select sustainability strategies in new cities. This funding could be provided by external donor agencies and foundations, international and national corporates, plus local NGOs, foundations and high net-worth individuals and families.

7.2 Recommendations

Considering the findings of this medium-term review of the Prabriddhi Programme, and the current budget situation,[17] the review team recommends that:

To the Swiss Agency for Development and Cooperation

1) SDC approve, if funds permit, an extension of Phase 2 of the Prabriddhi Programme through December 2025.
2) SDC work with Swisscontact and LGD to formulate a work plan for the remaining time on Prabriddhi that would:
    a) Consolidate the programme's gains to date and strengthen gender mainstreaming.
    b) Streamline the Bangla LED model so that it is cheaper and faster to implement.
    c) Consider spinning-off an independent, high-skill technical unit—to be housed in an NGO, foundation or university—to support LGD and other government agencies to advance LED.
    d) Engage other donors and partners that could step up post-2025 to support LDG in scaling up a streamlined Banga LED model.
    e) In all other ways ensure a responsible and transparent exit by Switzerland from the municipal economic development space.
3) SDC animate a conversation among development partners on ways and means of strengthening the organizational and regulatory capacity of the domestic philanthropy sector in Bangladesh.

To Swisscontact

4) Swisscontact develop new and separate project proposals to SDC and other donors and government agencies to scale in climate and humanitarian assistance (areas which Switzerland will continue to fund in Bangladesh) that build on lessons learned for the role of local

[17] On February 2025, the MTR team was informed that SDC management in Dhaka had decided to reduce Swisscontact's contract to implement Prabriddhi by CHF 1M, effectively eliminating the possibility of an extension beyond 2025

governments from Prabriddhi. The MTR team understands that the climate proposal is underway.

To Local Government Division

5) Local Government Division endorse the package of reforms advocated by the Prabriddhi Programme for the Local Government Act to be amended to include an LED mandate for all municipal governments and the requisite budget and permanent posts (at least one LED officer), access to the Bangladesh Municipal Development Fund for key LED projects proposed by municipalities, as well as an LED capacity building program and a national LED knowledge sharing hub.

8 Further information

For further information, please contact:
Dr. Edward Jackson, President
E. T. Jackson and Associates Ltd.
117 Crichton Street, Apartment 1
Ottawa Ontario K1M 1V8 Canada
Tel: +613 296 9934 (Mobile, WhatsApp)
E-mail: edward_jackson@etjackson.com

Annex A: Documents reviewed

SDC reports

SDC Guidance Note on Local Economic Development, 2018, 2022
Managing LED Projects, 2022
Swiss Cooperation Program Bangladesh, 2022-2025
SDC Gender Policy Note, 2017
SDC Governance Policy Guidance, 2020
SDC Policy on Democratization, Decentralization and Local Governance, 2016
SDC Governance Programming Evaluation, 2014
Bangladesh LDC Graduation Plan and Documents
SDC Evaluation Reports on LED Projects

Prabriddhi project documents

Annexes to ProDoc 2019
Annexes to ProDoc 2020
RTAPP, 2022
Addendum to ProDoc 2023
Semester reports, 2021, 2022, 2023, 2024
Annual reports, 2021, 2022, 2023, 2024
Gender mainstreaming reports, 2023, 2024
Prabriddhi Gender Strategy, 2024
Prbriddhi Advocacy Strategy, 2024
Review of Merger Status of Prabriddhi+, 2024
Safronova, V. et al, Impact Inspirations, 2024
Bisseger, P., Reflections on MTR and Potential 3rd Phase, 2024
Prabriddhi, Review & Pitch for Regional Campaign-Final, 2025.
TBSNews, Shibganj's mango sector drives regional growth, January 14, 2025.
Prabriddhi, Advancing Local Economic Development in Bangladesh: Opportunities and Recommendations, Dhaka, 2025.

Reports for participating cities

Bhairab
Bogura
Cox's Bazar
Dinajpur
Jashore
Kishoreganj
Kushtia
Laksham
Shibganj: plus Krylova et al, Shibganj case study, 2024

National documents

Concept Note, Collaboration with BIDA to develop the MCI, 2022
Concept Note, Collaboration with NILG for developing LED training program and toolkit, 2023
Concept Note, Collaboration with MAB to develop a virtual platform for LED, 2023

Other donor reports

World Bank Group
United Nations Habitat

Peer-reviewed publications

Urban studies, Local economy, Local governance finance

Annex C: General interview protocol

Name of Interviewee: _____

Date of Interview: _____

INTRODUCTION

Thank you for agreeing to be interviewed for the mid-term review of the PraBriddhi Programme commissioned by the Swiss Agency for Development and Cooperation (SDC). We appreciate your taking time to assist us with this assessment.

Objective of the Mid-Term Review

According to its terms of reference, the objective of the mid-term review is "to conduct a pulse check of how the programme is tracking with implementation, especially considering the current 'post' pandemic context and reaffirming whether the current approaches are fit for purpose or requires modifications to achieve the desired goal of the programme. The ground realities, lessons learnt and findings from review will assist to inform Switzerland's decision-making process in taking the programme forward, especially in planning the next phase."

Informed Consent

All your responses to the questions that follow will be treated in the strictest confidence. All interviewee responses will remain anonymous in our reports and briefings. You may choose not to answer any question. If you agree, we would like to take notes on your responses, but we will not record this interview electronically.

RELEVANCE

a) Assess the relevance of the programme, within the current context in Bangladesh, Switzerland's portfolio and other donor initiatives

b) Assess the relevance and effectiveness of the programme's strategy and approaches for the achievement of the objectives

c) To what extent does the programme align with the identified needs and priorities of the participating municipalities, key stakeholders, and beneficiaries?

d) To what extent is the LED approach consistent with the broader goals of the Local Government Division and the government's development agenda?

e) What adjustments, if any, were made to the programme activities and modality in response to the new priorities of the government and other stakeholders?

f) Is the programme contributing to creating systemic change in the field of local economic development in Bangladesh?

COHERENCE

a) How does Switzerland complement other interventions on local economic development in Bangladesh?

b) How well did the interventions within the programme fit with each other?

c) Are there mechanisms in place to coordinate and share information within the programme to ensure coherence and evidence-based decision-making?

d) Are there mechanisms in place to coordinate and share information with other organizations working on similar objectives or locations?

EFFECTIVENESS

a) To what extent have the objectives been achieved or are likely to be achieved?

b) What were the key factors that contributed to the achievement or non-achievement of the objectives?

c) What evidence is there to demonstrate the impact of the programme on income generation (individuals and municipality), employment creation and other KPIs?

d) How effective was the programme in engaging and building the capacity of key stakeholders, including municipalities, local businesses, and government partners?

e) What mechanisms are in place to ensure ongoing collaboration and effective communication among stakeholders (e.g. mayors, municipalities, central government)?

f) What could have been done better to improve the effectiveness of the programme in achieving its results?

EFFICIENCY

a) Critically review the programme (a) structures and resources (management, monitoring, steering, coordination); (b) systems and policies and (c) monitoring system

b) How efficiently has the programme utilized financial resources, including funding from Switzerland, the Government of Bangladesh, and other partners?

c) Is there an alternative approach, at a lower cost, with similar results to promote local economic development to achieve the same or similar results?

d) Are there any bottlenecks or delays that have impacted the efficiency of programme implementation?

e) Are the interventions cost-efficient in achieving their outputs and outcomes?

f) Is the current administrative setup of the programme suitable for the nature of the intervention?

SUSTAINABILITY

a) Assess to what extent the current and/or likely positive results will be continued beyond the end of the external support

b) Are there mechanisms in place to transfer knowledge and skills to local actors (institutions and communities) to ensure the sustainability of the programme's activities? (Capitalization)

c) Did programme design include an approach for scaling up and how has this been implemented?

d) What measures were adopted to ensure that the results achieved would continue after the programme ended and without Swisscontact's further involvement? (Micro-Meso-Macro)

e) To what extent is the programme integrated with other government initiatives at the national and municipal levels (Replicability)?

1) Are there any opportunities to attract support from other donors and/or financial contributors?

IMPACT

a) What are the intended and unintended effects of the interventions, including the effects on the beneficiaries and others?

ADDITIONAL COMMENTS

Please add any *other comments* or observations that you would like to make.

RECOMMENDATIONS ON PERSONS AND DOCUMENTS TO CONSULT

a) Are there *other individuals* whom you would recommend we consult for this mid-term review (including email, telephone coordinates)?

b) Can you recommend any specific *documents or links* that should be reviewed for this study?

THANK YOU

Thank you very much for taking the time to speak with us. In mid-2025, the Embassy of Switzerland in Bangladesh will make available a summary of the findings of this mid-term review.

We wish you every success in your work.

Dr. Edward (Ted) Jackson (edward_jackson@etjackson.com), Consultant (Tel/WhatsApp: +613 296 9934) (Ottawa, Canada)

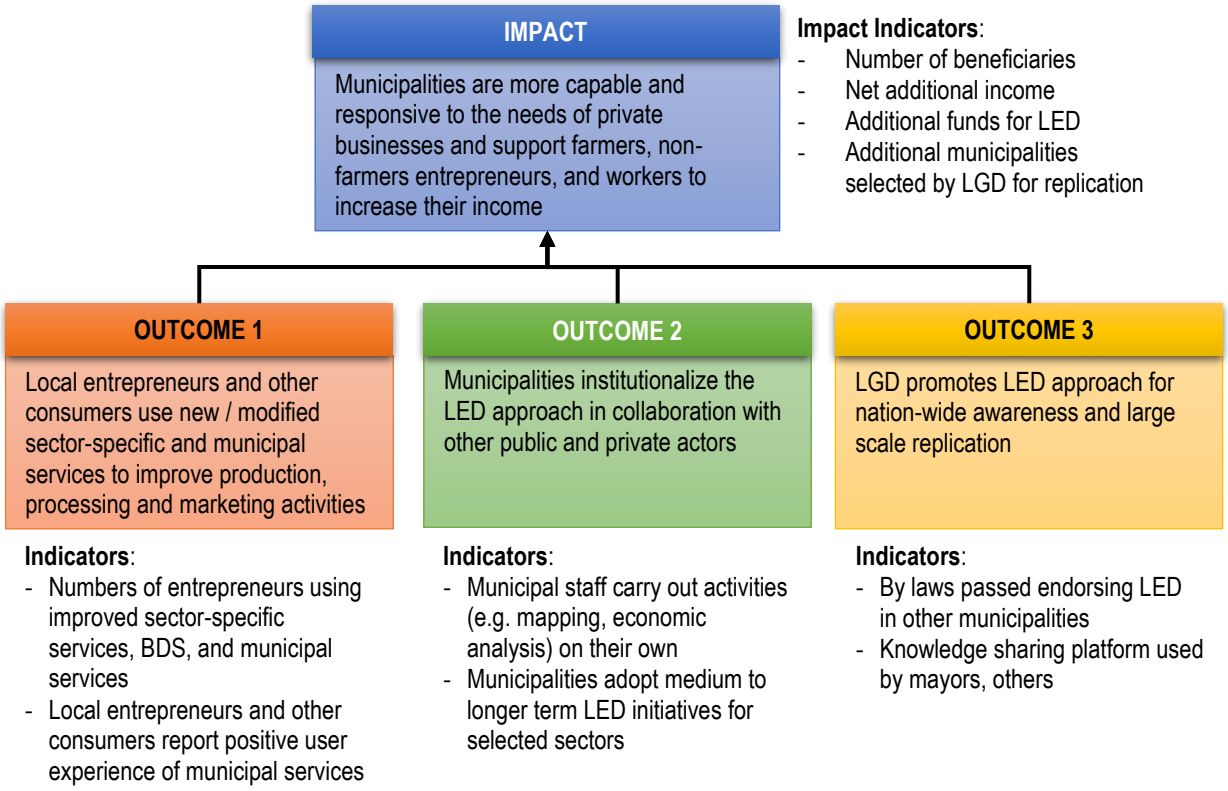
Annex D: The Bangla LED model

D1 Logical framework

Figure D1 presents a simplified version of the logical framework of the Prabriddhi Programme. Overall, the framework is logically coherent, with focused indicators, and provides a visually accessible tool for reporting on progress at the levels of cities and types of stakeholders (e.g. entrepreneurs, consumers, workers, officials, etc.). Further, the reporting on municipal -level progress toward outcome and even impact results is thorough, detailed and textured—and clearly a strength of the project. Rolling data on net additional income realized by municipalities, entrepreneurs and workers are important indicators of the intervention's progress.

For its part, Outcome 3 focuses on Prabriddhi's national-level work. From its initial review, however, the MTR team is not clear on where reporting on progress on its collaboration with BIDA and its work on the Municipal Competitiveness Index is situated within the logframe. If this perception is accurate, the MTR team will assess whether an amendment to the framework is required to accommodate reporting on these or other national-level activities within the programme.

Figure D1: Prabriddhi logframe

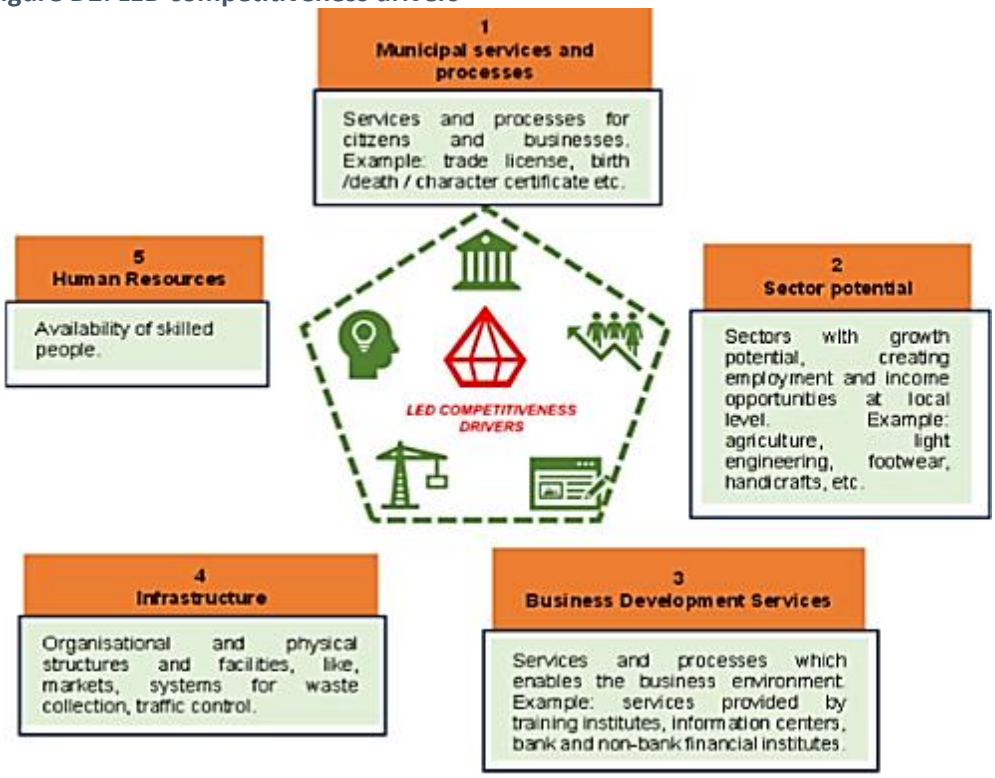


Source: Prabriddhi, 2024

D2 Theory of change

Figure D2 depicts the drivers of competitiveness in the Bangla LED model. The combination of the logframe plus this schema of factors effectively defines the theory of change being implemented by the Prabriddhi Programme. The MTR team will interrogate and refine this ToC as the review proceeds.

Figure D2: LED competitiveness drivers

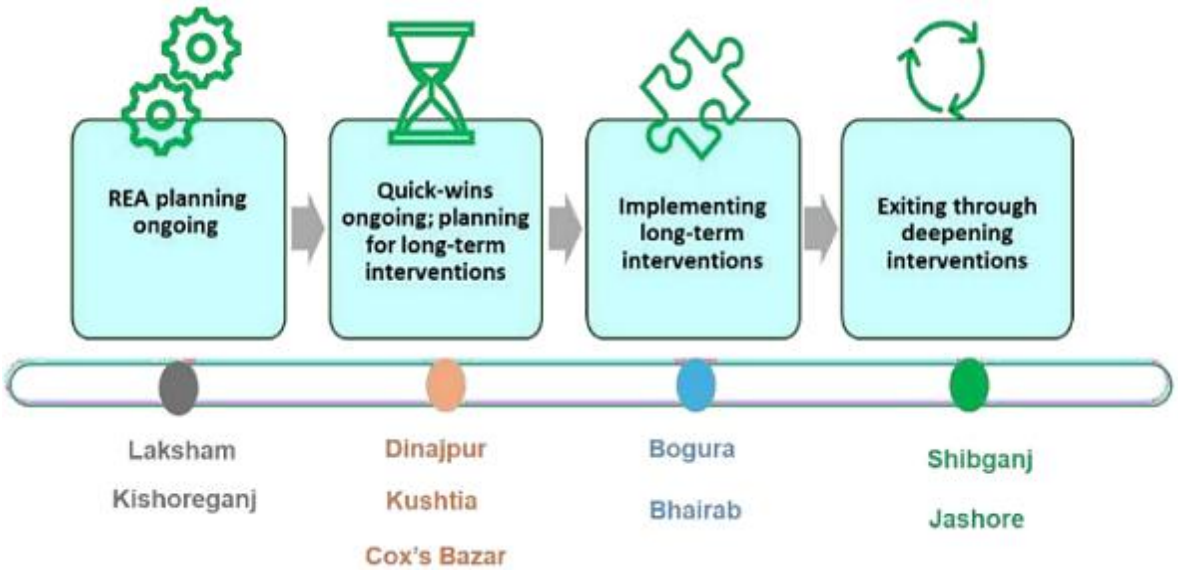


Source: Prabriddhi, 2024

D3 Classification of participating cities

The Prabriddhi Programme classifies its nine participating cities according to the stage each has achieved in adopting the Bangla LED model. Figure D3 presents that classification as of June 2024. Two new cities have come on stream and are engaged in rapid economic appraisal exercises. Three cities are working on quick wins and planning long-term interventions. Two cities are implementing long-term interventions. And two cities are exiting the programme while deepening their interventions.

Figure D3: LED process in the municipalities where PRABRIDDHI worked in 2024



Source: Prabriddhi, 2024

Table D1 presents additional information on the nine municipalities, including the Division in which they are located, their population, their programme activities, and the logistics involved in travelling to each city. For the purposes of this Work plan, the MTR team is interested in undertaking field visits in the second half of January 2025 to Bhairab, Cox's Bazar and Dinajpur, and perhaps a fourth city. The MTR team will work with the Prabriddhi team to refine this plan.

Table D1: Prabriddhi Participating Cities, 2024

City	Division	Population	Status	Activities
Bhairab	Dhaka	261,000 (2022)	Long-term interventions	OSSC, Footwear, Women's Corner
Bogura	Rajshani	486,000 (2022)	Long-term interventions	Light engineering, Solid waste
Cox's Bazar Upazilla	Chittagong	417,000 (2022)	Quick wins	Tourism strategy
Dinajpur	Rangpur	212,000 (2022)	Quick wins	ESG in rice mills
Jashore	Khulna	3,000,000 (2022)	Exiting / LED Fund	Light engineering, Handcrafts
Kishoreganj	Dhaka	3,268,000 (2022)	New city	REA planning
Kushtia	Khulna	2,000,000 (2022)	Quick wins	Mini-garments (not prioritized), ICT, Light engineering
Laksham	Chittagong	334,000 (2022)	New city	REA planning
Shibganj	Rajshani	591,000 (2011)	Exiting / LED Fund	Mango sector, Solid waste

Source: Prabriddhi, Government of Bangladesh, 2024

D4 Antecedents and inspirations

According to the Prabriddhi Programme: "Successful local economic development (LED) models in European and Asian countries have demonstrated the transformative impact of empowering local stakeholders to drive growth. In Europe, initiatives such as Germany's Mittelstand approach have focused on fostering small and medium-sized enterprises (SMEs) through targeted support, innovation

incentives, and vocational training, contributing significantly to national economic resilience. In the Philippines, the Local Government Code of 1991 empowered local governments to design and implement development plans tailored to their communities' unique needs. This decentralized approach has enabled targeted investments in agriculture, tourism, and small enterprise development, enhancing local economic opportunities and improving livelihoods. These examples highlight how empowering local stakeholders can contribute to inclusive and robust economic growth."

Furthermore, reports Prabriddhi: "In Bangladesh, the Prabriddhi project has provided valuable insights and successful models for enhancing local capacities in selected municipalities. Through its practical interventions and targeted designs based on the renowned economist Micheal Porter's economic drivers model, the project has demonstrated how municipalities can effectively drive and implement LED strategies."

Porter's five drivers of competitiveness[18]

Harvard business professor Michael Porter's five forces of competitiveness, first published more than 45 years ago, are as follows: the bargaining power of buyers; the bargaining power of suppliers; the threat of new entrants; the threat of substitute products and services; and rivalry among existing competitors. This framework is especially useful in assessing major companies and growth sectors. But apart from the fact that the Bangla LED model employs five (very different) drivers, and focuses on competitiveness, any substantive relationship to Porter's five forces is unclear.

D5 Definition and main features of LED

After six years of on-the-ground experience testing and refining its model, Prabriddhi defines local economic development in this way: "LED is a locally owned, participatory approach to economic development aimed at creating competitive regions where businesses thrive, investments flow, and residents enjoy improved living standards. It integrates public, private, and civil society efforts to leverage local resources and comparative advantages." Prabriddhi argues that LED matters for Bangladesh because it addresses regional disparities, strengthens municipalities to facilitate economic development, and contributes to achieving the SDGs.

The programme highlights the main features of its LED model as follows:

1) Integrated training and institution building.
2) Participatory analysis of the key drivers of municipal economic development.
3) Pooling of local resources.
4) Pilot initiatives demonstrating tangible and long-lasting benefits for municipalities.
5) The Bangla model provides a context-specific framework to assess the unique challenges and opportunities of each municipality.

D6 Recommendations to integrate LED into the local government system

In the MTR team's view, even if Phase 2 of Prabriddhi is extended beyond 2025, the programme team must ensure, prior to the programme's ultimate termination, that the Bangla LED model, its lessons,

[18] See M. Porter, The Five Forces of Competitiveness, Harvard Business School, 2016 https://www.isc.hbs.edu/strategy/business-strategy/Pages/the-five-forces.aspx

cases, tools, and functions are embedded in local government legislation, practices and capacities at both the local and national levels.

It is important to note that the Prabriddhi team has recommended to the Local Government Reform Commission of the Interim Government a package of actions that include amending the Local Government Act to assign LED responsibilities to municipalities, establishing standing LED committees in all municipalities, and introducing a dedicated LED department and at least one LED staff position (LED Officer) in each municipality. Further, the Prabriddhi team recommended to the Commission additional measures to embed and sustain the LED model, including granting direct access for municipalities to submit LED proposals to the Bangladesh municipal development fund, launching a national LED capacity building program, and establishing an LED knowledge hub to share best practices, cases, tools and other resources.

Annex E: The B-SkillFUL merger

1. Introduction

In 2022-2023, another SDC-funded project managed by Swisscontact, B-SkillFUL, was merged with Prabriddhi, creating what was called Prabriddhi+. The merger brought new capacities to the Prabriddhi Programme, including in the areas of workplace-based training (WBT) and business development services (BDS) as well as additional contacts and experience in Dinajpur, Bogura, and Jashore.

2. Background

According to B-SkillFUL's original website, the project sought "to improve the well-being of disadvantaged men and women by enhancing their access to the labor market, increasing incomes, and safeguarding labor rights. With around two million people entering the Bangladeshi workforce annually, most join the informal sector, which accounts for 80% of jobs but is plagued by unsafe working conditions, exploitation, and limited awareness of legal frameworks and decent work practices. While awareness of these issues has improved slightly, particularly after incidents in the handmade clothing sector, decent work practices remain largely confined to the formal sector."

3. Pre-Merger-Phase I (2015-2020)

The first phase of B-SkillFUL was undertaken in 2015-2020 as a separate project managed by Swisscontact. Achievements for that initial phase highlighted by the project team included: "Over 40,000 men and women trained, with 70% placed in gainful employment." In terms of earnings, "96% of employed graduates earned BDT 5,000 or more monthly." And women constituted 55% of the target population, which also included ethnic and religious minorities and persons with disabilities. The geographic focus of Phase I was Dinajpur, Joypurhat, Bogura, Tangail, Gazipur, and Jashore.

4. Phase II (2020-2024)

Running from 2020 to 2024, the second phase of B-SkillFUL prioritized three areas of work: Enhancing the productivity and competitiveness of small and medium-sized enterprises (SMEs); delivering workforce training to 13,000 workers; and supporting key growth sectors, notably furniture, light engineering and leather goods. During Covid-19, the project developed customized solutions for SMEs to address their technical and management challenges, diversifying their markets, and ensuring safe working conditions. By mid-2024, on-site workplace-based training had been delivered to about 7,250 workers across 22 occupations and more than 400 MSMEs had been provided with business development services in finance, markets and skills training, with nearly 200 receiving both WBT and BDS.

This work demonstrated important gains and innovations. BDS improved financial linkages, digital branding, and quality control. Gender inclusion efforts encouraged women's participation in traditionally male-dominated sectors. And WBT enhanced skills and income. However, it had limited long-term impact for MSMEs unless owners retained trained workers. It was found that the model's scalability hinges on demonstrating clear business benefits to MSMEs and encouraging them to invest in upskilling efforts while implementing retention strategies for trained workers.

5. Merger with Prabriddhi

Focused on local economic development (LED) in secondary cities, Prabriddhi sought through the merger to integrate B-SkillFUL's enterprise-level approach to enhance support for MSMEs. The merged entity, Prabriddhi+, added cross-sectoral BDS, financial linkages, and digital marketing; leveraged overlapping sectors like light engineering and footwear for deeper impact; and integrated insights from WBT and BDS to strengthen interventions and inform national policies. With these newly combined strengths, Prabriddhi+ sought to improve MSME competitiveness through comprehensive support; sustain local development through collaboration with local authorities; and generate broader national impact through evidence-based policy anchored in both municipal and enterprise experience.

6. Post-Merger Activities

Prabriddhi+ has sought to build on the merger through four key focus areas:

1. *Incorporating B-SkillFUL knowledge*: Prabriddhi+ has utilized enterprise-level insights from B-SkillFUL (e.g., OHS, marketing, financial literacy) to design better interventions, such as skills development for the Bhairab footwear sector. This knowledge base has also informed Prabriddhi+'s decision to work more with individual entrepreneurs.
2. *Leveraging strategic partnerships:* Transferred successful partnerships like SGS Bangladesh for ISO certification but faced challenges in localizing BDS service delivery due to service providers being Dhaka-centric and affordability barriers for MSMEs. Without subsidization, it remains an underdeveloped business case for leading sector players like Light Castle, Truvalu, and others.
3. *Strengthening supply chains and BDS:* Prabriddhi+ has implemented market linkage models, technology upgrades, and digital marketing initiatives to bolster SME competitiveness. It facilitated light engineering enterprises in Bogura to supply agro-machinery to the Chars region and supported the upgrading of technology in footwear production in Bhairab via local collaborations. Further, Prabriddhi+ strengthened distribution channels for SMEs through partnerships and digital platforms like iFarmer.
4. *Exploring conditional support:* This stream of work concentrated on gender inclusion, workplace-based training for green business models, and supporting women entrepreneurs as BDS providers in sectors like IT freelancing, tourism, and processed food at the micro and meso levels.

7. Assessment of the merger

In this section, we present observations from our assessment of the status of the merger and point to possible directions that could strengthen the effectiveness and impact of this work.

Overall assessment of the merger of B-SkillFUL into Prabriddi to form Prabriddhi+: The MTR team rated the effectiveness of the merger of B-SkillFUL into Prabriddhi to form Prabriddhi+ as follows:

- Incorporating B-SkillFUL knowledge ***Satisfactory***
- Leveraging strategic partnerships ***Satisfactory***
- Strengthening supply chains and BDS ***Unsatisfactory***
- Exploring conditional support on gender and climate ***Unsatisfactory***

The MTR review found that market access remains a major gap even for the exit municipalities of Shibganj, Bhairab and Jashore. And gender and climate-focused interventions were minimal; more could be done in these areas by working with key service providers—notably Truvalu, LightCastle Partners, Sajida Foundation, and YY Ventures—to enhance effectiveness.

What worked: Post-merger, three areas worked well, in the MTR team's view: Focusing on local market development through municipalities; access to general BDS (rather than technical or specialized business development services); and engaging with private industry associations to work with municipalities and the local public sector.

Areas to improve: The MTR team identified three areas for improvement following the merger. First, ***business development services*** should be designed and delivered in ways that are specific to the stage of the business supported, including engaging complementary sectors like light engineering and agriculture. Further, BDS should not be provided for free. Instead, service fees should be tied to outcomes (e.g. % of incremental revenues, % or volume of funds raised) and a minimum upfront fee that is affordable. More technical or professional BDS should be provided to entrepreneurs, including leadership training, communications, investment readiness, and impact management.

Second, efforts to increase ***access to innovative finance*** should focus on mid-sized companies with revenues of USD 100,000 to 500,000. (Survival rates for early stage enterprises in Bangladesh are very limited). This type of support should work with pan-Bangladesh BDS providers who have access to market and finance programs, such as Sajida, Truvalu, BRAC, and others.

And third, to increase ***market access*** for peri-urban and rural entrepreneurs with limited access to export markets, BDS activities should work with large private sector actors and BIDA. In this sphere, too, cross-sector linkages can be fostered, assisted by technology companies such as iFarmer and Chaldal.

Lessons learned: Two lessons arising from the merger with B-SkillFUL are worth noting here:

1) In building more competitive value chains and increasing access to markets for lead sectors in mid-sized cities, it is possible to bypass middlemen and syndicates controlling sectors by working with proven technology start-ups rather than creating new e-commerce platforms or digital marketplaces.
2) BDS support should be sector-specific, customized, technical and delivered through meso level actors like industry associations and university partnerships. Moreover, BDS should focus on SMEs with a revenue threshold of USD 100,000 to 500,000 to maximize sustainability and employment generation.

E1 Incorporating B-SkillFUL Knowledge in BDS

Observations

Workshops and knowledge harvesting: Prabriddhi+ utilized B-SkillFUL's enterprise-level insights, particularly in Organizational Health and Safety (OHS), marketing, financial literacy, and management skills.

Possible directions for B-SkillFUL knowledge incorporation

Customization of BDS: BDS is limited to marketing, financial literacy, and management skills. Not only are the scopes limited, but they are defined as generic. However, this should be customized (specific to the sector, stage, and need of the company) e.g. Jashore STICH highlighted their need for leadership training, masterclasses on business growth, and market access. Prabriddhi can work with B-Briddhi certified service providers on tackling limitations who have a national and local presence, e.g. Truvalu Enterprises and Sajida Foundation.

Incorporate market access into BDS: There are limited provisions for market access linkages that address challenges for companies at different stages. MSMEs can benefit from working with complementary private partners while also integrating vertically. For example: Bhairab Footwear Association SMEs setting merchant accounts with E-commerce brands like Daraaz. Shibganj can be an example in the process: mango farmers integrating with Chaldal/iFarmer (a good initiative that already saw results) but also with large food processing companies (AKIJ Food & Beverage, PRAN, etc.). The Shibganj municipality campaign did bring in large private actors this January 2025 and would be good to track outcomes. The same principle can be applied to Jashore STICH, Dinajpur Rice Mills Association, and AIT in Cox's Bazar.

Mentorship matchmaking: Another important aspect of BDS that was missing from the interventions is access to sector-specific expertise and mentorship. Early-stage companies can benefit tremendously when they engage with sector experts who can help with market access, technical knowledge, and capital. Pairing coachable businesses with the right domain experts is critical and missing from the market.

Innovative finance: Awareness of innovative finance and instruments advisory is also key for local entrepreneurs to unlock growth potential. Most businesses in Bangladesh don't know the different investment instruments available to them. The most common being debt financing and limited knowledge of equity financing. The program also engaged more on the debt instrument side, however, room for Shariah-based financing, performance-based contracts, revenue share agreements, and quasi-equity instruments (like RCCPs, and convertibles) also has potential.

E2 Building on B-SkillFUL Networks

Observations

Challenges with strategic partnerships: BDS service providers associated with B-SkillFUL have lacked a local presence, complicating PRABRIDDHI+'s efforts to develop locally grounded solutions.

Sustainability models: B-SkillFUL's delivery models relied heavily on project funding, lacking fee structures to sustain services after project completion.

Affordability issues: National-level service providers typically cater to large firms, making unsubsidized services unaffordable for SMEs. SMEs hesitated to pay/engage for BDS unless there were direct, measurable benefits like increased sales, productivity, or market expansion. Embedded service delivery models were also underutilized.

Box 14: RRF Lead on additional course offerings
"RRF also offers leadership and business management courses for artisans and entrepreneurs looking to scale their ventures, with a particular focus on communication, leadership, and management skills"

Possible directions for B-SkillFUL networks

Creating tangible bridges with major cities: The early-stage ecosystem is titled towards Dhaka where most technical/relevant service providers are based and for the right reasons and opportunities. The focus should be to create tangible bridges that can connect and provide market access, technical capacities, and funding to the local service providers and businesses with national actors. This means working with private partners and programs with the best fit.

Engaging the private sector and building sustainable BDS models: BDS without benefits to sales and business expansion should not be explored. For example, marketing should have an ROI, access to finance should have stated benchmark targets and management modules should affect a company's top/bottom lines. The Prabriddhi team should focus on working with private entities with proven track records across these three categories. Strategic partnerships with angel syndicates like Bangladesh Angels Network and B/Deshi Catalyst can be a good fit. The model should instead hinge on embedded performance-based fees tied to revenues, growth, and/or investments rather than focus on the traditional service delivery fee structures where the outcomes are not specific to the needs of the companies.

E3 Strengthening Supply Chain Models and BDS

Observations

Commendable interventions and supply chain linkages: It is commendable to see synergistic learnings and interventions being incorporated by the Prabriddhi team across pilot and mature municipalities and their competitive sectors.

Box 15: Jashore Stitch entrepreneurs on accessing international markets
"Many entrepreneurs face difficulties accessing domestic and international markets, which limits their ability to grow. Despite improvements in skills, we lack training in business development, leadership, communications, digital marketing, tech-enablement, etc."

Possible directions for supply chain models and BDS

Scaling via technology companies: More tech companies can be engaged as forward supply chain links. There have been efforts made with iFarmer and Chaldal for the agro sector, however, more tech companies can be engaged to fulfill market access and finance gaps to scale interventions nationally. Some examples: engage Nitex for sustainable fashion, Fashol for last mile connectivity and fair prices for farmers, Shikho for upskilling talent, Nuport for optimizing supply chain processes, Hishabee for digitizing book-keeping, sales/order management and embedded finance, Biniyog for access to P2P finance, etc.

E4 Conditional Support for Transversal Topics and Entrepreneurship

Observations

***Conditional support and sustainability*:** For topics like gender inclusion and green business development, the interventions saw conditional sustenance and willingness for continuation from the market.

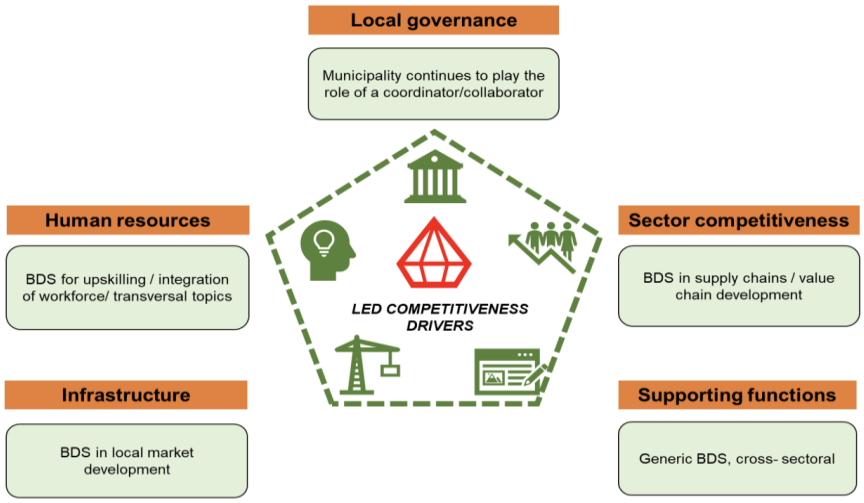
Possible directions for transversal topics and entrepreneurship

Expanding GLI and green business benefits with leading sectors: Not all sectors will have sustainability and gender lenses embedded. However, sectors like agriculture, handicrafts, embroidery, etc. will have GLI embedded at their core. It's imperative to understand the scope of this project can only enhance the effectiveness of GLI and green business models in only the leading sectors rather than experimenting with new ones with such short time horizons. Hence, the priority should be to deepen GLI/green business mandates with the leading sectors.

E5 LED competitiveness drivers

Figure E1 highlights, for Prabriddhi+, the distributed role of business development services, in the post-merger Prabriddhi+ Programme.

Figure E1: Expanded Scope of Prabriddhi+



Source: Prabriddhi, 2024

Possible directions for sector support

Exploring sector linkages: Prabriddhi's work has been commendable in providing cross-sector linkages. Examples: Light Engineering (LE) linkage with agro-processing and footwear. Since Phase 2 would be to consolidate and scale these efforts, the MCI can help identify key sector overlaps and connect more intra-sector linkages to enhance competitiveness.

Empowering SMEs cross-sector: Every municipality has two or three competitive sectors that can benefit from LED. Growth potential should be assessed with overarching national agendas, private competition, and ease of business environment within each municipality.

Possible directions for support functions and structure

Embedded market access in BDS: The project can do more in connecting rural entrepreneurs with stage and model-specific B2B markets providing fair prices and visibility. Technology companies can be a good way to integrate in this space.

Linkages with the entrepreneurial ecosystem: Leading ecosystem pipeline builders (SME-focused incubators like Orange Corners Incubator and Accelerator, Biniyog Briddhi, etc.), financial intermediaries (Bangladesh Angels Network), and government agencies (iDEA, SME Foundation) are looking for credible businesses to support. Partnerships with these agents can help rural entrepreneurs with standard BDS and capital.

Cross-program collaborations: Given donor donor-funded programs are drying up, the need to collaborate between ongoing and past programs is extremely high. Integrating learnings from the M4C and Skillful integrations has already helped Prabriddhi. It's also possible to work with other donor agencies (e.g. Dutch Embassy in Bangladesh, Danish, and Swiss Embassy) and their projects to highlight concrete synergies. ***Access to innovative finance:*** As mentioned earlier, instrument advisory should explore the full spectrum of the innovative finance toolkit that's relevant for businesses across Bangladesh.

Focus on post go-to-market (GTM) stage: Another limitation of the program was to explore the idea stage/very early businesses (Cox's Bazar entrepreneurs working Turtle Venture). Rather than focusing on companies at this early stage, all efforts should go into scaling existing companies that have gone to market, who already look promising, and are looking to scale efforts.

Possible directions for human resources

Upskilling talent: A key piece to the puzzle is upskilling talents and mobilizing placements and/or retaining them. Academia-industry links should also work on creating partnerships where students can be placed in growth companies for practical expertise. Businesses on the other hand should be trained on standard practices to incentivize talents to be retained over the long run (ESOPs).

Youth in entrepreneurship: Creating an enabling environment for youth with domain expertise is key for retaining human resources and in the LED process.

Possible directions for infrastructure

Scaling local market development: Local market development is crucial for every municipality and has been a focus for Prabriddhi as seen in Shibganj, Bhairab, & Jashore. Examples and peer exchanges can help scale this.

Collaborating with last mile technology companies: Direct access to markets with the help of last mile logistics technology companies can be explored for fair prices and direct access cutting middleman/syndicate costs. Municipalities play a significant role (Shibganj example).

Possible directions for local governance

Digitization mandates: Smart Bangladesh and Cities remain a key area to focus on moving forward. The ex-national mandate is key and needs to be in place going forward to improve business ease and the

cost of doing business while optimizing and fostering innovation. It's also important that the mandate benefits the municipality and not the people running it.

LED Fund of Funds for New Businesses: At least 5-10% of municipality revenues per year can be allocated to a proposed 'LED Entrepreneurship Fund' to boost local governance. An innovative finance toolkit can be explored to structure the instrument. The Fund, however, shouldn't be administered by the municipality. Rather, it can be a co-investor in a private fund with a fund of funds structure to keep rationality, independence, and relevance in check. A pooled matching fund of 1:1 or 1:2 is advised with local and/or foreign buy-ins.

Annex F: Completed assessment grid (detailed)

Evaluation data			
Title of the evaluation report	Mid-term Review of SDC's Prabriddhi Programme		
Evaluation mandated by	SDC/Embassy of Switzerland in Bangladesh		Nov 15, 2024 Mar 31, 2025
Evaluation carried out by Name of lead evaluator (if relevant) Name of company	Edward Jackson Edward T. Jackson & Associates Ltd.		39,500 CHF
Has any member of the evaluation team been involved in the intervention?	No		Briefly explain the type of involvement here
Evaluated intervention data			
Intervention title (including phase number)	Prabriddhi-Local Economic Development Phase 2 Programme		
Intervention internal number (if available) (e.g. 7F-…, UR_...)	7f_09523 02		Aug 1, 2020 Dec 31, 2025
Is it the final phase?	Yes	SDC	CHF 10.5 M CHF 10.5 M
Evaluability[19] assessment by evaluator			
To which extent do you consider that the intervention can be evaluated in a reliable and credible fashion?	1 - highly reliable		
If applicable, please select the type of limitation(s) to the evaluation and provide a brief explanation	☐ Objectives are not adequately defined (e.g. weaknesses in intervention design, lack of baselines and targets)		

[19] See definition of evaluability in OECD (2023), Glossary of Key Terms in Evaluation and Results Based Management for Sustainable Development (Second edition), OECD Publishing, Paris https://www.oecd-ilibrary.org/docserver/632da462-en-fr-es.pdf?expires=1690787009&id=id&accname=guest&checksum=ED10CC16AE8370653438B9C7A52688E0

Note: when assessing evaluability also consider the representativeness and participation of specific stakeholders/groups involved in the evaluation as well as the influence of conflict/fragile context on the quality and validity of the data and access to target groups (if applicable)	☒ Results are not verifiable (e.g. too early to tell, lack of sufficiently robust data and evidence) While the project used an array of sustainability strategies, and outcomes were strong, longer term impacts are too early to tell in all but two cities; still, the trajectory is positive. ☒ Other limitation(s) One limitation was that, because of the student revolution of July-August 2024, all mayors and councilors had been dismissed during the MTR period. However, focusing on municipal administrators and staff, entrepreneurs, NGO managers, and university faculty members, the MTR team was able to carry out site visits to three participating cities of nine municipalities engaged by the programme, and conducted remote interviews with two others. The MTR team is confident that sufficient data were collected to reasonably and credibly assess the programme.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
1 Relevance: Is the intervention doing the right things? Summary: The extent to which the intervention's objectives and design (at the time of design and at time of evaluation) respond to beneficiaries' and involved stakeholders' needs and priorities, and continue to do so if circumstances change. *Note: Understanding gendered power dynamics and reflecting on the SDG commitment to "leave no one behind" are crucial in understanding relevance.*	*Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.*	Overall, Prabriddhi is a highly relevant intervention.
1.1 ***Responsiveness to needs, policies and priorities***: the extent to which the objectives (at output, outcome and impact levels) of the intervention respond to the needs and priorities of the beneficiaries (target group), involved stakeholders (involved in funding, implementing and/or overseeing the intervention) and, when relevant, to indirectly affected stakeholders (e.g. civil society, etc.). *Note: A particular emphasis should be placed on beneficiaries. If there are trade-offs, please describe them in the justification.*	1 - highly satisfactory	Local economic development in secondary cities is crucial to Bangladesh's transition to middle-income status. The participatory planning approach taken by the project engages all the key stakeholder groups.
1.2 ***Sensitiveness and responsiveness to the context and capacities of the beneficiaries and involved stakeholders:*** the extent to which the context was considered in the design of the intervention (e.g. economic, environmental, equity, social, cultural, political economy and last but not least capacity considerations).	1 - highly satisfactory	The Prabriddhi team was responsive and nimble during the Covid-19 pandemic and following the student revolution of July-August 2024.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
Note: Evaluators are encouraged to describe which contextual factors are most pertinent to the intervention.		
1.3 ***Quality of design:*** the extent to which core design elements of the intervention (such as objectives and their related indicators, logframe, theory of change including related assumptions, choice of services and intervention partners, exit strategy) reflect the needs and priorities of the target group, are appropriate, realistic, clearly defined, measurable and feasible (technical, organisational and financial feasibility). *Note: the exit strategy should be planed from the outset of the intervention to ensure the continuation of positive effects as intended, whilst allowing for changes in contextual conditions.*	2 - satisfactory	The intervention was well-designed jointly by SDC, Swisscontact and Local Government Division. It's main drawback was that the intervention model was expensive and time-consuming to be widely and rapidly replicated after the project, notwithstanding its high levels of relevance and innovation.
1.4 ***Adaptation over time:*** the extent to which the intervention has meaningfully adapted to changes over the course of its lifespan (e.g. evolving policy and economic contexts, change of funding, new opportunities, outbreaks of conflict or pandemic, etc.).	1 - highly satisfactory	The Prabriddhi team with SDC and LGD employed a learning and results orientation to iterate, adapt and refine its local and national initiatives during the lifecycle of the phase,
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
2 Coherence: How well does the intervention fit? Summary: The compatibility of the evaluated intervention with other interventions in a country, sector or institution, i.e., the extent to which other interventions (in particular policies) support or undermine the intervention and vice versa.	*Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.*	The Prabriddhi Programme was highly coherent.
2.1 ***Internal policy alignment***: the extent to which the intervention aligns with the wider policy frameworks of the Swiss Development Cooperation, including the most recent Swiss international cooperation strategy overall and at country level, as well as to relevant international norms and standards to which Switzerland adheres (international law, international agreements, etc.).	1 - highly satisfactory	Both local governance and SME growth are priorities for SDC and GOB. The project draws upon and helped build SDC's corporate guidance on managing LED projects.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
2.2 ***Internal compatibility***: the extent to which the intervention is compatible with other interventions of Swiss development cooperation in the same country/region and thematic field (consistency, complementarity, synergies, avoiding duplication of efforts, subsidiarity). *Note: if feasible, evaluators are encouraged to also take into account compatibility with the interventions of different levels / departments of the Swiss government in the same operating context (e.g.: development, diplomacy, trade, security, etc.)*	1 - highly satisfactory	Prabriddhi complements other interventions of SDC in Bangladesh, successfully merging with B-SkillFUL and engaging service providers used by B-Briddhi, both SDC projects.
2.3 ***6External compatibility***: the extent to which the intervention is compatible with interventions of other actors in the country and thematic field (complementarity, synergies, overlaps and gaps, value-added, use of existing systems and structures for implementing activities, harmonization, coordination, etc.).	1 - highly satisfactory	No other projects, foreign or domestically funded, in urban development focus on local economic development in secondary cities, though other projects fund infrastructure interventions.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
3 Effectiveness: Is the intervention achieving its objectives? Summary: The extent to which the intervention achieved, or is expected to achieve, its objectives and its results, including any differential results across groups.	*Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.*	Overall, the Prabriddhi Programme was effectively implemented, with strong local and national initiatives and purposeful building of the Bangla LED model. However, the model was expensi0ve and the project was late and partial in mainstreaming gender and ad hoc in dealing with climate change.
3.1 ***Achievement of objectives:*** The extent to which the intervention achieved or is expected to achieve its intended objectives (outputs and outcomes) as originally planned (or as modified to cater for changes in the environment), including its transversal objectives (e.g. gender, climate) *Note: If some – but not all – of the objectives were achieved the evaluators will need to examine their* ***relative importance*** *to draw conclusions on the effectiveness.*	2 - satisfactory	See above. Some aspects of Prabriddhi were highly effective and others unsatisfactory. The net assessment project effectiveness by the MTR is satisfactory.
3.2 ***Unintended effects***: The extent to which the intervention has responded adequately to the potential benefits/risks of the positive/negative unintended results.	2 - satisfactory	Some of the work in supporting lead industry sectors may privilege larger firms; this is only an emerging issue, but the Prabriddhi team is monitoring it.

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
3.3 ***Differential results:*** the extent to which the intervention results (outcomes) were inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-discrimination, accountability and leave-no-one-behind were taken into account during the implementation.	2 - satisfactory	The strength of patriarchal norms and culture is dominant in mid-sized cities in Bangladesh, so programming benefited men disproportionately despite some innovative initiatives for women citizens and entrepreneurs.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
4 Efficiency: How well are resources being used? Summary: The extent to which the intervention delivers, or is likely to deliver, results in an economic and timely way.	*Please do not write anything here. The DAC criteria score will automatically be calculated.*	The Prabriddhi Programme performed at a satisfactory level in terms of its efficiency of delivery and results.
4.1 ***Economic efficiency*:** The extent to which the intervention delivered the results (inputs → outputs; inputs → outcomes) in the most cost-efficient way possible (including allocation of resources between target groups and time periods; available options for purchasing inputs according to market conditions, etc.).	2 - satisfactory	The Prabriddhi Programme was delivered in an efficient manner through adaptive, results-oriented management. However, its design involved a large salary component for staff, making the model expensive to replicate.
4.2 ***Timeliness*:** The extent to which the intervention delivered the results (outputs, outcomes) in a timely manner (within the intended timeframe or reasonably adjusted timeframe) and the extent to which efforts were made to mitigate delays. *Note: in case timeliness was unsatisfactory for reasons outside of the intervention's control, the rating should still be unsatisfactory and explanation provided in the justification field.*	2 - satisfactory	Prabriddhi performed well in moving from one city to another, developing appropriate LED action plans, supporting locally appropriate initiatives, and spreading the benefits well across cities and, within cities, between the public and private sectors—and between the local and national levels.
4.3 ***Operational efficiency***: The extent to which management, monitoring and steering mechanisms supported efficient implementation (resource allocation, spending and redirection, risk management, logistics and procurement decisions, etc.)	2 - satisfactory	Senior management used extensive internal team meetings, strong communications with partners, to learn and adapt and manage risk.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
5 Impact: What difference does the intervention make?	*Please do not write anything here. The*	Overall, it was too early in most cities to collect and assess definitive impact data. However, data on

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
Summary: The extent to which the intervention has generated or is expected to generate significant positive or negative, intended or unintended, higher-level effects. Impact addresses the ultimate significance and potentially transformative effects of the intervention. It seeks to identify social, environmental and economic indirect, secondary and potential consequences of the intervention that are longer term or broader in scope than those already captured under the effectiveness criterion. It does so by examining the holistic and enduring changes in systems or norms, and potential effects on people's well-being, human rights, gender equality, and the environment. *Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual impacts (i.e. already evident) and foreseeable impacts.*	*DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.*	additional income raised by entrepreneurs, farmers, and workers in the cities at the most mature stage were promising and positive. Revenue generation by municipalities was innovative but quantitatively modest year on year. Nonetheless, important efforts by the Programme to sustain outcomes (see Sustainability) suggest further positive impacts in the years ahead, post-project.
5.1 ***Intended impacts*:** The extent to which the intended (planed and, where applicable, revised) 'higher-level effects' (i.e. lasting changes in the lives of beneficiaries) of the intervention were (or are expected to be) achieved. *Note: also consider the extent to which the intervention contributed to "holistic and enduring changes in systems or norms" and transformational change (addressing root causes or systemic drivers of poverty, inequalities, exclusion and environmental damage).*	2 - satisfactory	See above.
5.2 ***Contribution to intended impacts:*** The extent to which the intervention actually contributed (or is expected to contribute) to the intended higher-level effects. *Note: results of contribution analysis, etc.*	1 - highly satisfactory	Because municipalities don't normally promote specific LED activities and outcomes, the impact evidence that exists for the cities most advanced with the Bangla LED model can indeed be mostly assigned to the intervention.
5.3 ***Unintended impacts***: Has the intervention brought about (or is it expected to bring about) any unintended (positive and/or negative) higher-level development results? If yes, to what extent have these higher-level effects been positive (or are likely to be positive)? *Note: consider here any kind of unintended effects such as escalating or deescalating effect on a conflict or context of fragility, effect on the legitimacy of the state or non-state actors, effect on the inclusion or exclusion of vulnerable groups, unintended pollution, etc.* *If there wasn't any noteworthy unintended impact (higher-level effect), mark this question as non-applicable (n/a) and do not give a rating.*	0 - not determined	Non- applicable. No substantial unintended impacts were definitively determined. The possibility of advantages accruing to large firms in lead-sector support was being tracked but not actualized or documented to date.
5.4 ***Differential impact***: the extent to which the intervention's intended and unintended higher-level results (impacts) were (or are expected to be) inclusive and equitable amongst beneficiary groups and the extent to which key principles such as non-	2 - satisfactory	Men benefited more than women in all sectors, but the emerging impacts will be distributed fairly across cities,

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
discrimination, accountability and leave-no-one-behind were taken into account during the implementation. *Note: Keep in mind that positive impacts overall can hide significant negative distributional effects.*		the public- and private-sectors, and between local and national stakeholders.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
6 Sustainability: Will the benefits last? Summary: The extent to which the net benefits of the intervention continue or are likely to continue. Includes an examination of the enabling environment for sustainable development, i.e. financial, economic, social, environmental, and institutional capacities of the systems needed to sustain net benefits over time. Involves analysis of resilience, risks and potential trade-offs. *Note: depending on the timing of the evaluation and the timescale of intended benefits, evaluators can assess for both actual sustainability (i.e. the continuation of net benefits created by the intervention that are already evident) and prospective sustainability (i.e. the net benefits for key stakeholders that are likely to continue into the future)*	*Please do not write anything here. The DAC criteria score will automatically be calculated as the arithmetic mean of sub-criteria.*	Overall, the MTR found that Prabriddhi did an exceptional job in developing, testing and refining a wide range of sustainability strategies to enable the benefits of its initiatives to last, including skill-and knowledge-building of individual stakeholders, capacity building of municipalities and industry associations, university-industry linkages, legal reform.
6.1 ***Capacity and resilience development***: The extent to which the beneficiaries and development partners have strengthened their capacities (at the individual, community, or institutional level), have the resilience to overcome future risks and external shocks that could jeopardise the intervention's results and have improved their ownership or political will.	1 - highly satisfactory	Working at all levels—individual, municipality, industry sector, university, ministries and agencies, Prabriddhi's support enabled partners to address future risks and have improved their political and administrative ownership of urban LED.
6.2 ***Financial sustainability***: The extent to which development partners have the financial resources to maintain the intervention's net benefits over time (e.g. increased national, and where applicable subnational, financial or budgetary commitments).	2 - satisfactory	Some initiatives, such as digitalization of business registration systems, resulted in significant immediate income for municipalities but modest incremental income in subsequent years.
6.3 ***Contextual factors***: The extent to which the context is conducive to maintain the intervention's net benefits over time (e.g. policy or strategy change; legislative reform; institutional reforms; governance reforms; increased accountability for public expenditures; improved processes for public consultation in development planning).	2 - satisfactory	While the context in which Phase 2 of Prabriddhi operated was fluid and complex, the project did a good job managing uncertainty and engaging new actors at all levels. And, while there is uncertainty heading into the next round of local and national elections, the citizenry's

DAC criteria and SDC/SECO sub-criteria	Score	Justification (Please provide a short explanation for your score or explain the reason why a criterion was not assessed)
Note: It includes assessing the trade-offs associated between instant outcomes and potential longer-term effects as well as the trade-offs between financial, economic, social and environmental aspects.		heightened expectations of accountability and commitment to limit corruption may be forces for sustaining the gains in LED in participating cities.
If an additional sub-criteria is relevant please formulate it here	select	Click here to enter text.
7 General comments Summary: this section is only for free text (no score). The evaluator may provide an overall assessment of the evaluated intervention, explore and reflect on relationships and synergies between different criteria (this includes considering if and how they are causally related).		To summarize, the Prabriddhi Programme was successful in developing and testing a model for municipal LED that works with local public- and private-sectors and national institutions. The initiatives designed through strong partnerships and participatory planning were creative, and appropriate. The project underperformed on gender mainstreaming, was ad hoc in its approach to environmental sustainability, and developed an expensive model. In the remaining time of the project, Prabriddhi must find viable ways and means of forging a more cost-effective, rapidly replicable model to hand over to Local Government Division upon project termination in late 2025.

Memorandum to the Embassy of Switzerland in Bangladesh
March 31, 2025

This memorandum provides additional findings and observations by the Mid-Term Review of the Prabriddhi Program, in response to feedback on the draft MTR report by SDC-Dhaka.

Spinning off a new technical unit: Regarding spinning off a technical unit, in the remaining months of the project, it should be possible for Swisscontact, SDC and LGD to collaborate in designing a new institute or centre for sustainable local economic development (ISLED or CSLED) that would be constituted as a for-profit consulting firm or a non-profit organization with a small organizational footprint and compact team (e.g. 4-5 professionals plus support staff). This new unit and refreshed brand would mobilize the knowledge, lessons and contacts generated by Prabriddhi and provide technical assistance, training and studies in support of replicating a lean version of the Bangla LED model with greater focus on climate and gender.

The proponents would market the proposal to other funders to take the lead in establishing the new unit. Among foreign donors, this could include The Netherlands (with links to Erasmus University), Norway and other Nordics, Germany, the United Kingdom, Canada, and others. Perhaps SDC could task the new unit with a climate finance mandate. Local NGOs and foundations would be engaged to cover the operational expenses of the unit (salaries, sub-leased office space, etc.). And the unit would compete for consulting assignments in the broader development space, including requests for proposals issued by the World Bank, ADB, JICA and others.

In addition, Bangladeshi and international corporates would be invited to buy into the work of the institute through CSR grants and loans as well as interventions that would help grow the supply chains, market access and business expansion of local lead industries—and that would benefit the bottom lines of participating corporations. Taken together, such a diversified approach to revenue generation for the new entity would require a very nimble and entrepreneurial leadership team.

Equipped with this blend of support, the proponents could then approach major institutions to consider hosting the new technical unit. Examples of potential host institutions might include BRAC, North South University, the Univrsity of Dhaka, or even a major management consulting firm. To be viable, each option would require one or more internal senior managers or faculty members to champion the new entity inside their institution. The proponents of the new unit would need to assess the overhead and other administrative costs to be charged to the new entity for being hosted and the likely resilience of internal institutional support for the unit over the next five to ten years. In

general, nested within a host institution, the new technical unit would be responsible for raising its own funds.

Streamlining the Bangla LED model: In the remaining months of Prabriddhi, Swisscontact, SDC and LGD should work together to streamline the Bangla LED model, including greater attention to climate and gender. In fact, the new lean model would be essentially the *Bangla sustainable local economic development (SLED) model* with a refreshed brand that could appeal to new international and local partners. However, the main purpose here would not be new branding but rather to create a cost-effective, lean and widely replicable model.

In the view of the MTR team, the streamlining of the model is a fundamental priority for a responsible exit by SDC and Swisscontact from the Prabriddhi Programme. As such, a small task force of Prabriddhi staff members should work with SDC and LGD representatives to create this lean model by August 2025 in both English and Bangla written formats and perhaps also in video form. Any materials generated by this taskforce must be written in an accessible style, and be actionable, for local government officials.

In terms of substance, the task force should determine the core elements of the model and how they can be reduced to their essence and applied at low or no-cost. Among these core elements are, in particular: participatory planning, establishing an LED committee of local entrepreneurs and officials, rapid economic planning, quick wins (notably online business registration platforms, one-stop service centres, CCTV at local markets, women's corners, technology innovations), entrepreneur and employee training, support to lead-sector businesses and associations, and university-industry linkages. To these and other elements should be added gender and climate action plans as well as national initiatives on LGD training with NILG and priority-sector investment with BIDA.

It would be ideal for the implementation of the lean version of the Bangla model to be driven by legal and regulatory reform to the Local Government Act, as advocated by Prabriddhi, that would provide for an LED mandate for municipalities, an LED desk and staff for each city administration, and access to a national fund run by LGD for local LED projects. In any event, the MTR team recognizes that even a streamlined model will require periodic technical support and backstopping. The spin-off technical unit proposed above could provide these services as could other local and international experts.

Deepening public-private partnerships: Considering recent cuts to the development cooperation budgets of the US, UK, Switzerland and other EU member countries, the public sector in Bangladesh must, where there are reciprocal incentives and rewards, deepen its partnerships with the private sector. For the streamlined Bangla SLED model, there is an

opportunity to foster such partnerships by building on the experiences of Jashore Stitch, RRF, and the NSDA; light industry and JUST in Jashore; Bhairab footwear and ILET, and the Shibganj Mango Association; and well as the Shibganj regional campaign. Indeed, short, practical (and not overly triumphant) case studies of these projects can give government officials and corporate decision-makers alike an understanding of how to advance their common interests.

Furthermore, to attract corporate support for such initiatives in additional cities, there must be a payoff for corporates in, for example, gaining access to new markets, supply-chain efficiencies, access, increased supplier productivity and product quality, and upgraded skills in the workforce, and among entrepreneurs. Forging private-public partnerships at the meso-level of industry associations and lead sectors can be an effective approach to operationalizing a lean SLED model going forward. This route also should open opportunities for BIDA to animate external investment in growing local industries.

Sustaining the sustainability strategies: As the MTR has noted, Prabriddhi has developed and refined a diverse menu of strategies for sustaining the methods and results of the Bangla LED model. These strategies include *skills training* for local stakeholders, *institutionalizing courses* through national organizations, *digital platforms*, support for *industry associations*, *industry standards certification*, incubation of *local service providers*, raising *citizen awareness*, *university-industry linkages*, *regional peer-learning campaigns*, and *legal reform*.

It is difficult to judge the extent to which these strategies will themselves be sustained once the Prabriddhi Programme has been terminated. Many Local Government administrative officials, who regularly rotate across different municipalities, have been exposed to these strategies and generally understand how they work in practice. Knowledge and awareness have been establizhed. Assuming that political and economic conditions can be navigated reasonably well over the next five to ten years, and that some modest project funding can be raised by LGD and its partners to support a small team of external technical advisors to animate new SLED interventions and backstop ongoing activities, it is likely that these strategies can be extended and replicated.

However, if extreme political or economic conditions were to bring the country to a standstill, Local Government officials and corporate managers would necessarily default to carrying out only the most basic of their responsibilities, effectively sidelining work on SLED. And, even in a relatively stable policy environment, without some "pump-priming" funding to facilitate lean SLED initiatives in new cities, it will be challenging for the key players to bring the streamlined model to life. Accordingly, it would make sense for the Prabriddhi team to develop a minimum budget (say $500,000 to $1 million) to serve as this

pump-priming money that would enable new SLED activities to replicate select sustainability strategies in new cities. This funding could be provided by external donor agencies and foundations, international and national corporates, and local NGOs, foundations and high net-worth individuals and families.

Overall assessment of the merger of B-SkillFUL into Prabriddi to form Prabriddhi+: The MTR team rated the effectiveness of the merger of B-SkillFUL into Prabriddhi to form Prabriddhi+ as follows:

- Incorporating B-SkillFUL knowledge ***Satisfactory***
- Leveraging strategic partnerships ***Satisfactory***
- Strengthening supply chains and BDS ***Unsatisfactory***
- Exploring conditional support on gender and climate ***Unsatisfactory***

The MTR review found that market access remains a major gap even for the exit municipalities of Shibganj, Bhairab and Jashore. And gender and climate-focused interventions were minimal; more could be done in these areas by working with key service providers—notably Truvalu, LightCastle Partners, Sajida Foundation, and YY Ventures—to enhance effectiveness.

What worked: Post-merger, three areas worked well, in the MTR team's view: Focusing on local market development through municipalities; access to general BDS (rather than technical or specialized business development services); and engaging with private industry associations to work with municipalities and the local public sector.

Areas to improve: The MTR team identified three areas for improvement following the merger. First, business development services should be designed and delivered in ways that are specific to the stage of the business supported, including engaging complementary sectors like light engineering and agriculture. Further, BDS should not be provided for free. Instead, service fees should be tied to outcomes (e.g. % of incremental revenues, % or volume of funds raised) and a minimum upfront fee that is affordable. More technical or professional BDS should be provided to entrepreneurs, including leadership training, communications, investment readiness, and impact management.

Second, efforts to increase access to innovative finance should focus on mid-sized companies with revenues of USD 100,000 to 500,000. (Survival rates for early stage enterprises in Bangladesh are very limited). This type of support should work with pan-Bangladesh BDS providers who have access to market and finance programs, such as Sajida, Truvalu, BRAC, and others.

And third, to increase market access for peri-urban and rural entrepreneurs with limited access to export markets, BDS activities should work with large private sector actors and BIDA. In this sphere, too, cross-sector linkages can be fostered, assisted by technology companies such as iFarmer and Chaldal.

Lessons learned: Two lessons arising from the merger with B-SkillFUL are worth noting here:

1) In building more competitive value chains and increasing access to markets for lead sectors in mid-sized cities, it is possible to bypass middlemen and syndicates controlling sectors by working with proven technology start-ups rather than creating new e-commerce platforms or digital marketplaces.
2) BDS support should be sector-specific, customized, technical and delivered through meso-level actors like industry associations and university partnerships. Moreover, BDS should focus on SMEs with a revenue threshold of USD 100,000 to 500,000 to maximize sustainability and employment generation.

Edward Jackson and Ahmed Jawad Yusuf

Management response to the
Midterm Review of the 7F-09523.02 PRABRIDDHI – Local Economic Development Programme Phase 2

Management Response

The Management Response (MR) states the position of the Embassy of Switzerland in Bangladesh on the recommendations of the Midterm review of the PRABRIDDHI Programme Phase 2. The MR provides a solid basis for strategic decision-making. The relevant stakeholders, such as project partners and government agencies, should be consulted on the proposed actions, timelines, and roles outlined in the management response.

Assessment of the evaluation

The evaluation was conducted by a team of two independent experts in accordance with international standards. The evaluation process was well managed and included close involvement and coordination by a reference group comprising representatives from the Embassy of Switzerland in Bangladesh and the implementing partners. There were consultations with like-minded stakeholders, service providers and beneficiaries of the PRABRIDDHI programme.

The main objectives of the midterm evaluation have been met by the evaluators. The Embassy of Switzerland in Bangladesh appreciates the comprehensiveness of the evaluation report and the sound analysis of key elements of the PRABRIDDHI programme's performance.

The report's analysis and resulting recommendations are useful for strengthening the strategic orientation and the legacy of PRABRIDDHI.

Main findings

Overall, the PRABRIDDHI Programme has demonstrated strong performance at both the local and national levels. The PRABRIDDHI team introduced an innovative approach to municipal economic development in secondary cities, building an array of productive partnerships with municipal and national officials, local entrepreneurs, farmers, universities, NGOs, and professional service providers. Taking an adaptive, learning- and results-oriented approach, and led by an experienced senior management team, the programme navigated effectively through both the pandemic at the beginning of Phase 2 and since the political uprising of August 2024.

Based on the findings of this mid-term review, the completed assessment grid shows that, overall, the PRABRIDDHI Programme performed at a level rated between Satisfactory and Highly Satisfactory. The programme was rated by the MTR as Highly Satisfactory on the criteria of Relevance, Coherence, and Sustainability, and Satisfactory for Effectiveness, Efficiency, and Impact. However, the MTR rated PRABRIDDHI as Unsatisfactory on Gender Mainstreaming, ad hoc regarding climate change and environmental sustainability, and found its model was expensive and slow to replicate. In its remaining time, the PRABRIDDHI team should formulate a more cost-effective LED model that could be replicated widely and rapidly by Local Government Division after the project ends in 2025.

Out of the **five** recommendations, **three** recommendations are 'fully agreed' (green) and **two** recommendations are 'partially agreed' (orange) – see table below. The Embassy of Switzerland in Bangladesh agrees to seize this opportunity to improve its results by taking specific measures in line with the recommendations.

1. SDC approve, if funds permit, an extension of Phase 2 of the PRABRIDDHI Programme through December 2025.	
2. SDC work with Swisscontact and LGD to formulate a work plan for the remaining time on PRABRIDDHI that would: a) Consolidate the programme's gains to date and strengthen gender mainstreaming. b) Streamline the Bangla LED model so that it is cheaper and faster to implement. c) Consider spinning-off an independent, high-skill technical unit—to be housed in an NGO, foundation or university—to support LGD and other government agencies to advance LED. d) Engage other donors and partners that could step up post-2025 to support LGD in scaling up a streamlined Banga LED model. e) In all other ways ensure a responsible and transparent exit by Switzerland from the municipal economic development space.	
3. SDC animate a conversation among development partners on ways and means of strengthening the organisational and regulatory capacity of the domestic philanthropy sector in Bangladesh.	
4. Swisscontact develop new and separate project proposals to SDC and other donors and government agencies to scale in climate and humanitarian assistance (areas which Switzerland will continue to fund in Bangladesh) that build on lessons learned for the role of local governments from PRABRIDDHI.	
5. Local Government Division endorse the package of reforms advocated by the PRABRIDDHI Programme for the Local Government Act to be amended to include an LED mandate for all municipal governments and the requisite budget and permanent posts (at least one LED officer), access to the Bangladesh Municipal Development Fund for key LED projects proposed by municipalities, as well as an LED capacity building program and a national LED knowledge sharing hub.	

Fully agree	Partially agree	Disagree

Overview of recommendations, management response and measures

Recommendation 1		
SDC approve, if funds permit, an extension of Phase 2 of the PRABRIDDHI Programme through December 2025.		
Management response		
Fully agree	Partially agree	Disagree
The Embassy of Switzerland fully agrees with this recommendation. In line with the steering direction to ensure a responsible phase-out following the budget reduction, the Embassy has already decided to extend PRABRIDDHI Phase 2 until 31 December 2025. This extension will allow the project to consolidate key results, support institutional anchoring of the LED approach, and prepare a structured exit.		
Measures	Responsibility	Timing
a) Update phase amendment narrative and budget: reflect new end date (December 2025), adjusted activities, and institutional transition elements.	PRABRIDDHI Team Leader in coordination with NPO Embassy	By April 2025
b) Review and approve revised documents**:** Embassy team to conduct internal review of the updated amendment	Regional Adviser IED, NPO and FC (Embassy)	By May 2025

package, ensuring alignment with evaluation recommendations.		
c) Change of credit duration until 31 December 2025	HoC and NPO (Embassy)	By June 2025
d) Formalise contract amendment: process and finalise the amendment to the mandate contract, including revised budget and implementation timeline.	HoC, FC, NPO (Embassy), Country Director (Swisscontact)	By 1st week of July

Recommendation 2

SDC work with Swisscontact and LGD to formulate a work plan for the remaining time on PRABRIDDHI that would:

a) Consolidate the programme's gains to date and strengthen gender mainstreaming.
b) Streamline the Bangla LED model so that it is cheaper and faster to implement.
c) Consider spinning-off an independent, high-skill technical unit—to be housed in an NGO, foundation or university—to support LGD and other government agencies to advance LED.
d) Engage other donors and partners that could step up post-2025 to support LGD in scaling up a streamlined Banga LED model.
e) In all other ways ensure a responsible and transparent exit by Switzerland from the municipal economic development space.

Management response

Fully agree	Partially agree	Disagree

The Embassy of Switzerland fully supports this recommendation. In response, a revised Yearly Plan of Operation (YPO) for 2025 will be developed that reflects the MTR recommendations and adapts to the shortened timeline, reduced budget, and exit commitments. Swisscontact, in coordination with LGD and the Embassy, will incorporate the following priority actions:

- Gender mainstreaming will be strengthened through implementation of the Gender Action Plan (2024), continued rollout of Women's Business Corners and market upgrades in selected municipalities, and improved outcome monitoring.
- The Bangla LED model will be streamlined through a dedicated task force, with simplified tools and training materials to enable low-cost replication. High-cost research and development components will be phased out or scaled down. Additionally, the Embassy is testing the use of the Bangla LED model in the opening credit of the 'Shompritee – Towards Locally Led Development for Climate Migrants' project, which will provide valuable insights for further refinement and scalability across other secondary towns in Bangladesh and the region.
- A concept for a high-skill LED Technical Unit is under development, potentially hosted by a local university or NGO. A concept note and business model will be prepared and submitted to the Project Steering Committee. Initial discussions with institutions such as BRAC University and Erasmus University are underway.
- Donor engagement has started with the EU, GIZ, JICA, and UN-Habitat. Once the project extension is endorsed by ECNEC, a coordinated presentation with LGD and the Planning Commission will target interested development partners.
- A responsible exit plan will be included in the revised YPO, with municipal phasing-out plans, documentation of results, and a planned national event in late 2025 to showcase the LED model and share lessons.
- The Local Government Division and Planning Commission has formally requested Swisscontact to provide technical support in formulation a Development Project Proposal (DPP) to scale up the Bangla LED model to 100 additional municipalities. As a first step, a concept note will be prepared, and if necessary, SDC is open to supporting the recruitment of a dedicated consultant to draft the proposal in coordination with the government.

Measures	Responsibility	Timing
a) Draft revised YPO 2025: Reflecting MTR-aligned strategic shifts, gender mainstreaming, donor engagement, and exit planning.	Team Leader (Swisscontact) with Embassy inputs	By April 2025
b) Review and validate YPO: Ensure alignment with Embassy and LGD priorities before inclusion in the amendment.	Regional Adviser IED, NPO and FC (Embassy)	By May 2025
c) Swisscontact will provide technical support to the Government to draft the proposal for scaling up the Bangla LED model in 100 additional municipalities.	Team Leader (Swisscontact) with Embassy inputs	By December 2025

Recommendation 3

SDC animate a conversation among development partners on ways and means of strengthening the organisational and regulatory capacity of the domestic philanthropy sector in Bangladesh.

Management response

Fully agree	**Partially agree**	Disagree

The Embassy of Switzerland acknowledges the strategic relevance of strengthening the domestic philanthropy sector in Bangladesh, especially in the context of long-term sustainability and local resource mobilisation for development. Given the diminishing ODA and the broader development landscape, a discussion on 'domestic philanthropy' is becoming increasingly relevant. While the PRABRIDDHI programme has a limited time horizon and Switzerland's bilateral cooperation with Bangladesh will conclude by 2028, the Embassy recognizes the importance of this conversation beyond the PRABRIDDHI initiative. Although the Embassy's capacity to lead such a multi-stakeholder agenda within the remaining PRABRIDDHI phase is constrained, the Embassy is open to contributing to initial dialogues through its ongoing donor coordination platforms. The Embassy is particularly interested in where these dialogues intersect with local economic development, private sector engagement, and post-project sustainability.

Measures	Responsibility	Timing
a) Explore Entry Points: Identify if an upcoming donor coordination forum (e.g., LCG or urban development platforms) can include a discussion slot on philanthropy's role in local development.	NPO (Embassy)	By December 2025
b) Signal Interest to Others: Informally engage with selected development partners (e.g., EU, GIZ, UNDP) and foundations (e.g., BRAC, Sajida) to gauge interest in co-hosting a future discussion.	Team Leader (Swisscontact) with Embassy inputs	By December 2025
c) Document Insights: If relevant discussions occur, reflect key messages and gaps in PRABRIDDHI's final documentation to inform future cooperation actors.	Team Leader (Swisscontact)	November–December 2025
d) HNC will bring the agenda into the attention of her successor ELMDI highlighting the potential for broader engagement.	Deputy Head of Mission and Head of Cooepration	September 2025

Recommendation 4

Swisscontact develop new and separate project proposals to SDC and other donors and government agencies to scale in climate and humanitarian assistance (areas which Switzerland will continue to fund in Bangladesh) that build on lessons learned for the role of local governments from PRABRIDDHI.

Management response		
Fully agree	Partially agree	Disagree
The Embassy of Switzerland agrees with the recommendation to leverage PRABRIDDHI's insights on local governance and service delivery in developing new initiatives aligned with Switzerland's strategic focus on climate resilience in Bangladesh. As mentioned under the management response to recommendation 2, the embassy is testing the use of the Bangla LED model in the Shompritee project, which could provide valuable insights for scaling in the climate and migration sectors.		

Measures	Responsibility	Timing
a) Necessary inputs and lessons provided to integrate LED-based municipal planning approaches into inclusive, gender-responsive climate solutions.	Swisscontact team with Embassy	By December 2025

Recommendation 5		
Local Government Division endorse the package of reforms advocated by the PRABRIDDHI Programme for the Local Government Act to be amended to include an LED mandate for all municipal governments and the requisite budget and permanent posts (at least one LED officer), access to the Bangladesh Municipal Development Fund for key LED projects proposed by municipalities, as well as an LED capacity building program and a national LED knowledge sharing hub.		
Management response		
Fully agree	**Partially agree**	Disagree
The Embassy of Switzerland recognises the strategic importance of embedding LED within the legal and institutional framework of local governance in Bangladesh. The PRABRIDDHI Programme has developed a coherent reform package, which aligns with Switzerland's long-standing support to decentralisation and municipal capacity-building. However, the political developments following the August 2024 transition—notably the formation of an interim government and the suspension of elected municipal councils—have significantly impacted the enabling environment for policy dialogue and legislative reform. Under these circumstances, securing formal endorsement or legal amendments within the remaining project timeframe is unlikely. Nonetheless, Swisscontact will continue to engage constructively with the LGD and maintain a dialogue on its relevance for future governance reforms. The opening credit of the 'Shompritee – Towards Locally Led Development for Climate Migrants' project could also provide an opportunity to further engage with the LGD when the political conditions allow, leveraging its focus on local governance and climate resilience to facilitate discussions on the proposed reforms.		

Measures	Responsibility	Timing
a) Submit the consolidated LED policy recommendations and rationale to LGD as a reference for future reform discussions.	Team Leader Swisscontact)	By July 2025
b) Engage in informal follow-up with senior LGD officials and national stakeholders to ensure visibility of PRABRIDDHI's reform proposals.	Team Leader Swisscontact), NPO (Embassy)	By December 2025
c) Capture the background, content, and stakeholder responses to the reform package for inclusion in the project's final knowledge products.	Team Leader Swisscontact), NPO (Embassy)	November – December 2025