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**SWISS
COOPERATION
PROGRAMME
IN THE SOUTH
CAUCASUS
2026–2029**

FOREIGN POLICY
STRATEGY
2024-2027



INTERNATIONAL
COOPERATION
STRATEGY
2025-2028



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Partnership for peace and development

For more than 30 years, Switzerland has been engaged in Armenia, Azerbaijan and Georgia. What began with humanitarian aid in Armenia after the 1988 earthquake has grown into a long-term partnership.

Why is Switzerland active in the South Caucasus? The region lies at the crossroads of Europe and Asia, where unresolved conflicts, fragile democracies and climate risks directly affect peace and prosperity. As a small but reliable partner, Switzerland supports reforms and cooperation that strengthen resilience and offer prospects for a better future. In the interest of peace and stability in the region, it contributes with specific expertise and experience, working with governments, civil society, multilateral organisations and other international partners.

The South Caucasus is a region of contrasts. Since independence in 1991, Armenia, Azerbaijan and Georgia have achieved

progress in economic development, education, and institution-building, while also facing wars, upheavals, and a lack of skilled workers and expertise. Armenia is redefining its place in the region and diversifying its international alliances. Azerbaijan has invested in infrastructure and expanded its role as an energy and transport hub between Asia and Europe. Oil and gas revenues have strengthened the economy and regional connectivity, though diversification and inclusiveness remain challenging. Georgia has implemented reforms that have improved services and attracted investment, while also accessing global markets.

Since 2024, Georgia has seen sustained public demonstrations and reported detentions amid a context of increasing political sensitivity and polarisation. The conflicts around the breakaway territories of Abkhazia and South Ossetia remain unresolved. Across the region, Russia's war against

Ukraine has further increased volatility and insecurity.

While challenges persist, important opportunities also exist. The ongoing peace process between Armenia and Azerbaijan offers a chance to end decades of hostility and foster regional stability. A more peaceful environment would allow citizens across the South Caucasus to profit from accountable institutions, inclusive economic opportunities and sustainable climate action. Switzerland's new cooperation programme for 2026–29 aims to contribute to these aspirations.



Results and lessons learnt 2022–2025

Switzerland worked with governments, civil society and the private sector across the South Caucasus to promote inclusive growth, democratic institutions, peace and better living conditions.

South Caucasus regional: During the reporting period, nearly 2,000 women received training, mentoring, and access to finance and productive assets. These efforts strengthened gender equality awareness and helped women take a more active role in the economy. Over 200 companies took practical steps towards equality by signing the Women's Empowerment Principles and improving workplace policies to support women and men equally.

Armenia: Local governance reforms merged 915 communities into 71 municipalities, improving public services for 1.6 million people. Around 300,000 citizens now participate in decision-making, while women's representation in local councils rose to 30 percent.

Azerbaijan: Financial sector reforms enhanced the Central Bank's oversight and transparency, reinforcing monetary stability and investor confidence while expanding access to finance for the non-oil sector. The FinTech sector continued to grow.

Georgia: Vocational education reform supported by Switzerland introduced a dual training system in agriculture, linking schools and businesses. Over 35,000 people benefited, with women's participation reaching up to 45 percent.

These examples show that Switzerland's targeted contributions – rooted in expertise and partnership – can trigger systemic reforms that benefit large segments of society.

Lessons from past experience that guide the road ahead

Country ownership matters. Lasting results occur when reforms are led and financed by national institutions, with

Switzerland providing complementary knowledge and innovation.

Meaningful changes happen when people are involved. Civil society and grassroots actors helped make reforms more relevant to citizens' needs and build trust between people and institutions. At the same time, dialogue with the private sector encouraged shared responsibility and contributed to the implementation of reforms.

Focus increases impact. Past engagement across multiple areas proved to be resource-intensive. Therefore, future co-operation will concentrate on three priority areas, enabling more depth, coherence and regional cooperation.

Switzerland's recognised role as a neutral and trusted facilitator has enabled it to bring together diverse actors and foster dialogue, even in politically sensitive environments. These qualities are central to maintaining the relevance, effectiveness and future orientation of Switzerland's cooperation.

Switzerland's commitment – priority areas for 2026–2029

The Swiss cooperation programme in the South Caucasus for 2026–29 builds on experience while sharpening its focus. The overall goal of the programme is to contribute to human security and sustainable peace, foster civic engagement and democratic institutions, increase climate resilience and sustainable natural resource management and promote inclusive and green economic opportunities.

Peace, human security and democratic governance

The South Caucasus has experienced both democratic progress and worrying setbacks. Civic space is shrinking in some countries, societies are becoming more polarised, and people's trust in public institutions is declining. Many citizens feel excluded from decisions that shape their daily lives. Switzerland thus supports citizens to have a stronger voice in building

their present and future. The programme promotes open dialogue, encourages participation and works to bridge divides – strengthening trust and social cohesion among communities. At the local level, Switzerland helps municipalities become more transparent, accountable, and better connected with civil society and the private sector. This will make public services more inclusive and more responsive to people's real needs. The programme also aims to protect and strengthen civic space, empowering citizens – especially young people and women – to play an active role in democratic life. Drawing on its reputation as a neutral and trusted partner, Switzerland promotes dialogue between state institutions and society, fostering more resilient and participatory governance. Whenever possible, Switzerland encourages regional exchanges on governance challenges, helping countries learn from

one another, ease tensions and share solutions across borders.

Given the unresolved conflicts, Switzerland remains committed to conflict transformation and promoting dialogue in the region. To make societies more resilient and less vulnerable to violent conflicts, Switzerland promotes better integration, inclusion and participation of ethnic and religious minorities.

Climate resilience and natural resource management

The South Caucasus faces growing risks from natural disasters and climate change, such as floods, droughts and melting glaciers. Switzerland supports communities and institutions to adapt and prepare for these challenges. Interventions promote climate-smart solutions that protect both people and ecosystems, with particular attention to vulnerable groups, especially

women and marginalized populations, whose livelihoods are most at risk. Building on its recognised expertise in hazard mapping, glacier monitoring and disaster risk reduction, Switzerland provides access to data, hazard assessments and early warning systems, equipping authorities and citizens with tools for prevention and timely response. Ecological approaches are promoted to restore degraded land, protect water resources and ensure sustainable livelihoods. Regional cooperation on shared resources, such as forests and river basins, is pursued where politically feasible, contributing to stability and long-term resilience across borders.

Economic empowerment and sustainable growth

Despite recent growth, large parts of the South Caucasus face unemployment, limited access to finance, and unequal

opportunities, especially in rural areas and for women and young people. Switzerland continues to support greener, fairer economic opportunities, particularly for young people, women, internally displaced persons, refugees and returning migrants. The programme builds market-relevant skills through vocational training, promotes access to finance and innovation for small and medium businesses, and selectively contributes to macroeconomic stability. Special attention is given to green jobs and digital solutions, helping to prepare the workforce for future markets. Switzerland encourages long-term employment and innovation by linking training with private sector demand and fostering entrepreneurship. While economic development is increasingly led by national institutions, Switzerland's targeted support remains important to ensure inclusiveness, resilience and

sustainability.

Transversal themes

The Swiss cooperation programme in the South Caucasus for 2026-29 systematically integrates governance, gender equality, social inclusion and digital transformation across all interventions. Climate resilience is both a dedicated priority area and a cross-cutting concern, informing how institutions manage natural resources, how businesses adapt to environmental challenges, and how communities strengthen their livelihoods in the face of climate risks.





Approach and partners

Switzerland is an important bilateral donor in the South Caucasus, and the only one that adopts a regional approach in its engagement. This enables it to address shared challenges and promote cooperation across borders, while tailoring support to the needs of each country.

Switzerland's approach in the South Caucasus combines technical expertise, policy dialogue and financing, to ensure coherence across Switzerland's foreign policy instruments. The programme is implemented jointly by the Swiss Agency for Development and Cooperation (SDC), the Peace and Human Rights Division (PHRD) and the State Secretariat for Economic Affairs (SECO). Close cooperation and alignment with the Federal Office for the Environment and the State Secretariat for Migration are ensured. The migration partnership between Switzerland and Georgia continues to provide a framework for engaging in migration dialogue and strengthening migration governance.

Switzerland partners with like-minded donors, multilateral institutions and regional organisations, contributing where its specific expertise provides clear added value – for example in climate risk management, vocational education, financial stability and local governance. Cooperation with international financial institutions and the United Nations strengthens the effectiveness of Swiss engagement. Switzerland represents Azerbaijan in the Bretton Woods institutions (International Monetary Fund and World Bank Group) and the Global Environment Facility. This leadership role enables Switzerland to help shape global policy discussions and act as a bridge-builder in the region.

A key emphasis is on empowering local partners. By supporting grassroots initiatives, municipalities and community-based organisations, Switzerland contributes to ensuring that reforms are inclusive and anchored in local realities. Civil society, young people and women are encouraged to play a stronger

role in shaping their communities and contributing to public decision-making. Engaging with private sector actors helps foster joint initiatives with scalable and lasting impact.

Swiss Cooperation Programme South Caucasus

Indicative bilateral budget

PHRD, SDC, SECO: CHF 60 million for the period 2026–2029

Priority Areas

Human security, peace and democratic governance

Climate resilience and natural resource management

Economic empowerment and sustainable growth





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