Q1: TITLE OF CASE STORY

NTF Bangladesh

Q2: CASE STORY ABSTRACT

NTF Bangladesh project’s key aim is to support the local Information Technology (IT) and IT-enabled service (ITES) sector to improve its export competitiveness and benefit from business links with selected European markets. In its previous (NTFII) and current (NTFIII) phases it is funded by the Netherlands Ministry of Foreign Affairs and is implemented in close partnership with the Dhaka Chamber of Commerce and Industry (DCCI) and the Bangladesh Association of Software & Information Services (BASIS).

ITC’s engagement consisted of improving the capacity of the two Trade Support Institutions (TSIs) in providing sector development support services to SMEs, increasing export competitiveness of SMEs in the IT & ITES industry and expanding business linkages and partnerships. In the latter phase ITC’s AIM for Results methodology was applied in order to strengthen the institutional capacity and service portfolio of BASIS. The project has been successfully increasing Bangladesh’s service exports and export market diversification.

Q3: LONG DESCRIPTION OF THE CASE STORY

The Netherlands Trust Fund II and III (NTF) Bangladesh project has been funded by the Netherlands Ministry of Foreign Affairs through the Centre for the Promotion of Imports from developing countries (CBI) since 2010. The project is being implemented in close partnership with the Dhaka Chamber of Commerce and Industry (DCCI) and the Bangladesh Association of Software & Information Services (BASIS). Both organizations were selected following the identification missions to Bangladesh at the beginning of each phase.

The overarching aim of the NTF Bangladesh is to support the local information technology (IT) and information technology enabled services (ITES) sector to improve its export competitiveness and benefit from business links with selected markets in Europe. As the global outsourcing industry is witnessing an upward trend, and sourcing enterprises are looking for improved service delivery at lower costs, the Bangladeshi IT & ITES industry has the potential to take advantage of its vast pool of trained engineers and operators. However, as a promising yet still insufficiently well-organised industry association, it needed the initial market access support and capacitating.

As follows, the NTF Bangladesh project sought to address the issues acting as a bulwark to the development of exports in the IT & ITES industry. These were identified as (1) the lack of concrete, coordinated actions to exploit the sector’s foreign-trade potential; (2) the inability of the IT association to provide results-oriented services to its members; and (3) the insufficient, sporadic branding efforts, which result in a low visibility of Bangladesh on the global IT outsourcing marketplace.

In the context of these issues, the first part of the project (NTF II) focused on three main objectives: (1) branding Bangladesh as a global IT sourcing destination; (2) strengthening the competencies of partner Trade Support Institutions (TSIs) to provide effective business linkages services; and (3) developing new business
The next phase of the project (NTF III) sought to build on the achievements of NTF II which saw the completion of the above objectives, having resulted in the expansion of the business networks of the Bangladeshi IT & ITES beneficiaries through specialised B2B events and resulted in new export contracts. It is currently being implemented – having been planned to run until July 2017 – and specifically aims to enhance the export competitiveness of the IT & ITES industry in Bangladesh so as to generate new export revenues for the sector. Its objectives therefore expand to include (4) strengthening the portfolio of services of the partner TSIs – BASIS and DCCI – with a view to ensure the sustainability of the interventions.

In order to achieve these objectives, the project began with the organisation of 12 specialised business matchmaking events in Bangladesh and four European countries – Denmark, the Netherlands, United Kingdom and Germany. Moreover, ITC supported BASIS and DCCI in organising these meetings in Bangladesh through active coaching. In the long term this facilitated the integration of B2B Matchmaking into the service portfolio of both TSIs.

Alongside these processes ITC helped develop the existing BangladeshNEXT brand through the creation of a branding roadmap. In the same vein, ITC supported DCCI and BASIS in organising and participating in various events and conferences to better market the Bangladeshi IT & ITES sector to the international business community. Lastly, ITC supported the training of 10 Bangladeshi foreign trade representatives from the key European countries to become “Ambassadors” for the Bangladesh IT industry in their countries of posting.

NTF III began again with the Feasibility & Formulation mission, which included extensive discussions with local stakeholders, including company representatives, government ministries, TSIs and sector associations. ITC’s intervention to sustainably strengthen the institutional and service portfolio capacities of BASIS was based on its AIM for Results methodology, involving a two-step process. The first step involved undertaking a benchmarking study – carried out by the TSI Capacity Building team of ITC – to produce a report identifying the strengths and weaknesses in four main operation areas: Leadership and Direction; Resources and Processes; Products and Service Delivery; Measurement and Results. Based on this benchmarking report, the second step involves the preparation of a performance improvement roadmap (PIRM), which is used to structure all NTF III Bangladesh interventions at the IT association with a view to bringing the organisation to the next level of maturity.

Throughout the project was managed by a Project Coordination Group and by the Project Management Team, both of which included representatives and staff from each TSI, as well as national and Geneva-based project managers. The Embassy of the Kingdom of the Netherlands in Bangladesh was also engaged in the implementation of the project under the NTF III.

As a basic principle, all NTF activities have been conducted on a cost sharing basis. For example, all NTF II companies that participated in B2B events received a return ticket paid by the project but each company had to cover its own living expenses. By sharing costs the private sector demonstrated its ownership of the project, as well as commitment to its objectives and achieving concrete business results. In addition, the project counterpart institutions provided in-kind contributions, such as staff time and office facilities. This approach minimised the increase in costs to the TSIs once ITC’s support is withdrawn, as evidenced by the success of the recent B2B matchmaking event in Denmark funded by the Bangladeshi Export Promotion Bureau.

Overall, NTF has positively contributed to ITC’s second corporate objective to “enhance trade support institutions and policies for the benefit of exporting enterprises”. Key success factors have been symbiotic: a combination of TSI commitment and a properly resourced project. Future programmes should pay more attention to the importance of enhancing the financial and operational sustainability of TSIs. In terms of ITC’s third corporate objective to “strengthen the export capacity of enterprises to respond to market opportunities”, elements indicate that NTF II has achieved results. Under NTF III efforts will be made to consolidate results on SMEs, and a more tailored approach is advisable for those SMEs who are not export ready yet.
Q4: Please add here web links to project/programme materials.

### Q5: Your Contact Details
- **Name:** Martin Labbe
- **Ministry/Institution/Organization:** ITC
- **Country:** Switzerland
- **Email Address:** labbe@intracen.org

### Q6: Function
Other (please specify) International Organisation

### Q7: Funding Partner
- **Tick the appropriate box(es):** Bilateral donor

### Q8: Additional information
*Respondent skipped this question*

### Q9: Start Date of Project/Programme
- **October 2010**

### Q10: Status of Project/Programme
- **On-going**

### Q11: Duration or, if on-going, expected duration of Project/Programme
- **More than 5 years**

### Q12: Cost of Project/Programme
- **Between US$1 million and US$5 million**

### Q13: Additional information
*Respondent skipped this question*

### Q14: Type of Funding for Project/Programme
- **Grant**

### Q15: Project/Programme Type
- **Single country / customs territory**
Q16: SINGLE COUNTRY/CUSTOMS TERRITORY  
BANGLADESH

Q17: REGION (If the region does not appear in the drop down menu, please enter manually.)  
South Asia

Q18: MULTI-COUNTRY (Enter all countries or customs territories)  
Respondent skipped this question

Q19: CASE STORY FOCUSTick the appropriate box(es)  
Improving skills levels in service sectors,  
Other (please specify)  
Providing added-value services to companies in the service sectors.

Q20: HOW SUCCESSFUL WAS THE PROJECT/PROGRAMME  
Tick the appropriate box(es)  
Very successful

Q21: WHAT WERE THE OUTPUTS OF THE PROJECT/PROGRAMME  
Tick the appropriate box(es)  
Officials trained, Services sector skills,  
Other (please specify)  
Deployment of a business-generation service with an industry association

Q22: Additional information (maximum 300 words)  
Capacity of an industry association improved in providing sector development support services to SMEs  
Increased export competitiveness of IT & ITES SMEs  
Business linkages and technical partnerships/collaborations expanded
Q23: WHAT WERE THE OUTCOMES OF YOUR PROJECT/PROGRAMME

Tick the appropriate box(es)

- Increase in service exports

Q24: Additional information (maximum 300 words)

In the initial phase the project resulted in 24 companies out of 40 increased their exports, with an average of 20% increase in export revenues, 25% companies with increased exports reported steadily growing revenues. A survey undertaken in June 2013, in which 25 of the 40 NTFII companies participated, showed that 52% of the companies had reported an increase in exports in 2012 directly related to NTFII Bangladesh B2B activities.

Q25: WHAT WERE THE IMPACTS OF THE PROJECT/PROGRAMME

Tick the appropriate box(es)

- Export market diversification,
- Improved visibility for Bangladesh as a global sourcing destination in target European markets/improving the image of Bangladesh as a destination for IT and ITES outsourcing.
- Other (please specify)

Q26: Additional information (maximum 300 words)

Respondent skipped this question

Q27: LESSONS LEARNT

Tick the appropriate box(es)

- Importance of good project design,
- Importance of alignment with national priorities,
- Importance of engagement by private sector,
- Importance of agreeing clear project implementation responsibilities,
- Importance of agreeing clear project monitoring and evaluation process and procedures,
- Importance of political will and commitment by project partner

Q28: Additional information (maximum 300 words)

Respondent skipped this question
Q29: PROJECT OR PROGRAMME MONITORING AND EVALUATION FRAMEWORK Tick the appropriate box(es)

- M&E framework used
- Project baselines set
- Ex post evaluation