EVALUATION OF DFID SUPPORT TO TRADE RELATED CAPACITY BUILDING

A Case Study of Bangladesh

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<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AoA</td>
<td>Agreement on Agriculture</td>
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<td>APDF</td>
<td>African Project Development Facility</td>
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<td>ATC</td>
<td>Agreement on Textiles and Clothing</td>
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<td>BBS</td>
<td>Bangladesh Bureau of Statistics</td>
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<td>BCI</td>
<td>Business Competitiveness Index</td>
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<td>BDXDP</td>
<td>Bangladesh Export Diversification Project</td>
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<td>BEI</td>
<td>Bangladesh Enterprise Institute</td>
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<td>BFTI</td>
<td>Bangladesh Foreign Trade Institute</td>
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<td>BIDS</td>
<td>Bangladesh Institute of Development Studies</td>
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<td>BIMSTEC</td>
<td>Bangladesh India Myanmar Sri Lanka Thailand Economic Cooperation</td>
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<td>BMO</td>
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<td>CCIE</td>
<td>Chief Controller of Imports and Exports</td>
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<td>CIDA</td>
<td>Canadian International Development Agency</td>
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<td>CPD</td>
<td>Centre for Policy Dialogue</td>
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<td>CPDF</td>
<td>China Project Development Facility</td>
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<td>DDA</td>
<td>Doha Development Agenda</td>
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<td>EPB</td>
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<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>General Equilibrium Modelling</td>
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<td>Government of Bangladesh</td>
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<td>GSP</td>
<td>Generalised System of Preferences</td>
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<td>Global System of Trade Preferences</td>
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<td>International Finance Corporation</td>
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<td>LDCs</td>
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<td>MDGs</td>
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<td>MFA</td>
<td>Multi-Fibre Arrangement</td>
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<td>Acronym</td>
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<tr>
<td>MOC</td>
<td>Ministry of Commerce</td>
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<td>Memorandum of Association and Rules and Regulations</td>
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<td>MPDF</td>
<td>Mekong Project Development Facility</td>
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<td>National Board of Revenue</td>
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<td>North Africa Enterprise Development Facility</td>
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<td>Non-Tariff Barriers</td>
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<td>Official Development Assistance</td>
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<td>PDF</td>
<td>Project development facilities</td>
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<td>PEDF</td>
<td>Pacific Enterprise Development Facility</td>
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<td>PENSA</td>
<td>Programme for Eastern Indonesia SME Assistance</td>
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<td>PRGF</td>
<td>Poverty Reduction and Growth Facility</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>RISE</td>
<td>Regulatory and Investment Systems for Enterprises</td>
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<td>RMG</td>
<td>Ready-Made Garments</td>
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<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
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<td>SAFTA</td>
<td>South Asian Free Trade Area</td>
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<td>SAPTA</td>
<td>SAARC Preferential Trading Arrangement</td>
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<td>South Asia Enterprise Development Facility</td>
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<td>SEED</td>
<td>Southeast Europe Enterprise Development Facility</td>
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<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<td>SPS</td>
<td>Sanitary and Phyto-Sanitary Measures</td>
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<td>TBT</td>
<td>Technical Barriers to Trade</td>
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<td>TRRPD</td>
<td>Trade Related Research and Policy Development</td>
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<td>TRTA</td>
<td>Trade Related Technical Assistance</td>
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<td>UAE</td>
<td>United Arab Emirates</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>United Nations Development Programme</td>
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<td>USAID</td>
<td>United States Agency for International Development</td>
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<td>WTO</td>
<td>World Trade Organisation</td>
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Executive Summary

Introduction

i. This report has been prepared as part of the evaluation of Trade Related Capacity Building (TRCB) activities carried out by the Department for International Development (DFID), United Kingdom, throughout 1998-2004. The major objective of the evaluation is to learn from the current TRCB Programmes of DFID, and to improve the approach while promoting best practices in the delivery of these programmes. Furthermore, this report aims to suggest ways in which TRCB could best contribute to poverty reduction strategies pursued by developing countries.

ii. Bangladesh is one of the five case studies of DFID’s TRCB evaluation exercise, the other four being Kenya, Malawi, Ukraine, and the Caribbean region. The specific issues that were addressed in the Bangladeshi case study are: (i) what are the linkages of DFID’s TRCB projects to Bangladesh’s national trade/development plan, (ii) what are the linkages of TRCB to DFID’s country assistance plan in Bangladesh, (iii) what are the linkages of DFID’s TRCB activities to other donors’ TRCB programmes in Bangladesh, (iv) what are the contributions of DFID’s TRCB to changes in national trade capacity, and (v) what are the lessons learned from the evaluation and what recommendations emanate from the case study?

iii. The Bangladesh case study has been carried out in a two-stage process. First, Bangladeshi beneficiaries and other stakeholders of DFID’s TRCB programmes were interviewed on a one-to-one basis. The preliminary findings of interviews and secondary sources of information were shared and discussed in consultation with the relevant stakeholders. This was in regards to the needs, outcomes and benefits of TRCB programmes in Bangladesh, with a view to identify ways to raise the efficiency and effectiveness of such programmes.

iv. Four DFID projects in Bangladesh were identified as being TRCB projects, and thus form the focus of the evaluation:

- **Trade Policy Capacity Building (TPCB) Project** with the Bangladesh Tariff Commission (BTC) and the Ministry of Commerce (MOC)
- **Bangladesh and the WTO**, which involves the International Food Policy Research Institute (IFPRI) and the Bangladesh Institute of Development Studies (BIDS) – hereafter referred to as the IFPRI-BIDS project
- **South Asia Enterprise Development Facility (SEDF)**, which includes a small component on trade relations between Northeast India and Bangladesh as well as on international trade facilitation
- **Scoping Study on Setting up a Bangladesh Foreign Trade Institute (BFTI)** in Dhaka

Among these four projects, only one project has been completed successfully (IFPRI-BIDS project), one was discontinued (TPCB), and the other two (SEDF and BFTI) are yet to start their project activities.

v. In all four TRCB projects, DFID is a co-funding agency with other donors. The IFPRI-BIDS project is a research project co-financed by DFID and the Government of
the Netherlands. The project also included a small training component, and has been completed successfully. The TPCB project was part of the World Bank’s Export Diversification project, designed to strengthen the capacities of the BTC and MOC on trade policy formulation and trade negotiations, viz. both research and training components. The project was discontinued due to unsatisfactory performance. SEDF is a US$40 million development facility project managed by the International Finance Corporation (IFC) and financed by seven multilateral and bilateral donors including DFID. SEDF contains a trade development programme that aims to develop trade relations between Northeast India and Bangladesh, as well as to facilitate Bangladeshi exports to other markets (Canada, Australia, and Japan). BFTI is a new trade capacity building initiative in a nascent stage. At this moment, DFID has expressed its willingness to collaborate with the EU to support this initiative.

**DFID Programmes in Bangladesh**

vi. DFID works in partnership with GOB, civil society, the private sector and the research community. It also works with multilateral institutions including the World Bank, the United Nations, and the EU. The total volume of DFID aid resources to Bangladesh amounted to £80 million in 2002-2003, up from £38.9 million in 1997-1998. DFID’s funding represents an increase from 5 to 8 percent of total foreign aid in Bangladesh. DFID currently supports 75 projects, 57 of which have a budget over £1 million. In 2004-2005, DFID’s budget will be £100 million and more may be available if the government continues to pursue further reform efforts. DFID has increasingly been financing programmes and projects in collaboration with other donors, thus about 60 percent of the total budget is now committed in partnership with other donors in Bangladesh.

vii. DFID’s strategy for Bangladesh seeks to achieve a consistent and effective contribution to poverty alleviation in partnership with other stakeholders. The greatest budget allocation is received by the health and population sectors followed by education, public administration, rural development, roads, agriculture and livestock, water and sanitation, fishing, and energy.
viii. Support for the TRCB projects contributes to achieving one of DFID’s important poverty reduction goals in Bangladesh, namely pro-poor economic growth to ensure income and employment for the poor. Bangladesh is one of the LDCs that lacks the capacities to formulate and coordinate its trade strategies and policies, nor is it able to develop trade negotiating positions for LDCs. As a result, one of the objectives of DFID’s TRCB is to analyse the impact of the ongoing trade negotiations on Bangladesh, and to ensure an effective and equitable participation of the country in bilateral, regional and multilateral trade forums. In the last six years, DFID has co-financed three important projects with other donors and will be co-financing another project with the EU. The total allocation for three projects (IFPRI-BIDS, TPCB and SEDF) is £4,280,025. In addition, DFID is committed to providing an initial budget of £500,000 to finance the position of the Executive Director of BFTI.

**Summary of Project Assessment and Findings**

ix. Among the four projects, the IFPRI-BIDS project has been successfully completed, building capacity through research and training activities at BIDS. The BIDS researchers through the project have learned the techniques and methodologies of trade policy analysis, and single-country to multi-country modelling. Awareness by the participants on international trade issues, agreements and policies has also been enhanced through the training workshops conducted by BIDS. The overall results have been positive for the project.

x. It seems that the TPCB project in conjunction with BTC suffered from misunderstanding and mistrust between the recipients and the managing agency. Although the project delivered useful training on trade remedies and a study tour programme in Geneva, the overall performance of the project was not satisfactory as most of the activities were either delayed or incomplete. DFID finally discontinued the project. Unfortunately, the project had very little impact on TRCB in Bangladesh.

xi. The SEDF trade component has started well, though it is still too early to assess the full impact. It appears highly relevant to the needs of Bangladesh, as there is great potential to substantially expand trade and investment between Bangladesh and Northeast India. The project intends to internationally facilitate the regional and bilateral trade and investment relations between Bangladesh and Northeast India. The SEDF approach has been endorsed by the business community in both countries.

xii. The BFTI intends to address both the short-term TRTA and the long-term TRCB needs of Bangladesh. The preliminary scoping study is a good quality report, adequately followed up by the EU’s feasibility study. In order to make it operational, the Government of Bangladesh, the private sector and the donors will have to work together to resolve their differences over issues relating to its autonomous status, the selection of the Chief Executive, staffing and sustainability issues.

xiii. The strengths of the DFID’s TRCB projects in Bangladesh can be summarised as follows:
• Strengthening trade-related capacity in key research and government institutions that deal with macro policies and international trade issues, effectively raising the efficacy of Bangladesh’s global integration. This is the right focus for TRCB activities by DFID in Bangladesh.

• DFID has opted to team up with other donors to co-finance several trade-related projects in Bangladesh. There are some advantages to co-financing TRCB projects in developing countries. First, co-financing requires the collaboration among donors to a certain extent. Second, co-financing may also have greater leverage since limited funds from individual donors can be pooled together. However, co-financing of TRCB projects also creates challenges, such as the need for coordination which can be complicated and time-consuming.

• Designing demand-driven projects is the key to a successful TRCB project that targets actual needs. One of the reasons for the successful completion of the IFPRI-BIDS project was the demand driven nature of this project. The project was developed and proposed by the implementing institution, and was monitored properly by the partner institutions in the United States and the Netherlands.

• The pro-poor focus of DFID’s TRCB is reflected through its SEDF programme. SEDF aims to contribute to poverty reduction in South Asia by increasing competitiveness, performance, and growth of SMEs, which in turn are expected to contribute to growth and improvement in economic and social conditions of poor people in the region (Bangladesh, Nepal, Bhutan and Northeast India). Bangladesh is the single most important target area for SEDF, receiving more than 90 percent of their funds in the first two years. Bangladesh is currently in the process of finalising the Poverty Reduction Strategy Paper (PRSP), which states that one of the major objectives of the programme is to make globalisation and trade work for the poor. Connecting SMEs to global market opportunities is of crucial importance to generate economic growth, create jobs and reduce poverty in Bangladesh.

• Institutional capacity building in trade-related areas is key to ensuring that the domestic capacity is built and developed in a sustainable manner. The idea of setting up BFTI originated from a felt need to develop domestic capacities to participate in ongoing global and regional trade negotiations, and thus to articulate, design and implement appropriate trade policies to address the emerging challenges in trade-related areas. The decision by the GOB to set up BFTI with a public-private partnership was timely. DFID’s early decision to be involved in the process of setting up BFTI was thus an appropriate one.

xv. However, there are a number of opportunities for DFID to consolidate its position in the future with regard to the process of designing and financing TRCB programmes in the country. Some key opportunities are mentioned as follows:

• Bangladesh will face great challenges in the changing trade environment, in particular during the post-Cancun and post-MFA period. Yet, it lacks the capacities to address these challenges in both trade policy/regulations and trade development areas. Therefore, support from DFID and other donors in
TRTA/TRCB continues to be needed. However, the scope and resources of DFID and other donors in TRCB activities are quite limited.

- It is important for the donor community and the GOB to react quickly to the post-MFA challenges. It is imperative for the GOB to reduce lead times for the RMG industry through important changes to the business environment, such as port improvements, customs reform and shipping regulatory framework. These are as important as seeking preferential trade arrangements from developed countries. Bangladesh also needs to address the supply constraints and diversify its export basket. Export diversification should be part of a comprehensive trade strategy that is linked with coordinated programmes to increase export capacities and promote Bangladeshi exports.

- There is need for long-term institutional capacity building in Bangladesh to ensure a lasting effect. Concentrating on short-term TRTA activities, such as training, equipment and access to information, will have a small and unsustainable impact if other tasks are not carried out simultaneously. The evaluation exercise also helped to identify some specific shortcomings in the design and implementation of DFID’s TRCB projects in Bangladesh.

- The evaluation exercise highlights that the inadequate coordination among donors and recipients is one of the major problems in accomplishing a successful TRCB project. Coordination among the donors is important to avoid overlapping and duplication of programmes, and to complement activities in areas where they are most needed.

- A demand driven and participatory project performs significantly better than a supply-driven project. The evaluation exercise shows that in order to make a project relevant, efficient, successful and sustainable, stakeholder participation in the design stage of a project is of utmost importance and also helps to avoid duplication.

- Focus on poverty reduction and gender equity sometimes gets lost in the view that what is good for trade interests is good for all stakeholders, including women and the poor. There is a need for a gender and poverty audit of TRCB projects, as we should be more sensitive to the poverty and gender issues within the context of globalisation and trade liberalisation.

- Local consultants with adequate expertise can prove to be more effective and cost efficient in designing and implementing TRCB projects compared to foreign consultants, as they understand the local conditions and constraints better and are better able to work with the Bangladeshi stakeholders. However, as local expertise may not always be available, regional expertise should also be explored. Tied TRCB may not be helpful and cost effective.
Lessons Learned and Recommendations

xv. Given the importance of external markets in the Bangladeshi economy, a proactive trade policy is crucial for rapid economic development and accelerated poverty alleviation. However, in pursuing this export-led growth strategy, Bangladesh is severely constrained by structural and institutional problems that need to be urgently addressed if it is to transform its comparative advantages into competitive advantages. Identification of such constraints that act as impediments to trade expansion, and designing appropriate mechanisms to overcome the factors inhibiting supply side responses, is a critical issue to LDCs like Bangladesh.

xvi. As a member of the WTO, Bangladesh has to comply with various rules, provisions and obligations that have emerged from the WTO built-in agenda and ongoing Doha Development Agenda (DDA) negotiations. Bangladesh needs to design and implement an ongoing mechanism for monitoring and responding to the implications of various trade rules and agreements, such as the use of subsidies, safeguard measures, antidumping, countervailing duties, GATS, TRIPs and TRIMs. Bangladesh also needs to firm up its position regarding the new issues emerging in the trade discourse. Developing expertise concerning trade-related processes and documentation is also an important area where Bangladesh needs capacity building.

xvii. Bangladesh needs TRCB in both the short and long term for government agencies, business community, civil society and NGOs in the areas of trade policy, regulations, trade negotiations, trade development, trade promotion and compliance.

xviii. A number of projects geared towards enhancing trade performance have been operating in Bangladesh. The impact of some of the projects has been observable at a small scale, through increased capacity in understanding trade issues. DFID’s TRCB projects have helped to increase the analytical ability of the researchers at BIDS, and assisted in designing policy recommendations on some key trade issues of interest to Bangladesh. Even with the discontinued TPCB project, BTC has been benefited through the training component. BTC is a GOB organisation that has developed some trade-related capacity. However, if it intends to play an adequate role in the government, it must further develop its capacity.

xix. While discussing DFID’s TRCB in Bangladesh, a number of issues were raised at the stakeholders consultation meeting held in Dhaka in June 2004, with participation of the concerned policy makers and representatives of business, trade bodies, NGOs and academics, and some recommendations were made in that respect. The key issues have been summarised as follows:

- Timeliness of the projects relating to trade policy capacity building is important as the focus of trade negotiations are changing on a continuing basis. As a result, there should be more flexibility in the design of TRCB projects, and they should be dynamic to address new and emerging trade issues. About 25-30 percent of the funds should be reserved for addressing forward-looking new and emerging trade issues. This will make TRCB projects more appropriate to the country’s needs.
• Consultancy reports and training seminars are less useful than institutional capacity building for long-term TRCB efforts. However, TRTA activities are sometimes building blocks of long-term TRCB efforts of the country.

• Trade development and trade promotion are important areas for Bangladesh. In this respect, support for promoting forward linkages of sectors such as RMG is crucial for Bangladesh’s export growth strategy. Thus, it is important for Bangladesh to address the supply constraints and diversify its exports.

• There are often gaps between study reports and actionable agendas. The reasons are two-fold: study reports are often not policy-oriented, and are devoid of executable agendas; on the other hand, because of the lack of capacity at the bureaucratic level, policy recommendations from the study reports can not be translated into actionable agendas by the government.

• Research findings should be disseminated among the relevant government institutions. The recommendations should be owned by government agencies and not set aside as merely the pious wishes of outside consultants.

• Verifiable indicators should be clearly identified in the project design stage, and be assessed later to determine the success of the project. The success of projects should be based on capacity building outcomes rather than on the disbursement of project funds.

• The working relationship with MOC should be established by all those who work on trade-related issues in Bangladesh. It is important to develop and implement mechanisms to keep institutional memory of TRCB projects undertaken. During the evaluation process, the evaluators have found that project-related documents are often not available, especially if the assigned officials are retired or transferred. Furthermore, many TRCB projects do not necessarily send their project outputs to MOC or other government agencies for consideration.

• It is crucial to have a set of intelligent TRCB initiatives undertaken in Bangladesh in the future. Such TRCB projects and programmes conceived within a holistic framework are expected to support Bangladesh's export-led growth strategy by providing financial and technical support for human resource development, particularly regarding WTO issues. The objective of such projects should be to facilitate Bangladesh’s capabilities of addressing supply-side constraints that inhibit trade and investment, and provide assistance to Bangladesh to overcome global market access constraints.

• Considering the overriding importance of the ongoing PRSP exercise, and Bangladesh’s stated objective of achieving the Millennium Development Goals, undoubtedly making trade work towards poverty alleviation should be given top priority. An important instrument to achieve this is by raising the efficacy of Bangladesh’s TRCB programmes.
I. INTRODUCTION

A. Objective and Methodology

1. This report has been prepared as part of the evaluation of Trade Related Capacity Building (TRCB) activities carried out during 1998-2003 by the Department for International Development (DFID), United Kingdom. The evaluation was initiated by DFID, and is part of the five country/regional case studies being carried out by ten consultants of the North-South Institute evaluation team. The main objective of the evaluation is to learn from DFID’s current TRCB projects, and to improve the approach while promoting best practices in the delivery of these projects. Furthermore, the purpose is to suggest ways that TRCB projects could best contribute to the poverty reduction strategies being pursued by developing countries.

2. Specifically, the issues that were assessed in the Bangladesh case study are: (i) what are the linkages of DFID’s TRCB projects to Bangladesh’s national trade/development plan, (ii) what is the association of TRCB to DFID’s country assistance plan in Bangladesh, (iii) what are the linkages of DFID’s and other donor’s TRCB activities, (iv) what is the contribution of DFID’s TRCB to changes in national trade capacity, and (v) what are the lessons learned and what recommendations emanate from the case study.

3. In order to conduct the case study, the research team solicited information from both primary and secondary sources. Information from primary sources was collected through a two-stage process. First, Bangladeshi beneficiaries of DFID’s TRCB projects and other stakeholders were interviewed on a one-to-one basis. Second, the preliminary interview findings and the secondary information was shared and discussed in a consultation meeting with the relevant stakeholders in Dhaka on 16th June 2004. The aim was to identify ways of improving the programmes effectiveness and efficiency, regarding the needs, outcomes and benefits of DFID’s TRCB programme. Information from secondary sources was collected from existing documents and reports from relevant organisations and websites.

4. After a review of DFID’s project portfolio and a consultation with DFID Bangladesh, four projects were identified as TRCB projects for the evaluation in Bangladesh case study. These include:

1). Trade Policy Capacity Building Project (TPCB) with the Bangladesh Tariff Commission (BTC) and the Ministry of Commerce (MOC)

2). Bangladesh and the WTO, which involved the International Food Policy Research Institute (IFPRI) and the Bangladesh Institute of Development Studies (BIDS). This is hereafter referred to as IFPRI – BIDS project

3). South Asia Enterprise Development Facility (SEDF), which includes a small component on trade between Northeast India and Bangladesh and international trade facilitation

4). Scoping Study on Setting up a Bangladesh Foreign Trade Institute (BFTI), which involves the MOC, other government agencies and private sector groups.
5. Of these four projects, one has successfully been completed (IFPRI-BIDS), one has been discontinued (TPCB), and two (SEDF and BFTI) are yet to fully start their project activities. In all four projects, DFID is a co-funding agency with other donors. The IFPRI-BIDS project successfully accomplished the research study with a small training component still continuing. The TPCB was terminated due to the unsatisfactory performance. The trade component of SEDF is trade development programme that aims to develop trade relations between Northeast India and Bangladesh. The BFTI at the MOC has been launched but it is still in a nascent stage, as the Institute is yet to start its activities.

6. The key questions identified for the case study include:

   (i) Are these projects relevant to address the overall country needs and priorities of Bangladesh?

   (ii) What were the main objectives of the projects? What outputs have been produced? And what were the outcomes of the projects (positive and negative)?

   (iii) To what extent did the project contribute to trade policy developments and trade-related capacity building?

   (iv) Is there any evidence that GOB and other institutions have benefited from DFID’s TRCB in maintaining trade-related capacities?

   (v) In what way(s) is DFID’s TRCB portfolio contributing to poverty reduction in Bangladesh?

   (vi) How was gender equality integrated into the project design and implementation? Did the project focus on regional integration or build capacity in Bangladesh in this area?

B. Structure of the Report

7. This report consists of five chapters. The introductory chapter describes the objectives and methodologies of the evaluation exercise. Chapter II provides a brief overview of the key economic indicators of Bangladesh, elaborating on the external sector and national level indicators. Section A discusses the external sector indicators, the evolution of trade policies, the extent of openness, the structure of international trade, the composition of trade structure, and Bangladesh’s involvement in bilateral, regional and multilateral trading system. Section B reviews the national level indicators, the income and poverty indicators, poverty reduction strategy, national priorities and importance given to trade relative to other sectors, and priority given to TRCB projects in the national trade strategy. Furthermore, the section discusses the institutional framework for trade and related capacities at the national level, for example the strength of the Ministry of Commerce. Section C discusses major donor initiatives in various sectors of the economy, while DFID programmes in Bangladesh during 1998-2004 are discussed in Section D.

8. Chapter III presents the project-level assessments of the four TRCB projects of the Bangladesh case study. For each project, a number of parameters were identified: the project design, rationale, context and classification; the degree of collaboration with the
government, private sector, other donors, key stakeholders and primary and secondary beneficiaries; and linkages to poverty, gender and regional issues. Section B discusses project assessment indicators. The key indicators considered include: (i) the relevance of the project within the context of the overall country needs and DFID’s assistance objectives in Bangladesh, (ii) performance of the project in terms of outputs, outcomes, efficiency, and timeliness, both qualitatively and quantitatively, (iii) impacts or success of the project in terms of the level of activities, participation in meetings, research capacity, institution building, adoption of trade reforms, and adoption of trade-related laws and regulations, (iv) sustainability of the project in all senses such as financial, political and institutional sustainability, and (v) linkages to poverty reduction, gender equality and regional trade issues.

9. Chapter IV summarises the major findings of DFID’s TRCB projects at the country-level on the basis of its four TRCB projects in Bangladesh. It highlights the strengths and opportunities associated with these projects, as well as the lessons learned and recommendations.

10. The annexes at the end of the report include the questionnaire, list of interviews, list of participants at the consultation meeting, and a selected bibliography. The questionnaire was used as a guide for interviewing the stakeholders in Dhaka, Bangladesh during 6-15 June 2004. The stakeholders’ consultation meeting, hosted by the Centre for Policy Dialogue (CPD), was held on 16 June 2004 in order to share the preliminary findings of the interviews and to discuss various issues arising in connection with DFID’s TRCB projects in Bangladesh. The consultation meeting was attended by a wide range of knowledgeable people including GOB, officials at the MOC and BTC, academics, researchers, members of various chambers and apex bodies, and representatives of the donor community.

11. The report was prepared by Wenguo Cai, NSI Research Associate and Fahmida Khatun, CPD Research Fellow. They would like to thank their interviewees, the consultation meeting participants and the DFID office in Bangladesh for their collaboration in this evaluation.
II. KEY ECONOMIC INDICATORS OF THE COUNTRY

A. External Sector Indicators

12. Bangladesh has been pursuing an export-led growth strategy since the mid-1980s and early 1990s. This is driven by export-led industrialisation, export-based diversification and export market consolidation. The export led growth strategy is supported by a conducive policy environment and necessary infrastructure and institutional facilities. The economic reform measures initiated in the mid-1980s set the tone for many important changes in Bangladesh’s economic policies, which played a crucial role in introducing competition to the economy and instilling a general policy direction favouring externally orientated actions. The reforms were crucial for removing anti-export biased policies and integrating Bangladesh into the global economy. As a result, there were visible shifts in the structure of the economy from the non-tradable to the tradable sectors, and a gradual policy shift away from import-substitution towards export-oriented activities. The structure of trade underwent significant changes over the years. There was a major reallocation from traditional exports such as jute and jute goods, tea and raw leather, towards non-traditional items such as ready-made garments (RMG), frozen foods and shrimp.

13. Between 1991 and 2004, the average annual export growth rate was 13.8 percent, three times the GDP growth rate during this period. Export-oriented industries accounted for about one-third of the industrial capacity in Bangladesh. Total exports from Bangladesh were US$7.6 billion in the FY 2004 compared to US$5.2 billion in FY 1998. The export sector plays a crucial role in the economy in terms of incremental employment and investment, of which RMG is the largest source of employment in the export sector.

14. The importance of the import sector has also increased as a result of policy reforms, such as reducing tariff rates and eliminating quantitative restrictions. The reforms helped to increase the production and exports of RMG during the 1990s, which in turn increased the imports of intermediate goods, such as yarn and fabrics used for manufacturing garments.

15. Therefore, international trade is becoming increasingly important within the Bangladeshi economy. The total share of exports in GDP stands at 14.1 percent in 2004, compared to 11.8 percent in 1998, and 5.5 percent in 1991. The share of imports reached 20.2 percent in 2004, compared to 17.3 percent in 1998 and 11.3 percent in 1991. Table 2.1 illustrates the growth trend in exports and imports. On the other hand, the share of foreign trade in GDP is only 34.4 percent, compared to more than 50 percent in many East Asian countries. The range of exports is also limited, as 75 percent of total exports are derived from a single export item, i.e. RMG.
Table 2.1
Value and Growth Rates of Exports and Imports in Bangladesh (US $mn. and %)

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Import Growth</th>
<th>Exports</th>
<th>Export Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY98</td>
<td>7383</td>
<td>5.5</td>
<td>5161</td>
<td>16.8</td>
</tr>
<tr>
<td>FY99</td>
<td>7934</td>
<td>7.5</td>
<td>5413</td>
<td>4.9</td>
</tr>
<tr>
<td>FY00</td>
<td>8289</td>
<td>4.5</td>
<td>5757</td>
<td>6.4</td>
</tr>
<tr>
<td>FY01</td>
<td>9363</td>
<td>13.0</td>
<td>6467</td>
<td>12.3</td>
</tr>
<tr>
<td>FY02</td>
<td>8528</td>
<td>-8.9</td>
<td>5986</td>
<td>-7.4</td>
</tr>
<tr>
<td>FY03</td>
<td>9658</td>
<td>13.2</td>
<td>6548</td>
<td>9.4</td>
</tr>
<tr>
<td>FY04</td>
<td>10867</td>
<td>12.5</td>
<td>7603</td>
<td>16.1</td>
</tr>
</tbody>
</table>

Source: CPD-IRBD Database.

16. While Bangladesh’s export sector has registered commendable growth rates, the export range has not diversified and the country has not been able to translate its comparative advantage of cheap labour into a competitive advantage within the global market. Bangladesh has not realised its full export potential due to serious lacunae in many of the areas relating to institutional, technological and human capabilities. This has made the country relatively less competitive. Bangladesh ranks 98th out of 102 countries in the Growth Competitiveness Index (GCI) and 86th out of 95 countries in the Business Competitiveness Index (BCI) for the year 2003\(^1\). Therefore, the phasing out of the Multi-Fibre Arrangement (MFA) in 2005 will be a major challenge for the RMG sector and the whole economy.

17. Bangladesh’s firm commitment to open market policies, which underpins its export-led growth strategy and is also substantiated by the proactive role it plays in global and regional fora that deal with trade-related issues. Bangladesh was a signatory to the final document of the Uruguay Round Agreements and is a founding member of the WTO. As the leader of Least Developed Countries (LDCs) in the WTO, Bangladesh has advocated for the implementation of special and differential treatment in favour of LDCs, emphasising the problems faced by LDCs in the multilateral trading system. Bangladesh plays an active role in the South Asian Association of Regional Cooperation (SAARC), and has been active in the SAARC Preferential Trading Agreement (SAPTA), South Asian Free Trade Area (SAFTA) treaty, and the Bangladesh, India, Myanmar, Sri Lanka and Thailand Economic Cooperation (BIMST-EC) agreement. Bangladesh also participates in Developing Countries-8 (D-8) activities, which includes eight Islamic countries namely Bangladesh, Egypt, Iran, Indonesia, Malaysia, Nigeria, Pakistan, and Turkey.

18. Moreover, Bangladesh has bilateral trade agreements with more than 30 countries, including China, Korea, Egypt, India, Indonesia, Malaysia, the Philippines, Thailand and UAE. Under the Generalised System of Preference (GSP), Bangladeshi products

\(^1\) These two competitiveness indexes are prepared by the World Economic Forum (WEF) in collaboration with the Harvard University for their Global Competitiveness Report (GCR) are formulated on the basis of such indicators like macroeconomic stability, quality of services provided by public institutions, corruption, infrastructure, technology, environmental situation, and the role of international financial institutions [World Economic Forum (2004)].
currently receive preferential market access from 17 countries.\footnote{This includes Australia, Belarus, Bulgaria, Canada, the Czech Republic, the European Union, Hungary, Japan, New Zealand, Norway, Poland, the Russian Federation, Slovakia, Switzerland and the United States (UNCTAD document UNCTAD/ITD/GSP/Rev.1, 1999). In addition Bangladeshi exports enjoy special treatment under the provisions for LDCs in the EU (Everything But Arms) and Canada.} Bangladesh is also a participant in the Global System of Trade Preferences (GSTP) among developing countries, and grants tariff concessions to 47 other signatories on a wide range of products.\footnote{The 48 member countries of the GSTP are Algeria, Angola, Argentina, Bangladesh, Benin, Bolivia, Brazil, Cameroon, Chile, Colombia, Cuba, Ecuador, Democratic People’s Republic of Korea, Egypt, Ghana, Guinea, Guyana, Haiti, India, Indonesia, Iran, Iraq, Libya, Malaysia, Mexico, Morocco, Mozambique, Nicaragua, Nigeria, Pakistan, Peru, the Philippines, Qatar, the Republic of Korea, Romania, Singapore, Sri Lanka, Sudan, Tanzania, Thailand, Trinidad and Tobago, Tunisia, Uruguay, Venezuela, Vietnam, Yugoslavia, Zaire and Zimbabwe.}

19. In light of the involvement in various regional and international arenas, it seems that successful participation in bilateral, regional and multilateral trade negotiations is a major challenge to Bangladesh. To avoid marginalisation and to enhance its competitive strength, Bangladesh must continue to pursue an active trade policy in the global and regional fora.

B. National Level Indicators

20. Over the last six years (1998-2004), the Bangladeshi economy has experienced steady growth of around 5.2 percent on average per annum. There was a drop during FY2001-02, largely due to the faltering global economy, but the economy recovered and grew by 5.3 percent in 2002-3 and 5.5 percent in 2003-04. Such relatively high growth was achieved despite the country’s susceptibility to periodic natural disasters, such as flood and drought that wreaks havoc in Bangladesh. Inflation has remained within 5 to 6 percent, indicating macroeconomic stability. Growth in export earnings and increasing remittance flows have kept the current account deficit low. However, macroeconomic stability and sufficiently large economic growth has failed to make a substantial dent in the country’s poverty situation. Bangladesh has one of the lowest revenue-GDP ratios even by developing countries’ standards. Domestic savings is 18.3 percent of GDP, whilst the national savings rate is 24.5 percent. Such low savings rates put severe constraints on the country’s investment potential. Overall, the fiscal deficit fell from 7.9 percent in the early 1990s to 4.8 percent in FY04 (Bhattacharya, 2004a).

21. Table 2.2 presents the major trends in the country’s macroeconomic balances from 1998 to 2004.
Table 2.2
Trends in Macroeconomic Balances, 1998–2004
(Percentage of GDP)

<table>
<thead>
<tr>
<th></th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance of Payments:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Deficit</td>
<td>-5.4</td>
<td>-5.9</td>
<td>-5.6</td>
<td>-6.1</td>
<td>-5.4</td>
<td>-4.3</td>
<td>-2.1</td>
</tr>
<tr>
<td>Current Account Balance</td>
<td>-0.6</td>
<td>-0.9</td>
<td>0.0</td>
<td>-2.2</td>
<td>0.5</td>
<td>0.6</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Savings-Investment Balance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Investment</td>
<td>21.6</td>
<td>22.2</td>
<td>23.0</td>
<td>23.1</td>
<td>23.1</td>
<td>23.4</td>
<td>23.6</td>
</tr>
<tr>
<td>Private</td>
<td>15.3</td>
<td>15.5</td>
<td>15.6</td>
<td>15.8</td>
<td>16.8</td>
<td>17.2</td>
<td>17.5</td>
</tr>
<tr>
<td>Public</td>
<td>6.4</td>
<td>6.7</td>
<td>7.4</td>
<td>7.2</td>
<td>6.4</td>
<td>6.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Gross National Savings</td>
<td>21.8</td>
<td>22.3</td>
<td>23.1</td>
<td>22.4</td>
<td>23.4</td>
<td>24.5</td>
<td>24.5</td>
</tr>
<tr>
<td>Gross Domestic Savings</td>
<td>17.4</td>
<td>17.7</td>
<td>17.9</td>
<td>18.0</td>
<td>18.2</td>
<td>18.2</td>
<td>18.3</td>
</tr>
<tr>
<td><strong>Fiscal Balance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Revenue</td>
<td>9.5</td>
<td>9.0</td>
<td>8.5</td>
<td>9.6</td>
<td>10.2</td>
<td>10.4</td>
<td>10.9</td>
</tr>
<tr>
<td>Of which: Tax Revenue</td>
<td>7.7</td>
<td>7.4</td>
<td>6.8</td>
<td>7.8</td>
<td>7.8</td>
<td>8.3</td>
<td>8.7</td>
</tr>
<tr>
<td>Total Expenditure</td>
<td>12.9</td>
<td>13.6</td>
<td>14.5</td>
<td>14.8</td>
<td>14.9</td>
<td>14.6</td>
<td>15.6</td>
</tr>
<tr>
<td>Overall Budget Deficit</td>
<td>-3.4</td>
<td>-4.6</td>
<td>-6.1</td>
<td>-5.1</td>
<td>-4.7</td>
<td>-4.2</td>
<td>-4.8</td>
</tr>
<tr>
<td>Of which: Net Domestic Financing</td>
<td>1.6</td>
<td>1.9</td>
<td>2.8</td>
<td>2.8</td>
<td>2.6</td>
<td>1.9</td>
<td>2.0</td>
</tr>
</tbody>
</table>


22. Bangladesh remains a country beset with severe systemic and structural problems. Per capita income is low at only $389, and Bangladesh ranks 72nd in the Human Poverty Index (HPI), and 139th in the Human Development Index (HDI) among 175 countries. Whilst the average growth rate of 5% is impressive, this was unable to radically change Bangladeshis’ living standards. Although as a percentage of total population poverty has decreased in the urban areas recently, the absolute number of impoverished people has risen steadily. Furthermore, a significant gender disparity persists in both income and human poverty, especially at the lower end of the income distribution.

23. Although Bangladesh has made good progress in reducing poverty by increasing international trade, there still are a lot of constraints to further trade expansion – in terms of trade policy and regulations, and trade supply development. In the area of trade policy and regulations, GOB needs to further to develop its trade policy and negotiation capacities. The MOC is primarily responsible for formulating, implementing, enforcing and monitoring trade policy matters in collaboration with the Bangladeshi Tariff Commission, the Export Promotion Bureau, the Office of the Chief Controller of Imports and Exports, the National Board of Revenue, and other government institutions. The capacity of these government agencies to formulate trade policies is weak and the coordination mechanism among them is inadequate.

24. In the trade development area, GOB and the business community must react quickly to the post-MFA challenges. The imperative is for GOB to reduce lead times for

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5 Between 1988/89 and 1995/96 the share of the population below the poverty line fell from 35.9% to 26.3% in the urban areas, whilst in the rural areas the share increased from 49.7% to 51.1% over the corresponding period.
the RMG sector through improvements to the business environment, including port improvements, customs reform and shipping regulatory framework. These are as important as seeking preferential trade arrangements from developed countries. Bangladesh also needs to address the supply constraints and diversify its export basket. Export diversification should be part of a comprehensive trade strategy, linked with coordinated programmes to increase export capacities and promote Bangladeshi exports. Bangladesh faces various trade-related constraints that can be categorised as: (i) supply-side constraints to trade expansion, (ii) constraints in trade promotion and trade support services, (iii) constraints in market access, and (iv) constraints in the area of WTO compliance.

25. Supply-side constraints have emerged as the major cause for Bangladesh losing its competitiveness in the global market. Undiversified industrial base (too much dependency on RMG), undeveloped trade facilitation services, complex administrative and customs procedures, a lack of infrastructural facilities, insufficient skilled manpower, inadequate financial support services, and a lack of technological capabilities has made it difficult for Bangladeshi to realise her full export potential.

26. Trade promotion is difficult due to the small size of the enterprises, lack of information, and inability to ensure quality and standards. Resource constraints of the small and medium enterprises make it difficult to invest in improving the workforce’s skills, or to bear the increased administrative costs of doing business. Bangladesh also lacks export linkages, which makes it difficult to supply export consignments on time. The need for strong trade support institutions cannot be overemphasised in order to provide the required services for trade promotion. The institutional capacity in Bangladesh is very limited due to financial constraints and inadequate expertise of the concerned officials. The EPB is one of the premier institutions that have been providing services on a limited level. The capacity of the apex bodies and chambers is also constrained due to insufficient information, analytical skills and inability to formulate policies. The GOB needs a group of trained national cadres that can efficiently manage the external trade.

27. The market access problem arises due to (i) non-tariff barriers (NTBs), (ii) stringent quality and standard requirements, (iii) stringent rules of origin requirements, and (iv) strict labour and environmental standards. Bangladesh has experienced such barriers intermittently in the case of two important export items, frozen food and RMG. It is understood in Bangladesh and other countries that in the coming global trade regime, NTBs will increasingly be used by developed countries to control market access by developing countries. In order to tackle these issues, accomplished trade negotiators that are not available in Bangladesh are required.

28. Bangladesh is one of the 121 founding members in the WTO. Although its role has been marginal in the WTO and more specifically during the Uruguay Round negotiations, it is increasingly recognised that Bangladesh should take a more pro-active stance in the global trading system to serve its national interests and to play a leadership role in the LDC group. However, a lack of capacity to properly deal with the large number of emerging issues has severely hampered Bangladesh’s trade policy making in the context of multilateral trading system. In addition, the stakeholders’ perception on the possible implications of the Doha Development Agenda (DDA) has been vague. It is
necessary to identify appropriate modalities to strengthen Bangladesh’s integration in the global economy and to articulate Bangladesh’s position with respect to the on-going and built-in agendas in the WTO negotiations. This requires major initiatives to speedily improve the nation’s capacities. Lack of trade experts is one of the major constraints, both in the government and the private sector.

C. Major Donor Initiatives in Bangladesh

29. Bangladesh has faced irregular and fluctuating aid flows in recent years. Up to FY1990, the flow of foreign aid showed an upward trend, after which it fell. In terms of total aid received, Bangladesh ranks 11th among 134 aid receiving countries, though it ranks 86th in aid per capita with US$8 per person.

30. Experience from the last three decades also shows that the role of foreign aid in the development process is diminishing. The share of ODA to total GDP declined from 5.6 percent in FY1991 to 2.8 percent in FY2003. Per capita availability of ODA has also decreased to US$ 57.25 in FY2003 from US$ 65.24 in FY1991. The diminishing role of ODA is also reflected in terms of its value relative to exports and imports. The share of ODA in exports was 100.9 percent in FY1991 which declined to 24.2 percent in FY2003. Similarly the share of ODA in imports was 49.9 percent in FY1991 which declined to 15.8 percent in FY2003 (Bhattacharya, 2004b).

31. Sector analysis shows that aid flows during the last two political regimes were greatest for the transport sector, followed by health, population and family welfare. Foreign aid has played an increasingly important role in terms of the financing the non-government sector and even the private sector. Grant support to NGOs was $250 million in FY2003.

32. Trade-related projects in Bangladesh are supported by a number of bilateral and multilateral agencies. Table 2.3 presents a summary of donor contributions to TRCB projects in Bangladesh during 1998-2004. Among bilateral donors, DFID's involvement has been quite prominent. It has co-financed three major projects and will be co-financing another project with the EU. The allocation to the three projects (IFPRI-BIDS, TPCB and SEDF) was £4,280,025. The IFPRI-BIDS was co-funded with the Netherlands, TPCB with the World Bank, and SEDF with the IFC amongst others. In the case of the proposed BFTI project, DFID is willing to provide £500,000 for the position of the Executive Director of BFTI while other funds to support BFTI have been committed by the EU.

33. Since 2000, CIDA has supported trade capacity building in a civil society institution (the Centre for Policy Dialogue). During the first phase, CIDA sponsored the project entitled Monitoring the Impacts of the Uruguay Round (WTO) on Bangladesh over a period of four years (January 2000 to December 2003). The budget of the project was CAD$2,000,000. In the second phase, CIDA supported the Trade Related Research and Policy Development (TRRPD) project for the period 2004-2009. The budget of the current project is CAD$ 4,638,251. CIDA has also allocated an amount of CAD$ 300,000 as TRTA to the MOC in 2004. It also plans to respond to MOC’s ongoing needs by supporting a TRCB programme in MOC with CAN$5 to 7 million.

6 World Development Report 2004
34. The World Bank has also actively supported trade-related projects in Bangladesh. The Bangladesh Export Diversification Project (BDXDP) was the single largest trade-related project in scale and scope, receiving an allocated budget of US$45 million.

35. An EU-UNCTAD supported project on the Pre-Cancun Package (2003-2005) is currently being managed by MOC with a €950,000 allocation from the EU. The objective is to assist Bangladesh in participating in multilateral trade negotiations. One component of the project was to conduct policy studies and workshops on trade policy issues. This was implemented by two think-tanks in Dhaka: the Centre for Policy Dialogue and the Bangladesh Enterprise Institute (BEI). Another component of GOB capacity building is managed by MOC. For the EU, TRCB is a new area of cooperation in Bangladesh and for the moment they are doing projects as a sub-group of their support to private sector development. The EU is supporting the SEDF component because they see it as helping private sector business development. In addition, the EU has now contributed €2.3 million to support the newly-founded Bangladesh Foreign Trade Institute (BTFI) in collaboration with DFID.

36. A research project on Trade Cooperation and Economic Policy Reform in South Asia (TRACE) was supported by the EU. The study was to be implemented by BIDS during 2000-03. The objective was to strengthen the capacity of BIDS to effectively undertake and disseminate the results of applied research on trade cooperation, regional economic integration and economic policy reform. The project also aimed to strengthen policy dialogue and raise public awareness in Bangladesh on trade issues. The allocation for the project was €945,000. However, the project was discontinued due to a misunderstanding between the EU and BIDS, though the project delivered very useful training workshops. The Danish government has provided a small grant (US$20,000) through the Danish Embassy in Dhaka to the Centre for Policy Dialogue to undertake a policy analysis of trade and environmental issues in the WTO, and review the progress and preparations for the Cancun Ministerial meeting. The project’s goal was to strengthen the trade-environment related analytical capacity of Bangladesh, as part of capacity building in trade-related issues.

37. The WTO has also been involved in Trade Policy and Regulations (TPR) activities, including a number of regional workshops, seminars and training courses. These programmes cover a wide range of issues including trade mainstreaming in PRSP and development plans, trade facilitation, customs valuation, dispute settlement, TRIPs, agriculture, services, trade and environment, and trade and investment.

38. The International Trade Centre (ITC) is supporting a US$25,000 project on Pre-Cancun Package under the Trade Development (TD) category. The project is being implemented at MOC during 2003-2004. ITC along with the UNDP Trust Fund has also given support to the marketing skills development scheme for the leather sector during 2002-2003.

39. Bangladesh’s TRCB is also supported by other important multilateral and bilateral development agencies, such as Asian Development Bank (ADB), UNCTAD, UNDP, UNIDO, the USA, Japan and Norway. Support for TRCB come under various sub-categories, such as trade mainstreaming in PRSP and development plans, Sanitary and Phyto-Sanitary Measures (SPS), Technical Barriers to Trade (TBT), trade facilitation,
customs valuation, trade and environment, trade and competition, trade-related training education, business support services and institutions, trade promotion strategy design and implementation, market analysis and development, trade finance.

40. A large part of the committed resources is being directed towards institutional strengthening of government agencies. A number of components of the existing projects seek to enhance analytical capabilities of government agencies through preparation of study reports, installation of management information services, training, study tours, etc. Relatively few projects deal with the identification and marketing of new export items.

41. Most trade-related projects are executed by government ministries or agencies. Understandably, MOC and its sub-agencies, such as the BTC, are the main institutions involved in the formulation and implementation of trade policy in Bangladesh. The other line ministries/agencies that have executing power include the National Bureau of Revenue (NBR), Board of Revenue (BOR), Customs and the Export Promotion Bureau (EPB).

Table 2.3
Contribution of Donors in Major TRCB Projects during 1998-2004

<table>
<thead>
<tr>
<th>Donors</th>
<th>TRCB Projects</th>
<th>Bangladesh Implementing Agency</th>
<th>Fund Allocation</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIDA</td>
<td>Monitoring the Impacts of the Uruguay Round on Bangladesh (2000-2003)</td>
<td>Centre for Policy Dialogue (CPD)</td>
<td>CAN$ 2,000,000</td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td>TRTA (2004)</td>
<td>MOC</td>
<td>CAN$ 300,000</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td>Trade Related Capacity Building (2004-2010)</td>
<td>Ministry of Commerce (MOC)</td>
<td>CAN$ 5-7 million</td>
<td>Planned</td>
</tr>
<tr>
<td>DFID</td>
<td>Study on Bangladesh and the WTO (2001-2003)</td>
<td>IFPRI and BIDS</td>
<td>£259,900</td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td>Trade between Bangladesh and Northeast India (2002-2007)</td>
<td>SEDF</td>
<td>$5,680,000 (£3,650,000)</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td>Bangladesh Foreign Trade Institute</td>
<td>MOC</td>
<td>£500,000</td>
<td>Planned</td>
</tr>
<tr>
<td>EU</td>
<td>Pre-Cancun Package (2003-2005)</td>
<td>MOC</td>
<td>€950,000</td>
<td>On-going</td>
</tr>
<tr>
<td></td>
<td>Bangladesh Foreign Trade Institute</td>
<td>Ministry of Commerce</td>
<td>€2,300,000</td>
<td>Planned</td>
</tr>
<tr>
<td>ITC</td>
<td>TRTA: Pre-Cancun</td>
<td>Ministry of Commerce</td>
<td>US$ 25,000</td>
<td>On-going</td>
</tr>
</tbody>
</table>
D. DFID Programmes in Bangladesh (1998-2004)

42. In Bangladesh, DFID works in partnership with GOB, the private sector, civil society organisations and the researching community. It also works with multilateral institutions including the World Bank, the United Nations and the EU. The total volume of DFID aid resources to Bangladesh increased to £80 million in 2002-2003, up from £38.9 million in 1997-1998. DFID currently supports 75 projects, of which 57 have a budget over £1 million (DFID, 2003). In 2004-2005 DFID’s budget to Bangladesh will be raised to £100 million and more could be available if GOB continues to pursue further reform efforts. DFID’s share of total foreign aid in Bangladesh has increased from 5 percent in the mid-nineties to 8 percent in 2003. Table 2.4 shows the increasing percentage share of DFID’s expenditure of total foreign aid disbursed during 1996-2003. DFID has been increasingly financing programmes and projects in Bangladesh in collaboration with other donors; about 60 percent of its total budget is committed in partnership with other donors.

<table>
<thead>
<tr>
<th>The Netherlands</th>
<th>Study on Bangladesh and the WTO (2001-2003)</th>
<th>IFPRI and BIDS</th>
<th>£274,853</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Bank</td>
<td>Bangladesh Export Diversification Project 1996-2002</td>
<td>MOC, BTC and others</td>
<td>US$ 45 million</td>
<td>Completed</td>
</tr>
<tr>
<td>Denmark</td>
<td>Study on Environmental Debates in the WTO</td>
<td>Centre for Policy Dialogue (CPD)</td>
<td>US$ 20,000</td>
<td>Completed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Foreign Aid Disbursed (£million)</th>
<th>DFID's Country Expenditure (£million)</th>
<th>Share of DFID's Expenditure in Total Foreign Aid (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996/97</td>
<td>916</td>
<td>44.3</td>
<td>4.8</td>
</tr>
<tr>
<td>1997/98</td>
<td>760</td>
<td>38.9</td>
<td>5.1</td>
</tr>
<tr>
<td>1998/99</td>
<td>936</td>
<td>67.3</td>
<td>7.2</td>
</tr>
<tr>
<td>1999/00</td>
<td>998</td>
<td>65.6</td>
<td>6.6</td>
</tr>
<tr>
<td>2000/01</td>
<td>943</td>
<td>72.5</td>
<td>7.7</td>
</tr>
<tr>
<td>2001/02</td>
<td>999</td>
<td>73.0</td>
<td>7.3</td>
</tr>
<tr>
<td>2002/03</td>
<td>1000</td>
<td>80.0</td>
<td>8.0</td>
</tr>
</tbody>
</table>


43. DFID’s strategy for Bangladesh seeks to achieve a consistent and effective contribution to poverty alleviation in partnership with other stakeholders. The greatest budget allocation goes to the health and population sectors, followed by education, public administration, rural development, roads, agriculture and livestock, water and sanitation, fishing, and energy.

44. DFID’s TRCB programme in Bangladesh is included in the Private Sector Development cluster. DFID Bangladesh coordinates with other donors through the Local Consultative Group (LCG) to discuss private sector development and trade issues. Supporting TRCB projects is considered by DFID to contribute to achieving one of DFID’s important poverty reduction goals in Bangladesh, namely pro-poor economic
growth to ensure income and employment for the poor. Bangladesh is one of the LDCs that lacks the capacity to formulate and coordinate its trade strategies and policies, or to develop trade negotiating positions for LDCs. As a result, DFID’s TRCB in Bangladesh includes analysing the impact of the ongoing trade negotiations on Bangladesh and to support an effective and equitable participation in bilateral, regional and multilateral trade forums. Through collaboration with other donors, DFID also supports trade development projects, such as SEDF activities on trade facilitation.

45. In the last six years, DFID has co-financed three important projects with other donors and will be co-financing another project with the EU. The total allocation for three projects (IFPRI-BIDS, TPCB and SEDF) is £4,280,025. In addition, DFID is committed to financing the position of the Executive Director of BFTI with an initial budget of £500,000.
III. PROJECT- LEVEL ASSESSMENT

A. Trade Policy Capacity Building (TPCB) Project

1. Project Parameters

1.1 Project Design

46. The Trade Policy Capacity Building (TPCB) project aimed to provide short-term consultancy, training and research inputs to the MOC and BTC in three main areas: (i) implementation of the Uruguay Round agreements; (ii) new trade issues and agreements; and (iii) trade protection analysis reviewing the country’s tariff structure. TPCB was designed as a parallel financing source to the World Bank’s Bangladesh Export Diversification Project (BDXDP) with GOB. The BDXDP intended to primarily build capacity in customs administration, revenue rationalisation and trade policy. The project operated within the key GOB agencies such as MOC, BTC, EPB, NBR, BOI, and private sector groups such as business associations and Chambers of Commerce. The goal of the BDXDP was to expand the supply base of exportable goods and services by 75 percent during 1996 to 2002.

47. The World Bank financial sponsorship of BDXDP was US$ 45 million, and DFID planned for to contribute £560,000 over three years, which was approximately 20 percent of the overall cost of the trade policy component of BDXDP in Bangladesh. The DFID funds provided the following inputs: (a) 44 months of short-term consultancy and research inputs (involving 11 international and 33 local consultants); (b) 10 study tours to WTO/UNCTAD in Geneva; (c) a workshop/seminar programme on new trade issues, and (d) follow-up activities to the project studies in Dhaka. As the project was ended ahead of schedule and prior to the completion of all activities, DFID’s actual allocation to the project was £370,125.

48. The TPCB had the same goals as BDXDP with respect to expanding exports. The purpose of the DFID project was to increase the efficiency and effectiveness of GOB trade policy interventions in the context of the new multilateral trading system. This was expected to result in: (i) trade regime conforming to key WTO obligations by 2002; (ii) more efficient protection system in operation by 2002; (iii) 90 percent of investigations for contingent protection measures processed within target timelines (according to WTO guidelines) by 2002; and (iv) improved the trade and market access strategy by 2002.

49. The expected outputs of TPCB were: (i) improved capacity within Bangladesh to implement key Uruguay Round agreements; (ii) increased capacity in MOC and other key agencies for preparing the Doha Development Agenda negotiations and tackling emerging key regional/bilateral trade issues; and (iii) rationalisation of the tariff regime, in particular removing specific sub-sector anomalies.

50. Key activities planned for the TPCB project included (i) short term technical assistance (both international and local); (ii) intensive in-country workshops/seminars;
(iii) briefing/study tours to WTO/UNCTAD in Geneva; and (iv) trade research and protection analysis studies.

51. Although the project was expected to commence in March 1999 and be completed by March 2002, the actual duration of the project was between August 2000 and June 2003.

52. Whilst there was consensus on the need to build capacity in trade policy, there was a general opinion among the local academic community that trade liberalisation in Bangladesh went “too far and too fast”. The project design took this into account by (a) balancing the programme for implementation of Uruguay Round agreements between work aimed at helping Bangladesh use its rights, and meet its obligations; and (b) limiting the scope of the tariff review to specific key sub-sectors with anomalies.

1.2 Project Management and Monitoring

53. The BDXDP project was managed by the BTC and assisted by the project coordination unit of BDXDP. The Technical Adviser on trade policy was supposed to play a role of facilitation, advisory and capacity building. Both TPCB and BDXDP components were overseen by an inter-ministerial steering committee and a technical committee, which also included representatives from key private sector agencies. In addition, the project team was also able to draw on resources from WTO/UNCTAD/ITC in the form of technical advice and literature. These partners had an important role to play in assisting the project team to ensure that the project activities related to WTO issues, the activities were well conceived and correctly prioritised, and that available international expertise is utilised.

54. The DFID component was managed by Maxwell Stamp, a consultancy firm from the United Kingdom which was responsible for preparing annual work plans; identifying and sourcing of consultancy inputs (including quality assurance, professional guidance and logistical support); procuring local materials and services; design and administration of study tours and workshops; and preparation of regular financial statements and progress reports as required by DFID. Maxwell Stamp reported to the Project Officer in DFID Bangladesh responsible for TRCB projects. However, on a day-to-day basis, the representative of the consulting firm worked alongside GOB officials and consultants in the project coordination unit of BDXDP.

55. Monitoring reports were supposed to be prepared by the DFIDB official, setting out activities undertaken and progress towards the project outputs. More in-depth reviews were to be carried out during bi-annual reviews, focusing on progresses made towards outputs and purpose of the project, and recommending any revisions that might be necessary. These bi-annual reviews were to be carried out jointly by GOB, the World Bank and DFID.
2. Project Assessment Indicators

2.1 Relevance

56. BTC is a statutory agency under MOC and acts as an advisory body in determining and examining components of the trade protection system. Furthermore, BTC investigates complaints and claims from industries, such as dumping by foreign exporters. It is also mandated to serve the private sector in antidumping cases and assist MOC in trade negotiations. The formal status of BTC means that it is well placed to play an important role in the context of the WTO system. However, in reality, BTC has not been able to fulfil its responsibilities due to various institutional weaknesses. This has limited both MOC and the private sector’s confidence in BTC and their use of its services.

57. In the above context, the TPCB was a very relevant project for BTC. It was designed to increase BTC’s capacity through training activities whilst providing suggestions on various trade policy issues through research. MOC, BTC and its attached agencies are aware of the impact that trade policies have on the economy of the country and are committed to getting the policy and institutional framework right. However, MOC and BTC are still very weak in terms of undertaking technical analysis on trade issues; translating this into clear policy advice; and supporting policy implementation across different sectors. Unfortunately the project did not contribute much to improving this situation.

2.2 Performance

58. The project suffered from misunderstandings and mistrust between the recipient and the management consulting firm in the UK. The project was terminated by MOC as its performance was considered unsatisfactory. Most of the activities were either delayed or incomplete. There were several reasons stated by MOC and BTC in favour of discontinuing the project: (i) the quality of studies were not satisfactory, (ii) the planned outputs of the project were not delivered on time, (iii) training programmes were not well facilitated, both in terms of lecture quality and availability of educational resources, (iv) overall mismanagement, and (v) lacking transparency of resource utilisation.

59. However, according to DFID officials, the decision to discontinue the project was because it overlapped with World Bank activities under the BDXDP. In any event, only a few of the TPCB project’s many planned activities were actually delivered.

60. Training: Two workshops on trade remedies and a workshop on competition policy were held during the two years. A 10-member delegation went to Geneva for ten days to learn the WTO issues and to develop negotiating skills. Among the team members, two people were from MOC, three from BTC, one from the Planning Commission, and four people from other ministries that were on deputation to the Tariff Commission during that period. There was also a 4-week training course on trade and services for the BTC and MOC officials. Workshops with the private sector and government agencies were not held, nor were any of the planned workshops on sector and sub-sector trade issues delivered.
Research/Study: A study on competition policy was completed, and a seminar was held to discuss the findings though the quality was not considered satisfactory. Planned impact studies were not conducted on trade and the environment, nor conducted on trade and labour.

2.3 Impacts

A problem existed in the design phase of the project, partly exacerbated by the long time frame between when it was first discussed with the World Bank and when implementation finally began. By the time the project was started, its design had become outdated and irrelevant. This was particularly a problem in the case of trade projects, given that trade-related issues can change rapidly. To avoid becoming outdated, TRCB projects need to be designed with more flexibility and or implemented in a timely fashion.

Finances caused a lot of tension in the project. The support from the World Bank was actually a loan to GOB, which caused some concern in MOC as they were not content with the project’s outcomes. According to World Bank officials, since they had made a large investment and as the project started before DFID, they decided to continue the project till completion. The project helped accelerate Bangladesh’s integration into the global economy by expanding export production and contributing towards improved business environment through reforms in trade policy. DFID’s contribution was relatively small, but at least it was on grant terms. In this case, however, the frustrations arose over the lack of transparency: the UK consulting firm did not give any financial statements to BTC, and therefore BTC did not know how much money was spent. When asked about the project’s finances, the company would say that it was a confidential matter between DFID and the consulting firm. This lack of transparency was one of the factors that caused the bitter relationship between BTC and the consulting firm.

Another limiting factor to the project was that those trained were transferred to various organisations, such as the Ministry of Telegraph and Telecommunications, National Board of Revenue and Bangladesh Television. The 4-week training on various WTO agreements did not produce a significant impact as there were no marked changes observed in BTC’s capability in handling pertinent issues.

If the project had been completed successfully, it could have contributed significantly to strengthening the capabilities of BTC and other parts of the government. The project was expected to increase their knowledge and awareness of trade issues, and help them engage more effectively in the formulation and implementation of Bangladesh’s trade policies.

2.4 Sustainability

The sustainability of the project is difficult to assess meaningfully, as it was discontinued prior to completion. If all the activities had been performed efficiently, the outcome might have been positive for MOC and BTC. The knowledge acquired by GOB

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7 The evaluators were not able to obtain a copy of the study; the comments on its quality were made by officials who had read it.
and its associated agencies from the project could have contributed to the long-term improvement in the capacity of the GOB.

67. However, the focus of TPCB was on providing short-term technical assistance, and thus sustainable capacity building through long-term institutional building strategies was not considered as such. Also, the sustainability of TRCB projects depends crucially on there being qualified staff in the targeted agencies that can absorb the training and will continue to serve in positions where they will utilise the knowledge gained. In case of Bangladesh, this is not guaranteed due to a lack of proper remuneration, poor selection of trainees, and low retention of the trained staff. Therefore, TRCB projects may not be sustainable for many reasons.

2.5 Linkage to Poverty and Gender Issues

68. The project was consistent with the overall poverty reduction strategy of GOB, which highlights the critical importance of job creation for reducing poverty, and the potential role of labour-intensive exports in generating additional jobs, as demonstrated by the success of the garments industry. The need to expand and diversify exports in order to improve the balance of payments situation is also a priority of the government.

69. The intended beneficiaries of the World Bank project, of which the DFID’s TPCB was a component, were the stakeholders in the export-oriented and import-sensitive industries in Bangladesh. The link of the project to poverty reduction and improvement of women’s situation was indirect but clear. The expansion of the export supply base in Bangladesh’s comparatively advantaged labour-intensive industries would lead to faster job creation and economic growth. As women are central to the external orientated sector, for example accounting for 90 per cent of employees in the textile and garments industry, the project was expected to bring gender equity by involving more women workers in the export sector.

2.6 A Summing Up

70. The project suffered from mismanagement and could not deliver the planned outputs. MOC and BTC were unhappy about the quality of studies, and the amount of money spent compared to the deliverables of the project.

71. The scope of involvement of the recipient organisations in the management and monitoring was minimal. MOC and BTC should have been given a greater role in managing the TPCB project.

72. BTC needs TRCB to strengthen its capacity as a public agency of the MOC, and for TRCB to play a greater role for the private sector and GOB.

73. The project was too ambitious with too many activities planned, some of which were overlapping with the World Bank project activities.

74. Questionable allocation of resources, poor quality of work and sidelining the recipient institutions in major decision-making processes added to the failure of the project.
75. The TPCB project is an example of an unsuccessful project, which occurred due to insignificant coordination and understanding between the project management agency and the targeted organisations. As a result of the project being discontinued, several activities remained incomplete, in some cases weakening the impact of those that had already been delivered.

B. Bangladesh and the WTO: Trade Policy, the Changing International Environment and Poverty Reduction (IFPRI-BIDS Project)

1. Project Parameters

1.1 Project Design

76. The project on “Bangladesh and the WTO: Trade Policy, the Changing International Environment and Poverty Reduction” was proposed to DFID by the International Food Policy Research Institute (IFPRI) in collaboration with the Bangladesh Institute of Development Studies (BIDS). The project proposal was designed by IFPRI and BIDS, clearly articulating the objectives of the project. The project design was built on a number of research projects carried out by IFPRI, which addressed the WTO, FTA and globalisation issues with particular focus on food security. BIDS had also been involved in previous research on issues such as agriculture, industry and poverty.

77. The research project was co-financed by DFID and the Government of the Netherlands. DFID allocated £259,900, and £274,853 was allocated by the Netherlands. The Dutch support was primarily intended to for various training and other post-graduate programs at Wageningen University in the Netherlands.

78. The purpose of the research project was to understand the major links between international trade and food security and widespread poverty in Bangladesh. The goal was to strengthen capacity in key Bangladesh research and government institutions dealing with macro policies and international trade issues, thus improving domestic policies that support a stronger negotiating position in trade talks. Furthermore the aim was also to complement DFID’s ongoing capacity building of the Bangladesh Tariff Commission and the Ministry of Commerce, two other government institutions dealing with WTO and international trading arrangements in Bangladesh.

79. The project’s activities can broadly be classified into two inter-linked categories (i) research of key policy issues relating to the WTO, and (ii) capacity building through training, both in-house and outside of BIDS. The planned activities were: (a) identification of the historical and current aspects of regional and international trade policies in Bangladesh, (b) single country modelling and trade policy analysis in order to quantify the impact of external shocks on the poor and consider different policy options (c) multi-country modelling and trade analysis with respect to regional aspects of international trade negotiations, and (d) policy dialogues with relevant institutions and individuals in Bangladesh.

80. The expected outputs included: (1) new social accounting materials, (2) macroeconomic modelling tools, including macro models, multiplier models, as well as single and multi-country Computable General Equilibrium models, (3) enhanced capacity of Bangladeshi researchers and policy makers to adopt the analytical tools and interpret
the results, (4) a background paper on current WTO-related macroeconomic issues in Bangladesh that influence the future growth path of the economy, (5) several working papers to stimulate debate during the project, and (6) promotion and dissemination of new knowledge.

81. The project activities at BIDS started with a workshop on 15 November 2001, with participants from the Planning Commission of the Government of Bangladesh, universities and various research organisations including BIDS. At the workshop, presentations were made by experts from IFPRI and from the Agricultural Research Institute (LEI) at Wageningen University, the Netherlands.

1.2 Project Management and Monitoring

82. The project was implemented by IFPRI through its Bangladesh office from November 2001 to September 2003. IFPRI was responsible for the overall management of the project, and played a major role in the research and training activities. BIDS was sub-contracted by IFPRI. The BIDS component amounted to $115,445. BIDS submitted a project completion report to IFPRI.

2. Project Assessment Indicators

2.1. Relevance

83. The project is quite relevant to the present policy context of Bangladesh. On one hand, the country has been integrating into the global economy very rapidly since the 1990s. On the other hand, the country strives for pro-poor and pro-women economic growth through employment creation, income growth and improved access to public services and goods. This was outlined in the PRSP for Bangladesh.

84. At the international level, the inability to properly deal with the large number of emerging trade issues has severely handicapped Bangladesh’s trade policy making during various discussions and agreements on trade. In addition, the stakeholders’ perception about the possible implications of various trade negotiations is also vague at times.

85. Many aspects of Bangladesh’s trade liberalisation have been part of the structural adjustments advocated by the World Bank, rather than required by international trade agreements of the WTO. However, compliance requirements and articulating Bangladesh’s position with respect to the agendas in the WTO negotiations have pressured the government to consider major initiatives. The initiatives are designed to raise national capacities at an accelerated pace for design and implementation of trade-related policies. International trade agreements have the potential to distort market access of textile, agricultural and other products, affect the prices of commodities, and influence trade policies in other countries. This in turn has an impact on trade, domestic prices, real income and the overall economic performance of Bangladesh. The potential impacts of the WTO negotiations on Bangladesh may be reflected in various sectors, particularly agriculture, textile and ready-made garments.

86. A proper assessment of the impact of various changes in the trading environment and domestic policies on the poor requires an analysis of world markets. Further, it requires a comprehensive framework of the national economy to analyse the interactions between different sectors, and the linkages between macro and micro levels. In the international markets, changes in policies of trading partners and competitors affect
Bangladesh’s exports and imports. Within the national economy, significant changes in rice productivity, world prices, or export prospects for garments have profound implications for real incomes. This occurs through various channels, such as the trade balance, real exchange rate, the profitability of the tradable goods sectors, particularly major agricultural commodities and ready made garments, and returns to labour and capital.

87. The IFPRI-BIDS study analysed complex international and national inter-sector economic flows, and assessed the major implications of trade policies and external shocks on the welfare of impoverished Bangladeshis. Because the agriculture sector accounts for a major share of employment, income and consumption in Bangladesh, the effects of policy changes and external shocks on agricultural output and incomes have been highlighted. Given the importance of textiles in Bangladesh’s foreign exchange earnings and female employment, it was appropriate and timely to analyse the implications of the changing international trading environment for world trade flows, as well as sector and household outcomes in Bangladesh.

88. Training programmes undertaken were targeted for various GOB ministries and organisations, such as the Ministry of Agriculture, Ministry of Commerce, Ministry of Finance and the Planning Commission. Participants were selected from universities, NGOs and BIDS. Training undertaken by the BIDS researchers at home and abroad was very useful to carry out the research on trade-related issues.

2.2 Performance

89. The project was well managed and completed successfully, all activities being performed on time. There was a good understanding between IFPRI and BIDS on their respective roles and responsibilities. The research capacity of BIDS on trade-related issues, trade policy analysis and single- to multi-country modelling was enhanced through the project. In order to carry out the studies, international consultants with expertise in relevant areas were appointed to collaborate with the BIDS researchers. The project accomplished all the training workshops, study tours throughout the world, and research papers as designed for the project.

90. Research: In collaboration with other project partners, the BIDS researchers carried out single- and multi-country trade-related research activities. A number of technical and policy seminars were organised in order to disseminate the findings of the studies. Three technical papers and eight policy papers were produced within the project.

91. Training: Four training workshops were held as part of the project, with a total of 20 participants in each workshop from the government agencies, research organisations, the private sector and NGOs. The training workshops were on single- and multi-country general equilibrium modelling, and were conducted by international experts. Five researchers received training in the UK, the USA and the Netherlands. Two researchers from BIDS attended the Global Trade Analysis Project (GTAP) training course in Sheffield, UK. The researchers involved in the project also acquired on-the-job skills through their visits to IFPRI and LEI on several occasions. One researcher from BIDS is currently pursuing a PhD at the LEI on trade issues.
92. There were few female participants involved in the training workshops. For instance, in one of the workshops only two women attended - one from BIDS and another from PROSHIKA (a local NGO).

2.3 Impacts

93. Capacity has been improved through the research and training at BIDS. Participant’s awareness on international trade issues, agreements and policies has also been enhanced through BIDS’s workshops. It should be noted that the capacity building initiatives played an important role in facilitating the recruitment of one of the researchers of the project as an Associate Fellow at the newly launched Bangladesh Foreign Trade Institute. Another researcher involved in the project was a member of the Bangladesh delegation at the WTO Cancun Ministerial Conference in September 2003.

94. One of the limitations of the project is the lack of ownership of the studies by a national organisation or any policy making bodies. Bangladesh Tariff Commission or the Ministry of Commerce could have been involved in the project through consultation at various stages. By being involved in the process they could have helped to transfer the project’s policy recommendations into action plans of the GOB. Without linking the research to any national policy making institutions, the outcome of the research often becomes futile as they are not considered for implementation. The Ministry of Commerce indicated that they were not involved in the project at any time apart from a few of their officials attending one or two of the workshops. They did not even receive any copies of the studies. BIDS, however, indicated that the Ministry of Commerce and the WTO Cell were both invited to send representatives to participate in the workshops, however no response was received. Therefore, it seems that one problem was the overall lack of communications between BIDS and the MOC.

2.4 Sustainability

95. It is important to remember that WTO negotiations are a continuous process and there are a number of emerging issues that need to be addressed very carefully from an LDC perspective. For example, trade-related issues in the form of labour and environmental standards, and SPS and TBT measures, may pose a threat to the trading regime of Bangladesh. To deal with those issues, capacity building through research and training should continue. Other organisations working on trade policy issues should also be encouraged to undertake similar TRCB initiatives. The impact at the disaggregated sector-level of regional trade agreements, such as SAFTA and BIMSTEC and bilateral trade arrangements, needs to be examined as well.

96. Despite the fact that the sustainability of the project has been positive within BIDS, it may not have been sustainable for other organisations that received training through the project. For example, many government officials who received training have been transferred to other ministries or organisations, some trainees and researchers having been transferred to places where there is no link to international trade policy matters.

97. Secondly, the participants were often junior to mid-level officials who do not have much of an influence on policy making in Bangladesh. This limits the immediate impact of their awareness and capacity building at the individual level. However, it is
possible that in the future these participants will be in an appropriate position to utilise their acquired trade-related knowledge.

98. Participation of relevant stakeholders in the training programmes is important to not just raise awareness about the WTO regime, but also for this awareness to translate into real policy outcomes. These stakeholders include all relevant ministries, the private sector, business community, academics, NGOs, consumers associations, civil society and even politicians. Other organisations may be involved in carrying out some of these activities.

2.5 Linkage to Poverty, Gender and Regional Issues

99. The project’s studies analysed the implications of international and regional trade policies on the welfare of the poor in Bangladesh. In order to do undertake this analysis, two important sectors were considered as case studies, i.e. agriculture and textiles/clothing. Both sectors provide employment to a large number of rural and urban poor, including women. The agriculture sector is the single greatest sector of the Bangladesh economy in terms of providing employment and livelihoods to the rural poor. Therefore, the role of agriculture in the emerging food security and poverty reduction is of great importance. Any impact on this sector due to the Agreement on Agriculture (AoA) will also influence the livelihoods of a large number of people in Bangladesh. Under the auspices of this project, a paper was prepared on the position of Bangladesh in the context of AoA, whereby a number of policy suggestions were made to get a better deal for Bangladesh in the agricultural negotiations.

100. On the other hand, the textiles and clothing sector is the largest source of employment and income for women in Bangladesh. Furthermore, it has contributed to the empowerment of women who are now able to participate in the families’ decision making process and who have made an impact on the social dynamics of Bangladesh.

101. Under the IFPRI-BIDS project, a paper examined the impact of global trade liberalisation in the textiles and clothing sector as part of the ATC, combining both multi and single-country multi-sector modelling. The Global Trade Analysis Project (GTAP) was used to analyse the impacts of the quota phase-out under ATC. The findings of the paper show that Bangladesh’s apparel output would decrease, resulting in welfare and household losses under various scenarios. The paper estimated the change in household income for various categories of households including female labourers. The results of the paper may be very useful in formulating policies for the textiles and RMG sector, and for planning alternative employment opportunities particularly for the female workers who are less skilful than their male counterparts.

102. The IFPRI-BIDS project is very much linked to regional issues. Regional trade issues have been addressed in a paper on South Asia Free Trade Agreement (SAFTA), which assesses the impact of SAFTA and investigates alternative policy options for the Bangladesh economy as well as on other SAARC member countries. The paper observed that SAFTA could generate quite substantial gains, and recommended that Bangladesh should take an immediate decision regarding the formulation of preferential trade arrangements in the South Asian region.

2.6 A Summing Up
103. The project was well-designed and successful. All the activities were delivered as scheduled; the capacity of researchers increased and knowledge on trade policy issues by Bangladeshi stakeholders improved.

104. The managing and implementing agencies were well coordinated, contributing to the successful completion of the project.

105. The dissemination of research outputs should have been broader and there should have been policy dialogues with policy makers and other relevant stakeholders.

C. South-Asia Enterprise Development Facility (SEDF)

1. Project Parameters

1.1 Project Design

106. The South-Asia Enterprise Development Facility (SEDF) is one of several multi-donor funded project development facilities (PDFs) managed by the International Finance Corporation (IFC) of the World Bank group. Headquartered in Dhaka, Bangladesh, SEDF was launched in October 2002 and seven major donors collectively committed $37.91 million in support of the facility, of which DFID contributed US$5,680,000 (about 15 percent) to the total project funds. Subsequent US currency depreciation has in fact increased the total SEDF commitment to close to US$40 million in 2004. Other key donors to SEDF include the Asian Development Bank ($750,000), Canadian International Development Agency ($5,840,000), the European Union ($11,580,000), IFC ($5,000,000), the Netherlands ($2,030,000), and Norway ($7,030,000).

107. The overall objective of SEDF is to contribute to poverty alleviation in South Asia by increasing the competitiveness, performance, and growth of small and medium enterprises (SMEs). This in turn is expected to contribute to economic growth and improve the social conditions of the impoverished people in South Asia. SEDF is currently mandated to cover Bangladesh, Nepal, Bhutan and Northeast India. However, Bangladesh is the main focus of SEDF as approximately 50 percent of its 130 million people live below the poverty line. As a result, 80 percent of the SEDF fund was originally targeted to Bangladesh.

108. In the original programme design, SEDF intended to fund programmes to support SMEs in three key areas: (1) increasing access to finance; (2) increasing access to business development services; and (3) improving the business enabling environment. The overarching hypothesis of the SEDF design is that improvements in the aforementioned areas would serve as the key to increasing the number, performance and competitiveness of SMEs in the region. An expanding SME sector could increase employment and business linkages for these economies whilst promoting economic growth.

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8 Other major IFC-managed PDFs include the African Project Development Facility (APDF), the North Africa Enterprise Development Facility (NAEDF), the Mekong Project Development Facility (MPDF), China Project Development Facility (CPDF), Pacific Enterprise Development Facility (PEDF), Southeast Europe Enterprise Development Facility (SEEDF), and the Programme for Eastern Indonesia SME Assistance (PENSA).
growth and poverty reduction. During the implementation process of SEDF, a fourth component was added (i.e. special projects) to address the emerging needs and provide direct assistance for SMEs, specifically supporting the linkage of SMEs with large companies in the region.

109. SEDF began its operation in October 2002. It was intended to last for five years until the end of 2007. During March 2004, as one of key donors, DFID conducted a brief monitoring review of SEDF, the first of its kind among all donors. The review team was quite impressed with the initial results of SEDF and suggested an extension of the project beyond the five-year span.

1.2. Trade-Related Components of SEDF

110. Component Three (Improving the Business Enabling Environment - BEE) is the most trade-related component of SEDF, whereas the other components attempt to increase the competitiveness, performance, and growth of SMEs in Bangladesh and its neighbouring countries. BEE includes three sub-components: (1) Developing a policy framework for SMEs; (2) Strengthening of business membership associations, particularly for female entrepreneurs; and (3) Facilitating inter-regional and international trade. These three sub-components were designed to be self-reinforcing, aiming to increase the voice of the private sector and to improve the business and trading environment of SMEs. In particular, the sub-component on increasing inter-regional and international trade is directly related to trade issues. As a result, the evaluation will focus on the BEE component of SEDF.

1.3. SEDF Management and Monitoring

111. As with other PDFs, the IFC is responsible for managing SEDF on behalf of the contributing donors. Further, IFC is responsible for recruiting and contracting international, regional and local staff as required. At the initial stage, SEDF established its headquarters in Dhaka, Bangladesh while planning to set up satellite offices in North India, Nepal and Bhutan when the project activities expand in these countries. SEDF has assembled a very capable team of project staff in Dhaka to manage the project. The contributing donors have also formed a Donor Oversight Committee (DOC) to oversee the operation of SEDF, and individual donors can also monitor the implementation of SEDF through regular monitoring exercises. For example, DFID performed a monitoring review of SEDF in March 2004. SEDF will also have a Mid-Term Review to be conducted on behalf of all the donors in 2005.

2. Project Assessment Indicators

2.1 Relevance

112. The relevance of the SEDF project can be assessed by: a) the degree of collaboration with which SEDF was designed; b) the consistency of SEDF with the country’s PRSP and DFID’s country assistance plan in Bangladesh; and c) the feedback received from the key stakeholders including government agencies, business associations, NGOs, and contributing donors. All indicators have suggested that the SEDF project in Bangladesh is highly relevant.

113. SEDF is the sixth project development facility that IFC has designed and managed for the purpose of increasing the competitiveness and growth of SMEs in
developing countries. As a result of the accumulated experiences, IFC, DFID and other donors were able to target the SMEs in Bangladesh and its neighbouring countries. SEDF was designed to focus on key SME issues, namely, access to finance, business advisory services, and business enabling environment. In order to make the project more relevant, the project design team worked in partnership with the local services providers to design and deliver project activities. The experience of local services suppliers and stakeholders provides the knowledge, context and legitimacy with policy makers to move towards a more efficient and user-friendly business environment for SMEs. Being part of the World Bank group, IFC has also invested substantially in the SME sector to provide high quality services in the area.

114. As a least developed country with half of its population living below the poverty line, the development of SMEs in Bangladesh constitutes an important part of Bangladesh’s Poverty Reduction Strategy Paper (PRSP). Furthermore, DFID emphasises poverty reduction as the first priority in its country assistance plan in Bangladesh, particularly for females. The growth and increased competitiveness of SMEs in Bangladesh will contribute greatly to reducing poverty. As a result, SEDF is particularly relevant to achieving the goals of poverty reduction in Bangladesh.

115. Most stakeholders interviewed during the evaluation field trip indicated that SEDF was highly relevant in the Bangladeshi context. In particular, the BEE component of SEDF, the focus of the evaluation exercise, drew much praise from the stakeholders. Due to the changing business and trading environment, SMEs in Bangladesh find it particularly difficult to access potential markets in neighbouring countries and to take advantage of market access provisions in the international markets as they lack the information and resources required. In addition, for historical reasons there are a lot of trade and regulatory barriers between Bangladesh and Northeast India preventing Bangladeshi SMEs from further tapping the market in this region.

2.2 Performance

116. The performance of the BEE component was quite impressive during the initial stage of project implementation. Work by SEDF covers three sub-components.

117. In the area of developing policy framework and regulations for SMEs, SEDF supported the World Bank/BEI Investment Climate Assessment Survey (ICAS) and organised the workshops to discuss the findings. The survey was conducted on over 1,000 companies, a quarter of which were SMEs. This results in several outputs – initially a registration pack for SMEs, and finally a services manual for registering a business for SMEs.

118. Within the sub-component of strengthening business association membership, the bulk of SEDF’s efforts are aimed at increasing the participation of women as entrepreneurs, managers and workers. This focuses on improving the capacity of women’s chambers of commerce, whilst encouraging greater promotion and inclusion of women operating small businesses. Most of the work had revolved around initially conducting a diagnosis of the women’s organisations, developing mission/vision statements, and providing training workshops to build the institutional capacities of women’s business associations.
119. Under the sub-component on inter-regional and international trade, SEDF stands out as an excellent performer with high potential. SEDF supported two types of work in the area of regional trade between Bangladesh and Northeast India, and supports the SMEs in the two countries to increase their access to resources and markets. Previously a number of donors and institutions, such as the ADB and World Bank, were trying to facilitate trade and investment in the region. SEDF complemented this work by primarily focusing on SMEs to improve their market access and remove trade and administrative barriers between the two countries.

120. At the request of the Chittagong Chamber of Commerce and Industry (CCCI) and the Tripura Chamber of Commerce and Industry, SEDF facilitated a study investigating non-tariff trade barriers between Bangladesh and Northeast India. Two research reports were produced in coordination with CCCI and Tripura Chamber of Commerce. One report was from the Bangladeshi perspective (by Dr. Abdul Bayes) and the other was from the Northeast Indian perspective (by Dr. Gautam Dutta). These two studies were based on a large number of consultations with entrepreneurs. The Chambers on both sides of the border became actively engaged and produced a synthesis with recommendations to improve trade volumes on both sides. The process leading to the recommendations was productive in itself, as stakeholder ownership was ensured from the initial stages. The results of the studies have been instrumental in furthering trade negotiations between India and Bangladesh.

121. SEDF facilitated further acceleration of this work by assisting with the formation of a high level inter-governmental committee to examine and resolve many non-tariff barriers highlighted through the process. The initiative culminated in fruitful exchanges between the two governments’ foreign secretaries. In addition, a Northeast Indian-Bangladeshi Chamber of Commerce has been formed to bring together various chambers on both sides of the border. Progress has been forthcoming, as there have been several agreements drafted regarding transport, reduction in the cost of trade finance, easing of phytosanitary processes (by setting up a testing lab in Ghuwati), and the development of four custom stations between the two countries. The regional committee has agreed on two action plans related to banking and finance (coordinated by the bankers’ forum), and non-tariff and policy issues. A guide on how to trade with Northeast India has also been produced. These complex processes involved politicians, government officials and business interests from both sides of the border, and SEDF also provided assistance in building up appropriate institutions around these processes.

122. The work on international trade facilitation under SEDF has primarily concentrated on export promotion of Bangladeshi products. The initial test case was a trade fair in Canada co-organised with the BGMEA and the Export Promotion Bureau of the Ministry of Commerce, focussing predominantly on textiles and garments. The Canadian trade fair was conceived in response to the fact that since 2003, Canada has provided duty-free and quota-free market access to all the products from LDCs including Bangladesh. However, many SMEs in Bangladesh were not fully aware of the benefits and were not adequately utilising the potential it offered to expand sales, at least before
the phase-out of the MFA in 2005. The results from the trade fair in Canada were very impressive in terms of inquiries generated (US$100m). However, SEDF urged caution in translating these numbers into real export business. Nevertheless the initiative was a major success partially due to excellent levels of preparation and enterprise matching, good counterparts in Canada, and good levels of engagement by the BGMEA. An ‘exit’ plan was also formulated to transfer responsibility to the BGMEA and EPB for organising successive trade fairs in Australia and Japan.

2.3 Impact

123. It is usually difficult to measure the impact of a development project at the initial stage. However, since SEDF’s performance in the first two years was very impressive, Bangladesh and its northern neighbours have already felt the impact of the project, especially through the BEE component. For example, SEDF supported BEI to conduct the Investment Climate Assessment Survey in collaboration with the World Bank. This exercise will assist GOB in making more investment friendly policies and regulations, whilst hopefully curbing the corruption and red tape. This will help Bangladesh improve the investment environment and attract more foreign direct investment to the country.

124. SEDF’s support for SMEs in identifying trade and regulatory barriers between Bangladesh and Northeast India has resulted in high-level trade negotiations in order to remove these trade barriers. The border trade studies by the two chambers of commerce have also generated great interest in the two countries to further develop trade and investment relations. It is expected that future increased trade and investment flows between Bangladesh and Northeast India will substantiate the impact of the project in this area.

125. The successful organisation of the Canada Trade Fair by SEDF is further evidence of the potential impact of the project. It is reported that the trade fair generated about US$100 million of inquiries as potential exports of Bangladeshi garments to Canada. Although the trade enquiries have not translated into real time business, it is believed that the project initiative was a major success. Therefore, SEDF has planned further trade fairs in Australia and Japan to be primarily conducted by EPB and BGMEA.

2.4. Sustainability

126. The sustainability of SEDF depends primarily on the relevance and performance of the project, and the ability of participating governments and business enterprises to contribute the necessary resources for project activities. SEDF has already begun to build the capacities of local institutions to continue the project activities. For example, BEI has been working closely with SEDF to conduct studies on trade and regulatory barriers between Northeast India and Bangladesh. Supported by SEDF, BEI has also grasped the methodologies used in the investment climate assessment surveys by teaming up with the World Bank group.

127. For the trade facilitation work, SEDF partnered with the EPB and BGMEA in conducting trade fairs in other countries. EPB’s benefits of capacity building are an important aspect of this work for future sustainability. It is a good strategy that SEDF is planning an ‘exit’ route for its role through promoting local and international partner organisations to continue the work in the future. After the successful implementation of
the Canada trade fair with EPB and BGMEA, SEDF has now delegated more responsibilities to EPB and BGMEA to organise similar trade fairs in Australia and Japan.

2.6. Poverty and Gender Linkages

128. SEDF is closely linked with poverty and gender issues. The original programme design was to strengthen the “Missing Middle” (i.e. SMEs) in order to accelerate economic growth, create lasting jobs and reduce poverty. SMEs are a key source of employment growth that is directly related to poverty reduction. However, the smaller firms in the region often have great potential that has not been adequately realised. For the most part, SMEs are still underdeveloped and represent the “missing middle” in the structure of the private sector in the region. Many SMEs face significant obstacles, including limited access to finance, insufficient management skills, growing international competition, and a fragmented regulatory and policy framework. SEDF has responded to these challenges by providing SMEs with the access to finance, access to business advisory services and support for an improved business environment, resulting in reduced poverty in Bangladesh.

129. SEDF is also structured to address the gender equality issue in Bangladesh. In particular, under the BEE component, SEDF has made great efforts in building the capacity of women’s chambers of commerce. This segment of the programme attempts to encourage greater promotion and inclusion of women operating small businesses. The total outreach of the women’s business membership organisations so far is about 3,500 women entrepreneurs. The challenges for SEDF will be to expand the number of members and to help make the women’s associations accurately represent the interests of their members. In order to enhance the contribution of women workers, owners and managers to the benefits from the growth of SMEs, SEDF has focused on women owned enterprises thus far. Further analysis is needed to explore what more can be done, to deepen the impact on and by women.

2.7. A Summing Up

130. SEDF has covered a number of trade-related areas through the BEE component of the project. These include the capacity building of weak business membership organisations, particularly for women, inter-regional trade between Bangladesh and Northeast India, international trade facilitation in the RMG sector; and easing SME business registration process, etc.

131. The project is highly relevant and timely in the context of the SME sector in Bangladesh and its neighbouring countries.

132. The initial results of the project are quite impressive and have already shown preliminary benefits.

133. SEDF has close linkages to poverty reduction and gender equality issues.

134. SEDF has also attempted to address the sustainability issue by strengthening local institutions and transferring skills and knowledge to local beneficiaries.
135. A recent DFID monitoring team confirmed that SEDF has been on the right track. The monitoring team was quite impressed with the initial results of the project, in particular the participatory process and capacity building in the field. The monitoring team suggested that the capacity building efforts and process should be well documented.

136. As much as 92 percent of the project funds have been spent in Bangladesh thus far, though this share could change if SEDF is to expand its operation in North India, Nepal and Bhutan.

137. The DFID monitoring team further recommended increasing the trade-related component under SEDF in order to produce a greater impact on SMEs through inter-regional trade and trade facilitation.

D. Bangladesh Foreign Trade Institute (BFTI): DFID’s Assistance

1. Project Parameters

1.1 Project Background

138. The Bangladesh Foreign Trade Institute (BFTI) was established in May 2003 as a public/private partnership to support the Ministry of Commerce, other in-line ministries, and export-oriented businesses. The objective was to strengthen their trade-related capacities in the context of globalisation and the changing international trading environment. BFTI is the first institution established in Bangladesh to entirely focus on international trade issues. The idea of setting up such an institute had been contemplated for many years and was one of the projects listed in the submission to the UN Integrated Framework for Technical Assistance in 1996.

139. In recent years, the GOB has found itself ill prepared for the WTO and other regional and bilateral trade negotiations. Specifically in the context of the ongoing DDA negotiations and the phase-out of the MFA in 2005, Bangladesh has found an immediate threat to its RMG sector due to the intensified international competition. Both the government and private sector groups have identified the need for strengthening the capacity of the government departments responsible for dealing with WTO and other trade policy matters through effective trade-related training programmes, improved trade policy studies, and greater resources. There is also a perceived need for more policy fora and dialogues to provide opportunities for expressions of different interests, including those from the private sector.

140. The establishment of BFTI is regarded as the best solution to provide short-term training and technical assistance, and to address the long-term trade capacity building needs of the country, provided that BFTI would be legally and operationally independent. It is expected that BFTI will eventually build the capacity to provide training, research and think-tank facilities for both government and private sector groups such that they would be mutually supportive and reinforcing. It is also planned to intensify trade-related consultancy services and to develop post-graduate programmes in BFTI in order to make the institute financially sustainable in the future.
141. The GOB has approached several donors (including DFID and EU) to support the scoping and feasibility studies of BFTI, and the institutes’ operations. DFID has responded to the request of GOB in the following three areas:

- DFID supported a scoping study entitled “Trade Related Capacity Building in Bangladesh: Needs and Options for Setting Up a Foreign Trade Institute” in September 2002;
- DFID supported a legal review on the consistency of the proposed BFTI with the Memorandum of Association and Rules and Regulations of Bangladesh;
- DFID has indicated its willingness to finance the position of the Executive Director of BFTI with an initial contribution of £500,000 for four years, while the EU has agreed to provide 2,300,000 euros to support the operation of BFTI over the same period.

142. Since this project is still in its initial stage, the project-related information is quite limited. When the evaluation mission was conducted, DFID Bangladesh did share the scoping study report with the two evaluators. However, DFID officials decided not to share the legal review paper with the evaluators. Through our meetings and consultations, we learnt that the EU had also conducted a feasibility study of BFTI in July 2003. As a result, this assessment is primarily based on the limited information collected in the field.

2. Project Assessment Indicators

2.1 Relevance

143. Due to Bangladesh’s unique position in the global economic system as the largest exporter of 49 LDCs and the leader of the LDC group in WTO negotiations, there is strong support for the establishment of BFTI as it is relevant to the needs of Bangladesh for strengthening its capacities in the area. DFID’s support for the scoping study, the legal review, and the financing of the Executive Director has also followed a logical sequence in the project planning process.

144. The scoping study carried out by Professor B. Bhattacharyya, Dean, Indian Institute of Foreign Trade (IIFT), New Delhi and Dr. A.K.A. Mubin, Former Secretary to the Government of Bangladesh also confirmed the relevance to Bangladesh of establishing BFTI in order to meet the challenges of the changing international trading environment. The scoping study further suggested that a feasibility study be conducted to ensure the proper organisational design, legal structure, and budgetary estimates.

145. Consequently, DFID also financed a legal review of the proposed BFTI with the Memorandum of Association and Rules and Regulations (MOARR) to ensure the autonomous and independent status of BFTI without the interference of the government and private sector groups. Although the evaluators were not provided with the legal review report carried out by a Bangladeshi lawyer, we had the sense that this exercise was quite relevant to ensure a sound legal structure of BFTI.

146. The success of BFTI depends largely on whether a competent and highly qualified Executive Director can be recruited. This person should have an international reputation as a trade expert, as well as good experience in managing a trade policy training and research think-tank within the Bangladeshi context. The Government of Bangladesh is
currently in the process of recruiting the Executive Director from around the globe. DFID has agreed to provide £500,000 to support the position in the first four years. After that, BFTI is expected to finance the position directly. Since the Executive Director plays a key role in the success of the proposed BFTI, DFID’s support for the position is directly relevant. In particular, the financial commitment by the EU on the operational side of BFTI makes DFID’s support for BFTI appear more feasible and sustainable.

2.2 Performance

Since BFTI is still at the very initial stage of project design, it is difficult to make an assessment of its performance. However, from the information gathered in the field, it seems that the institute has already started to function on a small scale. This can be summarised as follows:

First, the Board of Directors that oversees the operation of the institute has been set up to consist of fifteen members. These include (1) Minister of Commerce, (2) Secretary of Commerce, (3) President of FBCCI, (4) Rector of BPATC, (5) Secretary of Economic Relations of Dhaka City, (6) Principal of Foreign Services Academy, (7) Executive Chairman of the Board of Investment, (8) Vice-Chairman of the Export Promotion Bureau, (9) President of International Chamber of Commerce, (10) President of the Metropolitan Chamber of Commerce and Industry, (11) President of Dhaka Chamber of Commerce and Industry, (12) President of Chittagong Chamber of Commerce and Industry, (13) President of BGMEA, (14) Chairman of BTMA, and (15) Executive Director of BFTI. Due to a strong government presence in the Board of Directors, DFID is now concerned whether the proposed BFTI and its Executive Director will be able to ensure its independent and autonomous status.

Second, GOB has already made some contributions to the establishment of BFTI. These include the physical facilities (including the offices, training rooms, computer labs and other equipments) and temporary personnel (including one associate fellow, one librarian, one junior officer and one messenger). Since the establishment of BFTI, two training courses have been organised on BFTI’s premises – a four-day training course on trade remedy and dispute settlement with 17 participants, and a three-day training course on WTO affairs and trade and investment promotion with 17 participants. Both training courses were provided by local trainers and coordinated by BFTI.

BFTI is currently preparing a comprehensive list of human resources needed to run the training and research programmes when the support of DFID and EU is finally in place.

In the process of establishing BFTI, DFID has supported a scoping study and a legal review. The scoping study carried by Professor Bhattacharyya and Dr. Mubin is a good report. They analysed the current situation and weaknesses of Bangladesh’s trade-related capacity building, and suggested establishing BFTI immediately. They proposed to conduct a legal review to ensure the consistency of the institute with the Bangladeshi rules and regulations of associations. They also suggested conducting a feasibility study, which the EU subsequently undertook. Therefore, on the whole, the scoping study was well carried out and their advice and suggestions were well received by GOB and donors. With regard to the legal review, as the evaluators did not have access to the final legal
review report, we are not in a position to evaluate neither the quality of the report nor the performance of the consultant hired by DFID.

2.3. Impact

152. As the project has not commenced yet, its impact will not be assessed here.

2.4. Sustainability

153. The sustainability of the project can be assessed at two levels. First, if DFID’s scoping study and legal review are considered as key stepping stones to secure contributions of 2,300,000 euros from the EU for BFTI’s operations, it can be argued that the sustainability of DFID’s support is necessary for the sustainability of the project. In addition, since DFID will finance the key position of the Executive Director, DFID and EU will collaborate on this project to ensure BFTI is sustainable in the next few years.

154. However, the real issue of sustainability will depend largely on whether BFTI will be able to survive or grow after the termination of support from the EU and DFID. Therefore, at this point, we cannot determine whether or not the project will be sustainable.

2.5. Poverty and Gender Linkages

155. Since the project is not yet designed, it is not appropriate to conduct the assessment on poverty and gender linkages for this project. However, DFID and EU could exercise their influence to include the poverty and gender contents in the training and research programmes of BFTI in the future.

2.6. A Summing Up

156. The establishment of BFTI is highly relevant within the Bangladeshi context in order to strengthen its trade policy capacity.

157. DFID’s support of the scoping study, legal review and the Executive Director position has a logical sequence to move the project to the fruition.

158. The scoping study report is a good quality report with a set of good recommendations based on the sound analysis.

159. The subsequent commitments of the EU and DFID to BFTI are of crucial importance to the survival and growth of BFTI.

160. The governance structure of BFTI needs to be reviewed to ensure the independence and autonomy of its operation.
IV. COUNTRY LEVEL ASSESSMENT

A. Summary of Evaluation Results and Findings

161. This section summarises the evaluation results and findings of DFID’s TRCB projects in Bangladesh during 1998-2003 that were described in Chapter III. Each project in the previous chapter has been assessed on the basis of five criteria: relevance, performance, sustainability, impact, and linkages to poverty, gender and regional issues. One way to summarise the evaluation results and findings is to assign scores on the projects against the above criteria and rate them according to their success and impact. However, the TRCB projects undertaken in Bangladesh by DFID have different objectives, activities, target groups, management and outcomes. The four projects also proceeded at various stages and under different circumstances. Thus, it would be extremely difficult, if not impossible, to give them adequate scores. For example, IFPRI-BIDS project was completed successfully; the TPCB project at the BTC was discontinued. SEDF’s trade component has just started, while BFTI at the MOC is yet to commence its activities. However, in summary it may be said that the general evaluation of DFID’s TRCB programmes in Bangladesh is mixed. All four projects have addressed the key areas of trade-related technical assistance needs for Bangladesh. The four projects were designed to address both trade policy and regulation and trade development needs. It is a measure of DFID’s success in identifying projects that address the needs in areas of trade capacity building such that three of the four projects (barring the one with SEDF) addressed issues that were highlighted as priorities in the Bangladesh Technical Assistance Needs Assessment Study, carried out by the Ministry of Commerce in the late 1990s. This study was implemented as part of six country studies under Integrated Framework (IF) for LDCs.

162. Among the four projects, the IFPRI-BIDS project was successfully completed. The research capacity at BIDS has been enhanced in terms of trade policy analysis, single-country to multi-country modelling, etc. Overall, this is a positive result for the project.

163. It appears that the TPCB project in conjunction with BTC suffered from misunderstanding and mistrust between the recipient and managing agencies. Although the project delivered some useful training on trade remedies and a study tour programme in Geneva, the overall performance of the project was unsatisfactory as most of the activities were either delayed or incomplete. Eventually DFID and MOC discontinued the project. Unfortunately, the project had very little impact on TRCB in Bangladesh.

164. The SEDF trade component started impressively. However, whilst it is still too early to assess the impact of this component, it appears highly relevant to the needs of the country. In particular, the project intends to address the regional and bilateral trade relations between Bangladesh and Northeast India through trade and investment facilitation. Further more, the SEDF approach was also endorsed by the business community of the two countries. There is considerable potential to substantially expand trade and investment between Bangladesh and Northeast India.
165. BFTI intends to address both the short-term TRTA and the long-term TRCB needs of Bangladesh. The preliminary scoping study is a good quality report. The feasibility study by the EU is an adequate follow-up action. In order to make it operational, the GOB, the private sector and donors will have to work together to resolve the differences over issues relating to its autonomous status, the selection of the Chief Executive, staffing and sustainability.

166. The limitations that inhibit the success of an individual TRCB is that the success of one particular TRCB often depends on the success of some other related areas. Thus, although a number of good reports were prepared under DFID’s IFPRI-BIDS project, use of these reports by policymakers in the conduct of negotiations proved to be limited because of the government was unable to utilise the insights and information generated from the research. However, it does credit to DFID that it understood this emerging needs, and thus TRCB project targeted providing short-term consultancy, training and research inputs to the MOC and BTC to upgrade capacity building in the government. However, this type of one-shot capacity building projects in the government cannot actually meet the needs for sustainable capacity building in the government. Thus, from the perspective of the overall results achieved, all disparate projects are likely to have similar weaknesses. Catering to the overarching demand for strengthening the global integration of Bangladesh will require an integrated and well sequenced capacity building strategy; all development partners and GOB will have to work towards this goal.

167. The present evaluation exercise covering DFID’s four Bangladeshi TRCB projects allows us to identify a number of strengths, weaknesses and opportunities that may be taken into consideration in planning future TRCB projects. DFID is one of the largest bilateral donors in funding trade-related projects in Bangladesh. As such, the experience of its TRCB projects will also have important implications for implementation of similar projects by other development partners. The strengths of the DFID’s TRCB projects in Bangladesh can be summarised as follows:

- Strengthening trade-related capacity in key research and government institutions in Bangladesh that deal with macro policies and international trade issues, thereby in effect raising the efficacy of Bangladesh’s global integration. This is the right focus of TRCB activities by DFID Bangladesh.

- DFID has opted to team up with other donors to co-finance several trade-related projects in Bangladesh. There are some advantages to co-finance TRCB projects in developing countries. First, co-financing requires the collaboration among donors to a certain extent. Second, co-financing may also have a larger leverage since limited project funds from individual donors can be pooled together. However, co-financing of TRCB projects also presents challenges. It can either involve a complicated and time-consuming coordinating process or leave the projects completely unattended by certain contributing partners.

- Designing projects that are demand-driven is key to a successful TRCB project that targets the actual needs. One of the reasons for the successful completion of the IFPRI-BIDS project was the demand-driven nature of this project. The project was developed and proposed by the implementing institution and was monitored properly by the partner institutions in the United States and the Netherlands.
The pro-poor focus of DFID’s TRCB is reflected through its SEDF programme. SEDF aims to contribute support for TRCB to reduce poverty in South Asia by increasing competitiveness, performance, and growth of the SMEs. This in turn is expected to contribute to growth and improvement in economic and social conditions of the poor people in the region (Bangladesh, Nepal, Bhutan and Northeast India). Bangladesh is the single most important target country of SEDF, receiving more than 90 percent of SEDF funds in the first two years. Bangladesh is currently in the process of finalising the Poverty Reduction Strategy Paper (PRSP) and one of the major objectives of this programme is to make globalisation and trade work for the poor. Connecting small and medium enterprises to global market opportunities is of crucial importance to generate economic growth, creating jobs and reduce poverty in Bangladesh.

Institutional capacity building in trade-related areas is crucial to ensuring that domestic capacity in dealing with trade issues is built and developed on a sustainable basis. The idea of setting up BFTI originated from a felt need in Bangladesh in view of developing domestic capacities to participate in ongoing global and regional trade negotiations, and building domestic capacities to articulate, design and implement appropriate trade policies to address the emerging challenges in trade-related areas. The decision by the GOB to set up BFTI with a public-private partnership was timely. DFID’S early decision to be involved in the process of setting up the BFTI, and to then help it get going was thus an appropriate one.

However, there is scope for DFID to consolidate its position in the future in the process of designing and financing TRCB programmes in Bangladesh. Some key opportunities are mentioned as follows:

Bangladesh will face great challenges in the changing trade environment, in particular during the post-Cancun and post-MFA periods. However, it lacks the capacity to address the challenges in both trade policy/regulations and trade development areas. Therefore, support from DFID and other donors in TRTA/TRCB continue to be needed. DFID’S TRCB projects are highly relevant in terms of addressing Bangladesh’s emerging needs in the trade-related area. However, the scope and resources of DFID and other donors in the TRCB activities are quite limited.

It is important for the donor community and GOB to react quickly to the post-MFA challenges. The imperative is for GOB to reduce lead times for the RMG industry through important changes to the business environment, including port improvements, customs reform and improving the shipping regulatory framework. These are as important as seeking preferential trade arrangements from developed countries. Bangladesh also needs to address the supply constraints and diversify its export basket. Export diversification should be part of a comprehensive trade strategy that is linked with coordinated programmes to increase the export capacity and promote Bangladeshi exports.
There is need for long-term institutional capacity building in Bangladesh in order to have a lasting effect. Too much concentration on short-term TRTA activities such as training, equipment, and access to information will have a small sustainable impact if other tasks are not carried out simultaneously. The evaluation exercise also helped to identify some specific shortcomings in the design and implementation of DFID’s TRCB projects in Bangladesh.

The evaluation exercise shows that inadequate coordination among donors and recipients is one of the major problems in accomplishing a successful TRCB project. Coordination among the donors is also important to avoid overlapping and duplications of programmes, and to complement activities in areas where they are needed most.

A demand driven and participatory project performs much better than supply-driven projects. The evaluation exercise showed that in order to make a project relevant, efficient, successful and sustainable, stakeholder participation in the design stages is of utmost importance and also helps in terms of avoiding duplication.

Focus on poverty reduction and gender equity sometimes gets lost in the view that what is good for trade interests is good for all stakeholders, including women and the poor. There is a need for a gender and poverty audit of TRCB projects, as we should be more sensitive to the poverty and gender issues within the context of globalisation and trade liberalisation.

Local consultants with adequate expertise can prove to be more effective in designing and implementing TRCB projects compared to international consultants, as they understand the local conditions and constraints better and are more easily able to work with Bangladeshi stakeholders. Further, it is also more cost effective. However, such expertise may not always be available locally. In such cases, availability of expertise from the region should also be explored. Tied TRTA may not be very helpful and cost effective.

As the Bangladesh economy becomes more globally integrated and trade dependence assumes critical dimensions in terms of macroeconomic performance, the efficacy with which TRCB projects are conceptualised, designed and implemented will also acquire increasing importance. It is from this perspective that the insights from the present evaluation exercise could prove to be useful from a practical sense.

B. Lessons Learned and Recommendations

Given the importance of the external sector in the Bangladeshi economy, a proactive trade policy is critical for rapid economic development and accelerated poverty alleviation. However, in pursuing this export-led growth strategy, Bangladesh is severely constrained by structural and institutional problems that must be urgently addressed if it is to translate its comparative advantage into competitive advantage. Identification of such constraints that act as impediments to trade expansion and designing appropriate
mechanisms to overcome the factors inhibiting supply side responses is an issue of critical importance to LDCs like Bangladesh.

171. As a member of the WTO, Bangladesh has to comply with various rules, provisions and obligations that emerge from the WTO built-in agenda and ongoing DDA negotiations. Bangladesh needs to design and put in place an ongoing mechanism of monitoring and responding to the implications of various trade rules and agreements, such as the use of subsidies, safeguard measures, antidumping, countervailing duties, GATS, TRIPs and TRIMs. Bangladesh also needs to firm up its position regarding the new issues emerging in the trade discourse. Development of expertise relating to trade-related processes and documentation is also an important area where Bangladesh needs trade-related capacity building.

172. Bangladesh needs TRCB in both the short and long term for the government agencies, business community, civil society and NGOs in the area of trade policy, regulations, trade negotiations, trade development, trade promotion and compliance.

173. A number of projects geared to enhancing trade performance have been in operation in the country. The impact of some of the projects is observable in a small scale through increased capacity in understanding trade issues. DFID’s TRCB projects have helped to increase the analytical ability of the researchers at BIDS and to come up with a number of policy recommendations on some key trade issues of interest to Bangladesh. Even with the discontinued TPCB project, BTC has benefited through the training component. BTC is a government organisation where some trade-related capacity has been developed. However, it still needs to further develop its capacity further to play a role in the government adequately.

174. While discussing DFID’s TRCB in Bangladesh, a number of issues were raised at the stakeholders’ consultation meeting held in Dhaka on 16th June 2004, participated by concerned policy makers and representatives of business, trade bodies, NGOs and academics. Some recommendations were made in that respect. Some key issues can be summarised as follows:

- Timeliness of the projects that relate to trade policy capacity building is important as the focus of trade negotiations is changing on a continuing basis. As a result, there should be more flexibility in the design of TRCB projects to address new and emerging trade issues. About 25-30 percent of the funds should be kept for addressing forward-looking new and emerging trade issues. This will make TRCB projects more relevant to the country’s needs.

- Consultancy reports and training seminars are less useful for long-term TRCB efforts, while institutional capacity building is more important in the long run. However, TRTA activities sometimes are building blocks of long-term TRCB efforts of the country.

- Trade development and trade promotion are an important area for Bangladesh. In this respect, support for promoting forward linkages in sectors such as RMG is crucial for Bangladesh’s export development strategy. It is important for Bangladesh to address the supply constraints and diversify its exports.
• There are often gaps between study reports and actionable agendas. The reasons are two-fold: study reports are often not policy-oriented, and are devoid of concrete actionable agendas; on the other hand, because of a lack of capacity at the bureaucratic level, policy recommendations from the study reports can not be translated into actionable agendas by the government.

• Research findings should be disseminated and shared with the relevant government institutions. The recommendations should be owned by government agencies and not set aside as merely the pious wishes of outside consultants.

• In the project design phase, verifiable indicators should be clearly identified at the outset and later be assessed for the success of the project. The success of projects should be based on capacity building outcomes rather than on the disbursement of project funds.

• The working relationship with MOC should be established by all those who work on trade-related issues in Bangladesh. It is important to develop and put in place a mechanism to keep the institutional memory of TRCB projects undertaken and implemented. During the evaluation process, the evaluators have found that project-related documents are not available in many cases if the assigned officials are transferred or retired, and many TRCB projects do not necessarily send their project outputs to MOC or other government agencies for consideration.

• It is critically important to have a set of well-thought out TRCB initiatives to be undertaken in Bangladesh in the future. Such TRCB projects and programmes conceived within a holistic framework are expected to support Bangladesh's export-led growth strategy by way of providing financial and technical support in the key areas of human resource development, particularly in dealing with WTO related issues. The objective of such programmes should also make Bangladesh capable of addressing the supply-side constraints that inhibit trade and investment, and providing assistance to Bangladesh to overcome market access constraints in the global market.

• In view of the overriding importance of the ongoing PRSP exercise in the country, and Bangladesh’s declared objective of achieving the Millennium Development Goals, there is no doubt that the task of making trade work for poverty alleviation should be given top priority in Bangladesh. Raising the efficacy of Bangladesh’s TRCB programmes must be seen as one of the most important instruments to achieve these goals.
Annex A: Questionnaire

1. PROJECT RELEVANCE

PROJECT RATIONALE/ORIGIN

- What was the rationale for the project?
- Who conceived the idea? (Govt/DFID) Was it part of an overall strategy? (UN agency, JITAP, etc) Was it part of the WTO agenda?
- What are the priorities of the country, in relation to WTO negotiations/regional negotiations? What are the main interests in terms of market access?
- What is the importance of TRCB projects in the overall DFID project portfolio in the country?
- What are the perceptions in the country regarding TRCB? Does the government or the private sector recognise TRCB as having operational value?

PROJECT DESIGN

- Who designed the project? What kind of consultations were undertaken preparatory to project design?
- What were the problems encountered at the design stage?
- Were alternative options in design (i.e. the content of project activities/methodologies of implementation) and in allocation of resources, considered? If so, what were these alternatives?
- Are DFID projects in any way linked to each other, especially between trade development and trade policy projects? Are there any potentially valuable linkages?

OTHER DONORS

- Were there other donor activities in the same area?
- Is the project complementing any other completed or ongoing donor activities?
- What is the perceived comparative advantage of DFID in undertaking this project?
- Are multilateral channels more or less effective than bilateral DFID funding? Are there niches in the broad realm of trade that are better managed through multilateral channels?

2. PROJECT PERFORMANCE
EFFICIENCY

• How were resources allocated within the project – expertise and advisory services, training, equipment, study tours, studies, national vs. international consultants?

• Are there any indicators by which the cost-effectiveness of the project can be judged? What is the view at the country level?

EFFICACY AND PUNCTUALITY

FOCUS/OBJECTIVES

• What was the main focus of the project? What were its primary and subsidiary features?

• What were the main objectives of the project? How relevant and realistic were they? Has the project achieved them? If not, to what extent were there any positive outcomes? What were the reasons for the shortcomings?

• Was the project and its component activities implemented satisfactorily and in a timely fashion? What were the problems encountered?

ADVISORY SERVICES

• What kinds of expertise/advisory services were provided through the project?

• What were the proportions of international/national consultancy services and how did they perform? What lessons can be drawn? Did such advisory/expert services build capacities?

• To what extent is locally available expertise adequate to achieve the objectives of the project? Did you necessarily require foreign expertise?

TRAINING

• What kinds of training were undertaken through the project?

• Did this kind of training build institutional capacities within the government/private sector/universities and research institutions?

EQUIPMENT

• What was the equipment component in the project?

• How satisfactorily was equipment delivered and are they relevant, cost-effective equipment for the country?

Project management

• Who has been responsible for the management of the project? Was it a management consultancy company or a non-profit organisation (university/research institute)? Where are they based? Are they doing other work for DFID or for other multilateral or bilateral agencies?
• What arrangements were established for project oversight, monitoring and evaluation? Did these arrangements work out satisfactorily?

• To what extent were the key stakeholders kept informed of project developments? Was there productive feedback? How was the relationship between the funding agency (DFID) and implementing agencies? Did it proceed smoothly? In what ways can the relationship be improved?

• To what extent was the non-governmental sector (private sector, universities, research institutions, NGOs) engaged in project activities? Could their services have been better engaged?

• Are small projects more effective than large projects e.g. in delivering CB based on the country experience? Can there be any conclusions on this issue?

IMPARTS/ SUCCESS

EFFECTIVENESS/IMPACT

• To what extent did the project contribute to policy development and policy change? What was the impact of the national trade policy process? What was the impact on the content of national trade policies and reforms?

• How does the impact of TRCB compare to the most significant influences in the country on trade policy-making? (WTO negotiations; regional negotiations; domestic policy imperatives; other multilateral institutions such as World Bank/IMF/regional banks/UNCTAD etc; influences of NGOs; the corporate private sector, especially TNCs)

• To what extent did the project contribute to building capacities? Can the project be described as largely a capacity building project? If not what is the percentage of overall resources which went to capacity building? What were the final outcomes of the project? Has it made a sustainable contribution to capacity building? What were the failures and shortcomings?

• What was the impact of the project on the private sector capacity to produce and export? Was the producers/product association (if there is one) associated with the project in any way? Was their capacity increased?

• Did the local institutions engaged in the project have the necessary absorptive capacity for benefiting from project activities?

• What kinds of indicators can be developed to judge the project outcomes at the micro-level? (For example, in horticulture, the improved access to extension services by farmers, improved quality control etc.)

SUSTAINABILITY

Linkages with poverty reduction, gender equality and regional integration
• In which way is the TRCB DFID portfolio in a country contributing to poverty reduction? At the design stage of projects were the poverty reduction aspects stressed? Which projects are more poverty-oriented than others?

• How were the objectives of gender equality integrated into the project design and implementation?

• Did the project focus on regional integration or build capacity at the regional level?

OTHER ISSUE

• DFID contributes a sizable amount of resources to the EU. The EU makes a sizable contribution to TRCB. To what extent is DFID influencing EU policy in TRCB? To what extent are DFID activities linked to EU activities in a country? Whenever a multilateral agency is utilising DFID resources, what has been the outcome and impact of such activities?
### Annex B: List of People Interviewed

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<tr>
<th>SL No.</th>
<th>Name</th>
<th>Position/Organisation</th>
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<tbody>
<tr>
<td>1</td>
<td>Mr Annisul Huq</td>
<td>President Bangladesh Garments Manufacturers’ Association (BGMEA)</td>
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<td>2</td>
<td>Dr Reazul Islam</td>
<td>Senior Economic Advisor Department for International Development (DFID)</td>
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<td>3</td>
<td>Ms. Aparna Barua</td>
<td>Department for International Development (DFID)</td>
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<td>4</td>
<td>Mr. Frank Matsaert</td>
<td>Private Sector Adviser Department for International Development (DFID)</td>
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<td>5</td>
<td>Ms Ferdous Ara Begum</td>
<td>Additional Secretary (R &amp; P) The Dhaka Chamber of Commerce and Industries (DCCI)</td>
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<td>6</td>
<td>Dr Zaidi Sattar</td>
<td>Senior Economist, The World Bank</td>
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<td>7</td>
<td>Mr Shahab Sattar</td>
<td>Vice President, Metropolitan Chamber of Commerce (MCCI)</td>
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<td>8</td>
<td>Dr Rajani Alexander</td>
<td>First Secretary (Development) Canadian International Development Agency (CIDA)</td>
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<td>9</td>
<td>Dr. M Asaduzzaman</td>
<td>Research Director, Bangladesh Institute of Development Studies (BIDS)</td>
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<td>10</td>
<td>Dr. Sajjad Zohir</td>
<td>Senior Research Fellow, BIDS</td>
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<td>11</td>
<td>Ms. Nazneen Ahmed</td>
<td>Research Fellow, BIDS</td>
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<td>12</td>
<td>Mr. Shubroto Sharker</td>
<td>Research Associate, BIDS</td>
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<td>13</td>
<td>Dr Enamul Ahsan</td>
<td>Joint Chief Bangladesh Tariff Commission</td>
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<td>14</td>
<td>Mr. Qauyum</td>
<td>Bangladesh Tariff Commission</td>
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<td>15</td>
<td>Mr Nasir Uddin Ahmed</td>
<td>Director General (WTO Cell), Ministry of Commerce</td>
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<td>16</td>
<td>Mr. Amitava Chakroborty</td>
<td>Deputy Secretary, Ministry of Commerce</td>
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<td>17</td>
<td>Mr. Al- Hussainay</td>
<td>Advisor Federation of Bangladesh Chamber of Commerce and Industries (FBCCI)</td>
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<td>18</td>
<td>Mr Munir-uz-Zaman</td>
<td>Secretary (International) Federation of Bangladesh Chamber of</td>
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<td>No.</td>
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<td>Position/Role</td>
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<td>19</td>
<td>Dr Altaf Jalil</td>
<td>Associate Professor, Dhaka University and Research Fellow, Bangladesh Enterprise Institute (BEI)</td>
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<td>20</td>
<td>Mr Deepak Adhikary</td>
<td>Programme Manager, Business Development Services, South Asia Enterprise Development Facility (SEDF)</td>
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<td>21</td>
<td>Ms Narissa Haider</td>
<td>Business Development Analyst, SEDF</td>
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<td>22</td>
<td>Mr Matiur Rahman</td>
<td>Chairman, Trading Corporation of Bangladesh</td>
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<td>23</td>
<td>Mr Sharif Mosharraf Hossain</td>
<td>Associate Fellow, Bangladesh Foreign Trade Institute (BFTI)</td>
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<td>24</td>
<td>Mr Hans Franhammer</td>
<td>Second Secretary, Delegation of the European Commission to Bangladesh European Union</td>
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<td>25</td>
<td>Mr. Gene V George</td>
<td>Chief of Mission, USAID, Bangladesh</td>
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<td>26</td>
<td>Mr Farooq Sobhan</td>
<td>President, Bangladesh Enterprise Institute (BEI)</td>
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<td>27</td>
<td>Mr Kabir Ahmed</td>
<td>Advisor, Economic &amp; Commercial Affairs, Royal Netherlands Embassy</td>
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<td>28</td>
<td>Dr. Mustafa Abid Khan</td>
<td>Deputy Chief, Bangladesh Tariff Commission</td>
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<td>29</td>
<td>Qazi Monirul Hoque</td>
<td>President, Bangladesh Frozen Foods Exporters Association (BFFEA)</td>
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Annex C. List of Participants in the Consultation Meeting at CPD Dialogue Room on 16 June 2004

1. Mr Suhel Ahmed Choudhury  
Former Secretary  
Ministry of Commerce, GOB

2. Dr Mostafa Abid Khan  
Deputy Chief  
Bangladesh Tariff Commission

3. Dr M Asaduzzaman  
Research Director, BIDS

4. Ms Anne Marchal  
Second Secretary  
European Commission, Dhaka

5. Dr Reaz Islam  
Senior Economic Advisor, DFID, Dhaka

6. Mr S M Al-Husainy  
Adviser, Federation of Bangladesh Chamber of Commerce and Industries (FBCCI)

7. Dr Omar Faruque Khan  
Senior Development Advisor, CIDA  
Canadian High Commission

8. Dr M I Talukdar  
UNCTAD  
Former Division Chief  
Planning Commission

9. Mr Subrata Sarker  
Research Associate  
Bangladesh Institute of Development Studies

10. Dr Altaf Jalil  
Research Fellow, BEI  
Associate Professor  
Department of Management Studies
11. Mr Md Hamiduzzaman Chowdhury  
Bangladesh Frozen Foods Exporters Association (BFFEA)

12. Ms Sharifa Khan  
Deputy Director, WTO Cell  
Ministry of Commerce

13. Mr Md Shafiqul Islam  
Assistant Secretary, Dhaka Chamber of Commerce and Industries (DCCI)

14. Dr. Debapriya Bhattacharya  
Executive Director, CPD

15. Professor Mustafizur Rahman  
Research Director, CPD

16. Dr. Ananya Raihan  
Research Fellow, CPD

16. Dr. Fahmida Khatun  
Research Fellow, CPD

17. Mr. Wenguo Cai  
Research Associate  
North-South Institute (NSI), Canada
Annex D: Selected Bibliography


Bhattacharya B and AKA Mubin (2002). Trade Related Capacity Building in Bangladesh: Needs and Options on Setting up a Foreign Trade Institute, Dhaka, Bangladesh.


