NTF III PROGRAMME

The NTF III Programme, which is funded by the Netherlands’ Centre for the Promotion of Imports from developing countries (CBI), aims to build export competitiveness in key sectors in selected developing countries. The programme focuses on creating and supporting jobs in information technology (IT) and IT-enabled services (ITES) in Bangladesh, Kenya and Uganda; avocado in Kenya; coffee in Uganda; and inclusive tourism in Myanmar. The goal is to enhance export competitiveness of these sectors, leading to increased revenues for enterprises.

What is inside the fifth edition of the newsletter?

In this edition we show some current developments and results on the avocado and coffee projects and how beneficiaries are constantly improving their competitiveness. We also highlight how tourism contributes to the reconciliation process in Myanmar’s Kayah state. Moreover, we provide some insights into our IT&ITES companies’ busy schedules meeting new clients around the world.

Avocado Kenya

Increased international competitiveness of Kenyan avocado exporters led to job creation and higher revenues for avocado farmers

Advisory services in marketing plan and materials development, coaching in trade fair marketing techniques, and facilitation of trade fair and B2B participation helped Kenyan avocado exporters to increase their competitiveness on an international level.

Eleven Kenyan avocado exporters enjoy increasing exports and new orders from the European market. This growth has a positive impact on job creation and job maintenance. Companies recruited additional permanent as well as casual staff during the avocado season to deal with increased business opportunities and orders. At company level 49 permanent staff and 508 casual staff positions were created in 2016.

Following one-to-one direct linkages with ten exporters jobs were also created at farm level. Selected farmers will take over more responsibilities along the avocado value chain and will be remunerated for this work, for example for harvesting after capacity building in GlobalGAP certification. In total 102 permanent jobs and 187 casual jobs were created within ten farmer groups.

Through direct linkages with farmer groups that the project facilitated, companies now purchase directly from suppliers and invest in farmer groups to ensure a sustainable supply of quality avocados. The increase of avocado volume supplied by farmers to beneficiary exporters due to direct market linkages was 3% in 2016 and 5% in 2017. Beneficiary companies understood the importance of the GlobalGAP certification as the main quality standard required to access new markets with better prices, such as the EU market, through the participation in trade fairs (Fruit Logistica, World of
Perishables) and meetings with buyers. A better understanding of market needs and requirements led to increased investments into quality improvements.

The investment was possible due to the good business results achieved in 2016. In addition, the investments are also a learning result of the market exposure and trainings provided under the project that highlighted the importance of good facilities to upscale quality production and enhance competitiveness. Some of the companies expanded their processing areas and invested in new avocado processing facilities, i.e. cold rooms, grading and cleaning machines, pack houses, in order to cope with the business growth.

For the next avocado season, all companies plan to scale up their new marketing approaches and invest in additional farmer groups in order to meet the quality standards and strengthen their position in the EU market.

**Myanmar Inclusive Tourism**

**Myanmar's Kayah state - Tourism brings jobs, income growth, and helps building peace**

Myanmar’s Kayah state benefits from increased visits, new jobs and higher incomes. These developments are also contributing to political reconciliation between local ethnic communities and the state government in the once-troubled region. Local culture and knowledge are at the heart of the new inclusive tourism products that have been developed.
Since the beginning of the project, total revenues for local tourism service providers increased by 16%. Tourists’ spending in Kayah state almost doubled and the number of international tourists grew about 240% between 2014 and 2016, far beyond the average growth of other destinations in Myanmar. ITC has consulted with local tourism stakeholders on establishing fair prices for local community guides and other service providers. A percentage of tourism revenues is channelled into a community-managed fund that supports local public goods such as water pumps or road construction.

The Public Private Dialogue Platform (KPPDP), which is supported by ITC, and community tourism development training have brought together the public and private sector, cutting across ethnic lines, leading to the recognition of the potential of tourism development for poverty reduction and job growth. Project activities facilitated cooperation between all stakeholders, from government authorities to private businesses and local communities, and built confidence, trust and cooperation. Thereby, they directly contributed to Kayah state’s internal reconciliation process.

The President visits Kayah state and Kayah showcased at the World Travel Market in London

In mid-November, Kayah was showcased as “one of southeast Asia’s last frontiers for inspiring, authentic travel” at a top tourism trade fair in London, the World Travel Market (WTM). At the World Travel Market in London, U Ohn Maung, Myanmar Minister of Hotels and Tourism, declared that “Tourism can bring peace and stability to a country,” and that “ITC’s inclusive tourism project has stabilized peace for Kayah.” He also requested ITC and the project’s funder, the Dutch government, to replicate its tourism value chain approach in a second state in Myanmar. The minister – himself a tourism entrepreneur in neighbouring Shan state – said that the results achieved by the ITC project were the reason for the country’s president and vice-president visit to Kayah state. During his visits to the villages of Hta Nee La Leh and Pan Pet, President U Htin Kyaw said he was impressed with what the project had achieved. He highlighted the importance of setting fair fees for local community guides, and emphasized the relevance of preserving local cultural expressions such as traditional clothing and craft making. In addition, the president pointed to the importance of improving food quality and hygiene for attracting tourists, issues the project is addressing. Kayah state will also be at the centre of ITC participation to the International Tourism Bourse (ITB) next March.

ITC project in Myanmar’s Kayah State wins international award for community-based tourism

ITC’s inclusive tourism project in Kayah State was recognized with an award at the ASEAN Tourism Forum (ATF) in Singapore last week.

The 36th annual conference, which seeks to promote the Association of the Southeast Asian Nations (ASEAN) region as a single, multi-faceted tourist destination, concluded on 20 January with the “ASEAN Homestay and Community-Based Award (CBT)” ceremony. ITC’s “NTF III Inclusive Tourism focusing on Kayah state” project was awarded one of three
prizes for Myanmar in the category. The award was received by the ITC National Project Coordinator in the presence of representatives of key project counterparts the Myanmar Ministry of Hotels and Tourism (MOHT), Union of Myanmar Travel Association (UMTA) and Myanmar Tourism Marketing (MTM).

Uganda Coffee

Coffee institutions

Three supported coffee institutions, namely the Uganda Coffee Development Authority (UCDA), the National Union of Coffee Agribusinesses and Farm Enterprises (NUCAFE) and the Uganda Coffee Farmers Alliance (UCFA) outlined that the NTFIII Uganda Coffee project had a very positive impact on their competitiveness. Good results were achieved in relation to higher coffee exports and business linkages with specialty coffee buyers. This positive impact consequently led to job creation in the three beneficiary institutions. Nearly 200 new jobs were created within the three institutions and farmer associations. Moreover, the institutions’ capacity was built through training in various areas, such as marketing, price risk management, market intelligence and access to finance.

As a result of the development of direct trade relationships with specialty buyers and development of a new branding strategy, UCFA launched one branding initiative for Washed Arabica from Kasese area in the Western Region of Uganda. UCFA has partnered with a Swiss company called val&lin’s garden based in Zurich to import differentiated lots of Washed Arabica from Kasese, which is roasted by Phillip Henauer roasting company and distributed through a Swiss online retailer called Gebana. This UCFA coffee is sold under the brand Café Isule named after Isule area, found along the slopes of Mount Rwenzori in Western Uganda. UCFA plans to further expand this kind of business partnerships with specialty buyers in the coming years.

Farmer associations

Coffee farmer associations (FA) members of NUCAFE now have a strong export capacity after receiving support in access to finance and coffee standards certification. Nine FAs secured funds of about 331,000 USD following the coaching in access to finance. In addition, three FAs, comprised of around 4,000 coffee farmers, were trained on the FairTrade system and its requirements. NUCAFE staff was also trained on FairTrade systems and standards, and thus will be able to pass on their knowledge through their regular capacity building programme for other farmers associations.

The FairTrade certification comes with obstacles. Farmers do not only have to invest into the fulfilment of the requirement, but also into the certification itself, which comes with a high price tag. Therefore, NUCAFE supports FAs in the certification process by covering 25% of the certification fees as an advance recoverable on sales of the FairTrade coffee. Two of the supported FAs are looking for funding for certification audit and are linked to Fairtrade Africa that provides support for certification.

Ensuring sustainability

The three partners institutions are committed to ensuring sustainability of the results achieved under the project.

UCFA has mainstreamed branding and market promotion in its annual plan of operations. UCFA has also deployed teams of farmer experts as permanent human resources in support of service delivery among coffee farmer organisations. The institution will maintain and expand relationships with specialty buyers and has also established marketing contact persons in Europe and North America to identify new strategic partnerships.
NUCAFE will continue to work with current and new buyers to ensure increased exports from member associations. NUCAFE will continue facilitating access to more finance for members, differentiate their coffee and appropriately manage the associated risks. The processing of coffee in the new established coffee facility will ensure sustainable linkages with the markets and increased exports from FAs.

UCDA will ensure sustainability of the results achieved through the recruitment of new staff in M&E and market intelligence. Short term refresher courses for both market intelligence and M&E as well as annual reviews for the corporate plan have been included in the organisation’s budget. In addition, as part of its new branding strategy developed under the project, UCDA is in the process of profiling Uganda coffees which will strengthen the marketing initiatives being undertaken by various actors in the coffee sector, including UCFA and NUCAFE.

IT & ITeS

South-South linkages created: Bangladesh and Kenya

Linked on company level

As a result of the Bangladesh – Kenya B2B event, Humac Lab, a Bangladeshi NTF III company, appointed Kenyan KITOS member Zalego Academy as their sales channel partner for the East African markets for off-the-shelf products (e.g. sales force automation, Vendor Management System etc.). Zalego will also be providing support for any outsource requirement.

Linked on associational level

The strong cooperation between Bangladeshi IT association BASIS and KITOS manifested further in KITOS invitation to Bangladesh’s flagship event “Digital World” during 18-20 October 2016.

KITOS’ CEO Liz Mwangi was invited by BASIS’ board and participated in the event as a fully sponsored panellist. Further to bilateral meetings with the BASIS board, she was a panellist of the session on “Education for Every Citizen---Building a Digital Platform for Education and Learning” where she talked about digitalization in her country. Her key message was that digitalization is a game changer for education. Citing different examples, she showed how digital education is creating a positive impact in her country. Furthermore, she expressed her interest in a strong partnership with BASIS and the Bangladesh government on the matter.

Export Marketing Plan training for SMEs

In a period of six months following the training companies developed individual plans, reflecting each company’s business development model. The companies were trained by a CBI trainer, who was assisted by a trained trainer from Bangladesh. The combination of the two trainers ensured further South-South cooperation within the NTF programme and added additional benefits and practicability to the training. The EMP training was continued with additional individual advisory sessions by both trainers. Especially women-led companies showed high
commitment and great performance within the EMP component and increased their export-readiness. Four Kenyan companies, all women-led, have successfully completed their EMPs. And eight Ugandan beneficiary companies have submitted their EMPs, three of these companies are women-led.

Ice9 Interactive innovates to win clients

Seven NTF III Bangladesh companies took part in a London B2B event, which targeted the local marketing and PR agencies, as well as new segments, like architects and event companies. Beneficiary companies working with 3D modelling, banner design and virtual reality benefitted from the B2B event particularly. The Bangladeshi digital-marketing company Ice9 Interactive attracted new clients with its augmented reality, virtual reality and interactive 3D content. The company was launched four years ago and since joining the NTF III programme last year it has attended two B2B events, participated in a trade fair in China and a training session on export market planning, and started to collaborate with another NTF III beneficiary in Kenya.

NTF III IT&ITES entrepreneurs at SLUSH

Slush is a two-day international start-up event, organized annually in Helsinki by a community of entrepreneurs and investors. On Nov 30 and Dec 1 the event gathered nearly 17,500 attendees, including 2,300 start-ups, 1,100 venture capitalists and 600 journalists from over 120 countries. 10 NTF III IT&ITES beneficiaries participated and dived into the innovative start-up world.

Prior to the event the entrepreneurs had a preparatory training on sales as well as a visit to an incubator in Helsinki. Slush was a bright and inspirational event for the 10 East African and Bangladeshi tech start-ups that used the event as an opportunity to meet enthusiastic entrepreneurs pushing the industry forward and to hook up with potential partners.

‘Slush was a great opportunity to meet potential partners, to learn new ideas to improve my offering and to identify potential investment partners and venture funding,’ said Grace Achire, CEO of Uganda’s Vantage Communications.

Netherlands as target market for Bangladeshi IT companies

In two days of B2Bs, eleven Bangladeshi IT service providers met 18 potential clients from the Netherlands. The event was complemented with an on-site individual marketing advice from an expert, following up to the Brand Tone of Voice Health Check given in 2015, as well as with a workshop on how to conduct business in the Netherlands.

B2Bs kick-start 2017

NTF III IT&ITES companies kicked off the new year with a busy schedule participating in B2B events around the world.

Bangladesh’s largest IT exposition, SOFTEXPO, took place in Dhaka from 1-4 February. The NTF III programme brought an international delegation of businessmen and women to Bangladesh and introduced them to NTF III beneficiaries. Beyond these connections NTF III companies participated in B2B meeting and were able to establish new regional and international business contacts.
Eight women entrepreneurs from the project participated in ITC’s Women Vendors Forum and Exhibition in Turkey from 23-24 February. Zimba Women and Vantage Communications participated in the SheTrades investment challenge. Zimba Group came in second for its digital app that would provide affordable market accessibility and help build capacities among women entrepreneurs. Already in 2015, NTF III women-led companies were present at WVEF where beneficiary company Greenbell won Google’s tech challenge.

All IT projects within NTF III organised a joint B2B event in Geneva on 28 February. Building on the success of a B2B event organised under the NTF IIII Bangladesh IT&ITES sector project. All three projects participated with a delegation of 12 companies in total, of which six come from Bangladesh and three from Kenya and Uganda, respectively.

Three companies from Kenya and Uganda and four companies from Bangladesh continued their travel from Geneva to Barcelona to participate in the GSMA Mobile World Congress IT fair.

UPCOMING EVENTS

10 March Tourism “Myanmar presents Kayah State, an authentic destination” at ITB, Berlin, Germany
15 March Avocado Stakeholders meetings and handing over of GlobalGAP certificates, Thika, Kenya
20 – 24 March IT & ITES CEBIT, Hannover, Germany
6 April IT & ITES Seedstars Summit, Lausanne, Switzerland
9 – 12 April IT & ITES Connected Summit, Diani, Kenya (K-ICTA and KITOS)
17 – 18 May IT & ITES ESTAFRICA.COM trade event with B2B sessions, Nairobi, Kenya