Innovations in private sector development – The Netherlands' policy and practise

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Main objectives policy for trade & development cooperation

- Eradicate extreme poverty in one generation = aid
- Sustainable & inclusive economic growth worldwide = aid & trade
- Succes Dutch companies abroad = trade

- Specific themes: food security, water, fragile states, gender
- International Corporate and Social Responsibility

Why focus on sustainable economic development?

Base of Pyramid:
purchasing power, economic dynamic, (informal) entrepreneurs

Upcoming middle class:
booming new markets, opportunities to establish link to local production

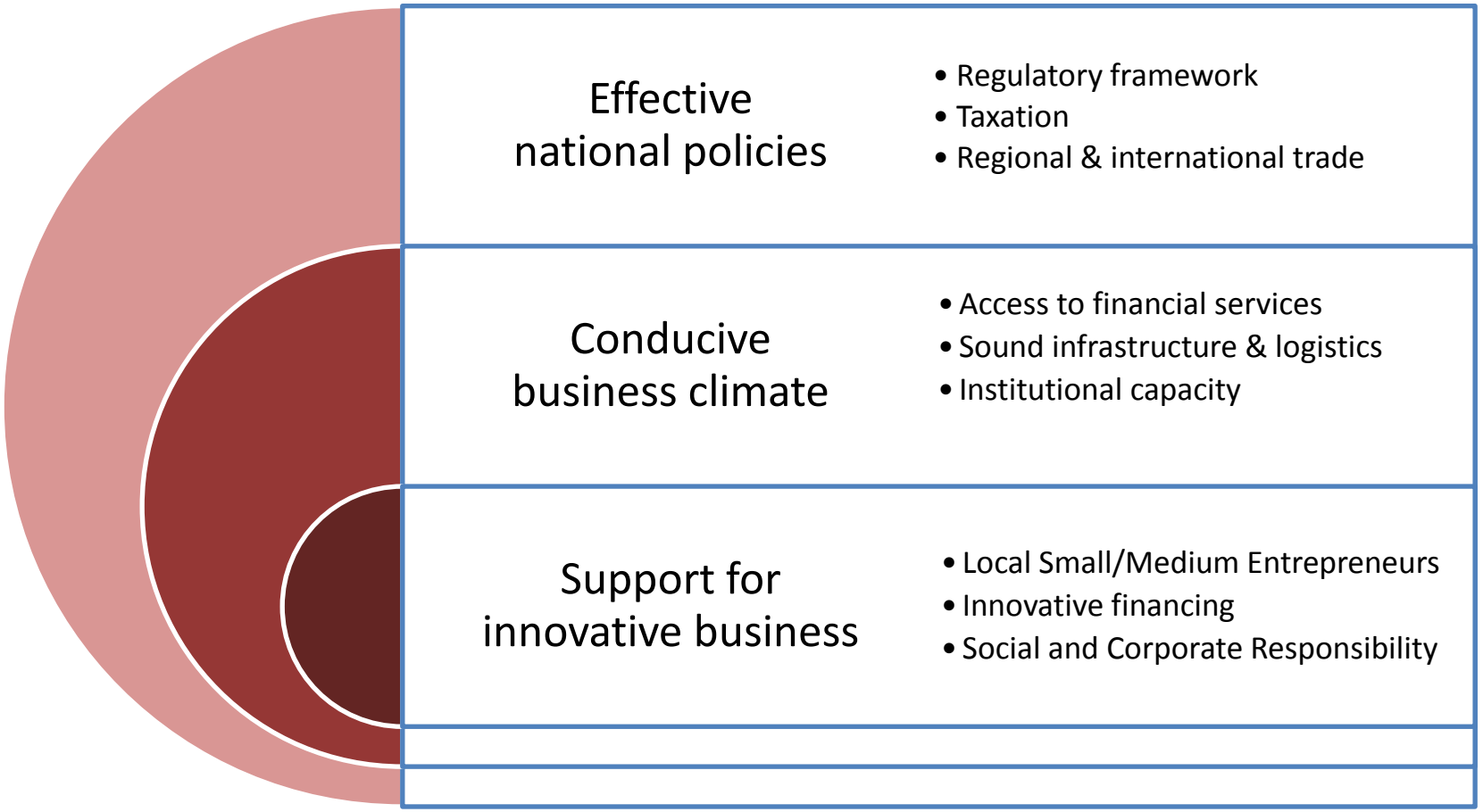
Economic growth:
if inclusive =
engine poverty reduction

Our developing country partners:
unilateral aid → mutual benefits of trade & economic cooperation

Global Value Chains:
adding value in low/middle-income countries, sustainability challenges

Underlying insight : **inclusive** – what's in a name?

Private sector development - priorities



Implementation (1)

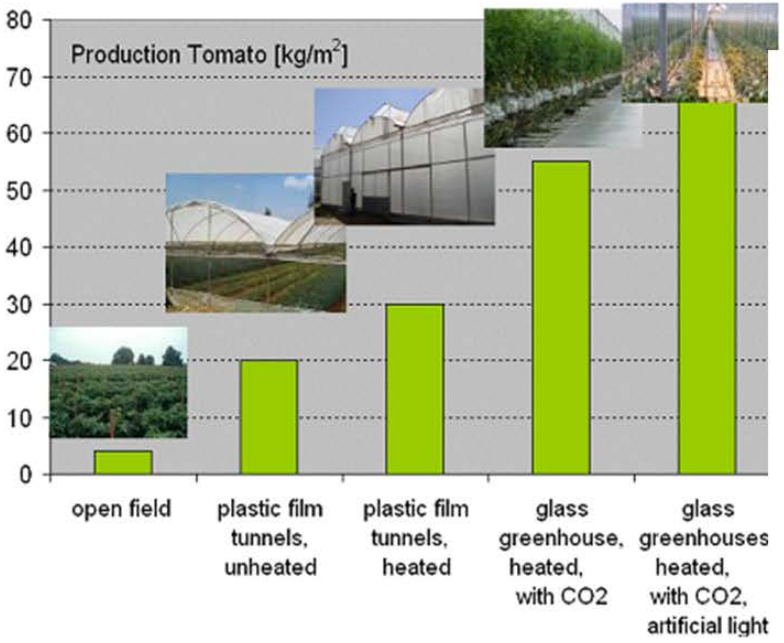
- Dialogue on new vision and strategy for trade & development
- Economic diplomacy Embassies Kingdom of The Netherlands

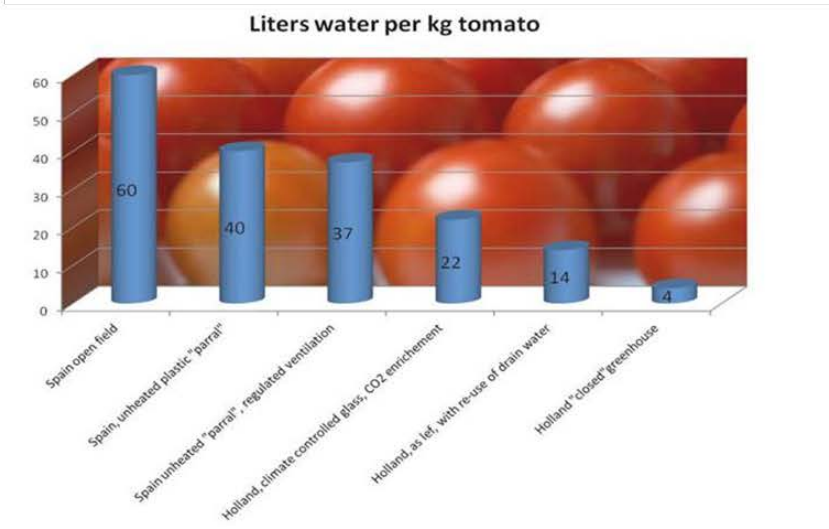
Implementation (2)

Activity	With
Institutional capacity building	trade unions, employers organisations, senior business advise, farmer groups
Support global & regional programs	WorldBank, IFC, WTO, TMEA, ILO
Promote sustainable trade	IDH Initiative Sustainable Trade, textiles
Boost competitiveness traders to access international markets, in particular EU	CBI programme
Support for and participate in public-private partnerships	among others Philips, RaboBank, FrieslandCampina, Heineken, Unilever

Implementation (3): Dutch stakeholders to bring innovative solutions to local development challenges

Example: smart use of natural resources for food





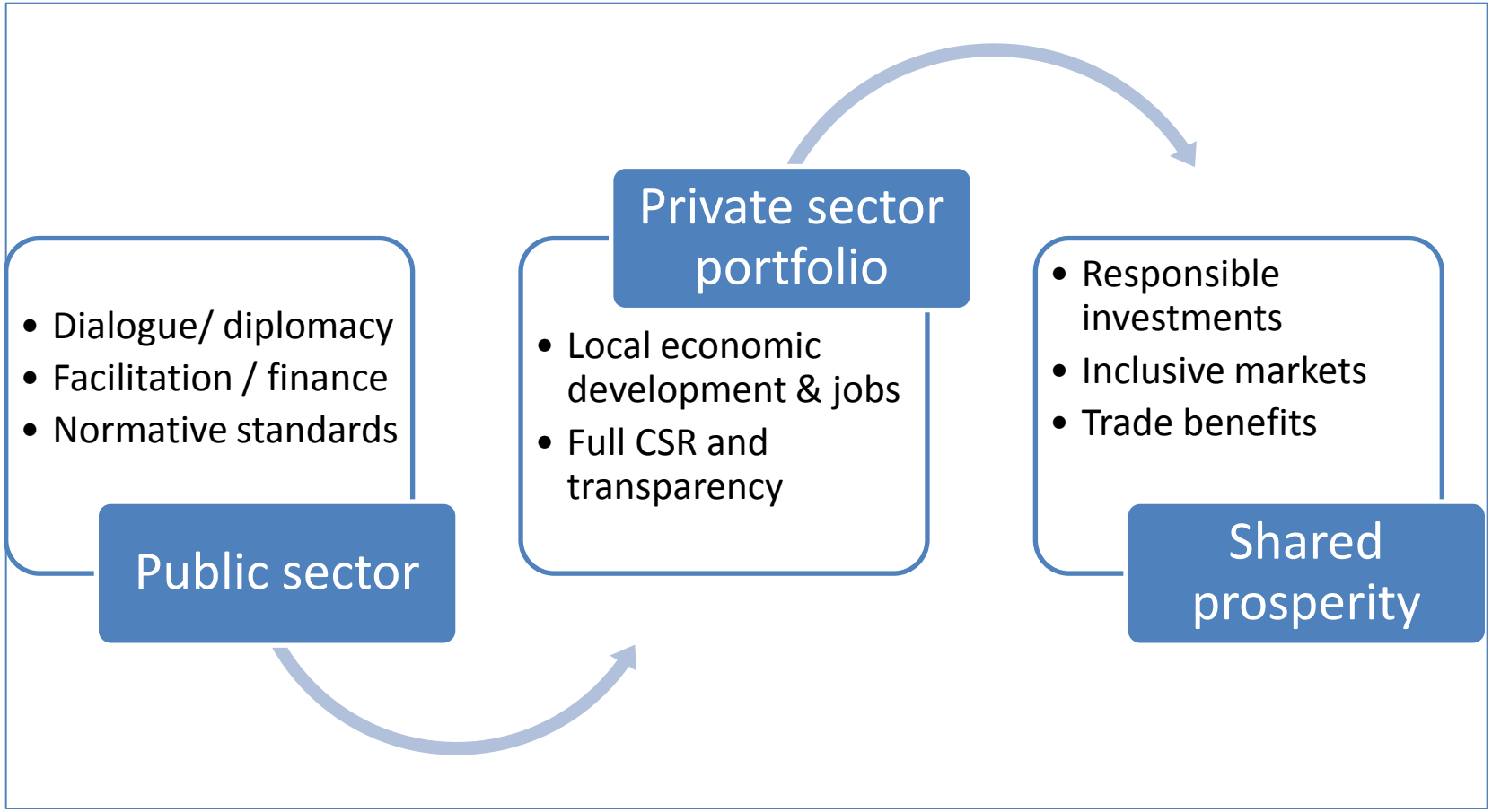
Implementation (4)

- Budget private sector development: € 238 mln (2014)

- Innovative finance – Dutch Good Growth Fund
  available budget in total € 700 mln, revolving, focus on SMEs

  1. in support of Dutch companies
  2. in support of local companies
  3. enhanced export credits

In summary


Public sector
• Dialogue/ diplomacy
• Facilitation / finance
• Normative standards
Private sector portfolio
• Local economic development & jobs
• Full CSR and transparency
Shared prosperity
• Responsible investments
• Inclusive markets
• Trade benefits