



Ministry of Foreign Affairs

Reliable institutions and actors

Working together for a better business climate

Photo PUM Netherlands senior experts

Good, reliable institutions and actors that provide efficient services are important for a good business climate. The Netherlands helps public authorities in developing countries to build such institutions. Dutch organisations share their expertise with counterparts in developing countries through peer-to-peer collaboration. Public-private partnership is the cornerstone of our policy on private sector development.

Between 2010 and 2014 the number of Dutch partners involved in water supply projects in developing countries increased from 16 to 138, 45 of which are private companies. This spectacular rise is largely due to Dutch policy which focuses actively on partnership between the public and private sectors. The connection between the various parties allows knowledge and technology to be shared – and applied locally – very quickly.

Realising the potential

One prerequisite for successful public-private partnership is a business climate that enables companies to flourish and grow. A thriving private sector in low- and middle-income countries creates jobs, which contributes to poverty reduction and opens up opportunities for Dutch SMEs to launch activities there. Realising this potential requires strong public and private economic institutions that work quickly and reliably, such as a land registry to keep records of property ownership, and food and consumer safety organisations. Employers' associations and unions, which represent the interests of their members, are also essential for sustainable, inclusive growth.

Peer-to-peer collaboration

Dutch organisations share their expertise with counterparts in developing countries, and it works. Since this happens on a peer-to-peer basis, both sides listen carefully to what the other has to say, and have a lot of respect for each other's experience. Local entrepreneurs receive advice from Dutch experts via the PUM Netherlands Senior Experts programme. The Dutch Employers Cooperation Programme shares the knowledge and experience of business associations VNO-NCW and MKB Nederland – on the art of negotiating, for example – with local employers' organisations.

We support the cooperation between Agriterra and farmers' organisations in developing countries. As part of the AgriCord platform, Agriterra uses the capacity of Dutch farmers' organisations like LTO, NAJK and NCR to help develop farmers' cooperatives and farming organisations in low- and middle-income countries. Through the Trade Union Cofinancing Programme, Dutch trade union federations FNV and CNV help strengthen the organisation of trade unions in other countries, and build their capacity to engage in dialogue and represent their members' interests.

The CBI programme run by the Netherlands Enterprise Agency (RVO.nl) helps exporting organisations in developing countries gain a foothold on European and global markets. RVO.nl also helps develop chambers of commerce, land registries and customs services. For example, the Dutch and Indonesian customs organisations have agreed a multiyear partnership.



Agriterra

Thanks in part to the support of Agriterra, 5,000 members of a dairy cooperative in southern Bandung (Indonesia) have increased their average milk production by almost 50%. Improvements were made to the animals' diet and housing, veterinary health, breeding, milking practices and milk processing. The quality of the milk has also improved, so that Dutch dairy company Friesche Vlag (a subsidiary of Friesland Campina) is now paying the farmers a higher price for their milk. Agriterra has similarly supported the development of Evergrowth dairy cooperative in Vietnam.

Photo Agriterra

Public-private partnership

Public-private partnership is a cornerstone of Dutch policy on private sector development. One example of PPP is the [Africa Agribusiness Academy](#), which promotes cooperation between Dutch and African SMEs, and supports the partnerships with knowhow, coaching and training. The Academy hopes to reach a million smallholders and medium-sized farming businesses by 2017, helping to improve their income and enhance food security. The partners are Wageningen UR in the Netherlands and Soikone University in Tanzania. Companies from the Netherlands and Africa support the initiative, alongside the Ministry of Foreign Affairs.

Another example is the [Inclusive Business Accelerator](#), an innovative platform that links businesses with investors and advisors. The goal is to bring them into contact with potential local business partners, identify opportunities and obtain the appropriate financial and market information. The partners in this PPP are the Ministry of Foreign Affairs, development organisation SNV, BoP Innovation Center, Venture Capital for Africa and Nyenrode Business University.

The Netherlands promotes public-private partnership, not as an end in itself but as a means of and a strategy for contributing to inclusive, sustainable growth.

Dutch Diamond

The Dutch view of PPP is that it should be a collaboration involving the private sector, the public sector, civil society organisations and knowledge institutions. This model is known as the [Dutch Diamond Approach](#), the goal of which is to stimulate economic development through market-oriented investment, in order to help reduce poverty.

- Public authorities need other parties to achieve development. They have the financial means to encourage development-related partnerships and share risks where necessary.
- Participation in a PPP leads to opportunities for businesses because it gives them access to knowledge, skills and financing. Collaborating with unusual partners allows businesses to tap into new markets and launch sustainable activities.
- Civil society organisations can increase their impact in a PPP and access new sources, such as financial and other expertise and marketing strategies. Collaboration with new partners also leads to innovative insights and solutions.
- A PPP provides knowledge institutions with an opportunity to apply their knowledge, bringing theory and practice closer together. Researchers also work with other PPP parties in knowledge platforms set up to support Dutch policy in fields like food and water. The [Partnership Resource Centre](#) was established for the purpose of learning more about public-private partnership, when it works, and when it does not.

For more information on Dutch efforts to achieve sustainable, inclusive economic growth, contact: Ministry of Foreign Affairs Sustainable Economic Development Department
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