



Towards a new policy for Foreign Trade and Development Cooperation

Synthesis of the online consultation

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The Broker - May 2022*

1) Introduction

The Minister for Foreign Trade and Development Cooperation, Liesje Schreinemacher, is currently developing a new policy document. While the general direction is determined by the coalition agreement and current events, the Minister still has numerous decisions to make about the details of her upcoming policy. To inform these decisions, she is keen to gather inspiration from civil society, think tanks, researchers and the business community. In March 2022, an online consultation consisting of 10 questions was therefore launched, allowing all those interested to provide their input for the new policy. The report you have before you – written by Martha Kapazoglou and Yannicke Goris, knowledge brokers at [The Broker](#) – synthesises the many contributions to the consultation, in an effort to present Minister Schreinemacher with a document that is both concise *and* does justice to the breadth and depth of the answers provided.

Participants to the consultation

The consultation was filled out by a total of 232 participants, representing the private sector, knowledge institutes – including universities, think tanks –, civil society organisations – most of which but not limited to, development-focused NGOs and network-organisations – consultancy firms, and a collection of others – including trade unions and the PBL (Netherlands Environmental Assessment Agency). Figure 1 gives a clear overview of sectors represented by the contributors.

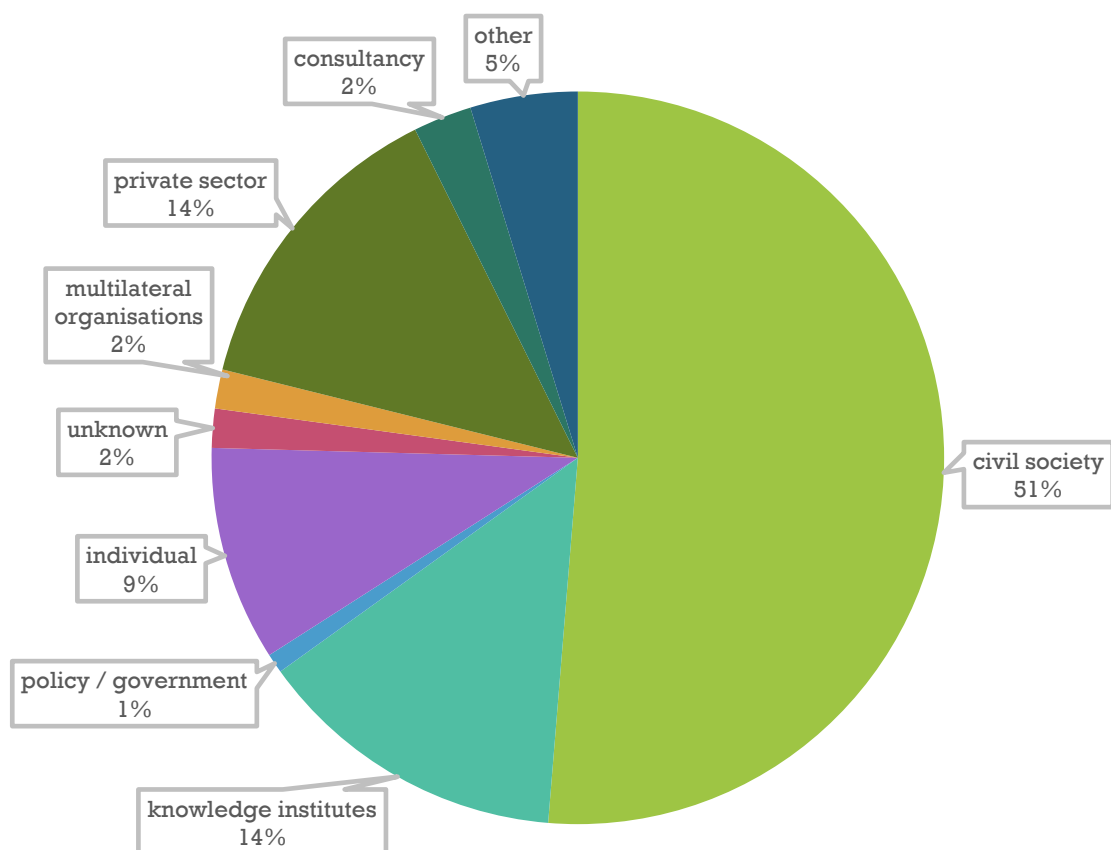


Figure 1 Sectors represented by participants

Given that the consultation serves to inform Dutch policy, it is to be expected that most participants are based in the Netherlands. Indeed, 85% of respondents are located here. Of the remaining participants, 7% identified their location to be in the Global South, of which 50% in Africa (see figure 2 for a quick overview).

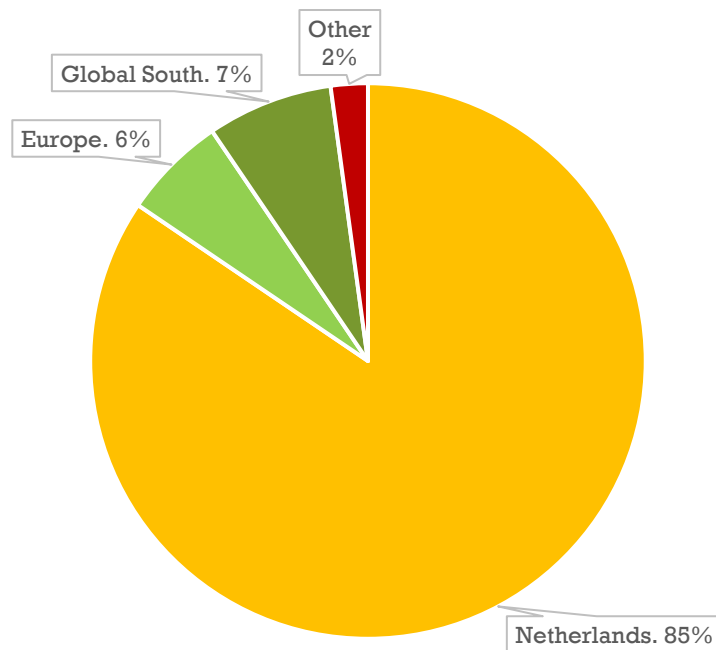


Figure 2 Location of participants

In addition to the total number of participants (232) it is worth noting that their contributions are highly detailed and in-depth. With over 700 pages of recommendations, many of which are the result of internal or even external consultations, it is clear that this endeavour has been taken very seriously. Given that all responses are unique and often contain highly detailed suggestions, it is impossible to do justice to them all. That said, by creating clusters of similar answers, an effort has been made to ensure that this report adequately represents the most commonly held views. The following section briefly describes how the analysts have gone about clustering and synthesising the answers to the consultation.

Methodology

The 232 responses to the consultation were processed and analysed through excel. Firstly, we created ten separate excel sheets to group responses by question, including columns to note down each participants' ID, full name, location and organisation. Having completed the grouping, we moved on to the first steps of the analysis process, focusing on one question at a time, to read through and review each answer. A new analysis excel file was crafted, again with ten sheets, where all the critical aspects of participants' responses were captured through appropriate key words or short, descriptions of maximum one sentence. Each analysis sheet consisted of 3 columns: the first entailing all recorded responses as keywords or one-sentence descriptions; the second tallying the number of participants that provided the respective answer; and the third tracking the relevant participants' ID number. We ordered each analysis sheet from highest to lowest tallied answer to identify the most popular answers by question. Once complete, we revisited each analysis sheet to cluster together answers that were either complimentary or thematically overlapping. For each question, an average of five clusters emerged, which were employed to effectively answer the consultation questions and structure the report's main body. To ensure the report is meaningfully grounded in participants' voices, we kept referring back to their complete answers throughout the writing processes. In the text that follows their words will therefore be incorporated, either through quotes, or paraphrased in the synthesised answers. Finally, 6 cross-cutting issues were identified and are further discussed in the report's final chapter.

Organisation of this report

As this report synthesises the online consultation as formulated by the Ministry of Foreign Affairs, it will take as its main organising principle the 10 questions that constitute the consultation. In chapter 2, each question is dealt with separately and in similar fashion: after presenting the question and briefly recapping its background as formulated in the online consultation, the 'clusters of answers' are presented in a graph.¹ These graphs show

¹ Please note: When the total number of answers in these graphs is lower, this does *not* mean the question was answered by fewer respondents. Rather, it signals that there was less agreement and more divergence in answers. Additionally, while respondents may have used different words, the analysts have made an effort to ensure that answers with similar meaning are phrased in the same way across questions to make explicit the overlap between answers across the 10 questions.

the clusters of most given answers for each of the questions. Thereafter, the clusters of answers are described in more detail.

As will become clear while reading the answers to the 10 questions, the analysis has brought to light a number of cross-cutting issues; that is – issues that are raised on numerous occasions, by many respondents and throughout most, if not all, of the questions. These cross-cutting issues will be addressed in chapter 3.

Key take-aways of the consultation

- The comparatively **greater focus on foreign trade** and the private sector over development cooperation is **cause for concern** among respondents. They urge the Minister to formulate a balanced policy and look for synergies between the two elements.
- **Knowledge sharing, co-creation and learning trajectories**, especially among global North and South-based stakeholders, are essential in ensuring that interventions are evidence-based, successful approaches are scaled up, and mistakes are not repeated.
- Forging an **enabling environment** – as characterised by the rule of law, good governance and social cohesion – is identified as a prerequisite for realising sustainable development, especially in fragile, conflict-affected states.
- **Gender equality and SRHR** are highlighted as key cross-cutting issues: progress in these thematic areas can help achieve all the SDGs and tackle pressing social and environmental issues.
- Trade is regarded as a **promising catalyst** for inclusive and sustainable development if comprehensive **CSR and due diligence** legislation is applied. Then, trade (agreements) can be a ‘force for good’.
- **Localisation and ‘shifting the power’** are regarded as essential for achieving systemic change and sustainable impact. Operationalisation of these concepts is, however, lagging behind and warrants great attention in the upcoming policy.
- Achieving systemic change is a long-term process, which subsequently requires a **long-term approach**. The new policy should have a built-in sustainability approach and a responsible exit strategy which ensures that gains are not easily undermined.
- **Policy coherence** is key to achieve sustainable development. Strategies to realise such coherence include 1) adopting nexus approaches; 2) placing the SDGs centre-stage and rigorously applying the SDG-test; 3) paying more attention to the role of embassies at country-level in strengthening coherence; 4) implementing a comprehensive agenda for responsible business conduct.

2) Answers to the consultation questions

Question 1: How can we increase the involvement of Dutch companies in the twin transitions in low- and middle-income countries?

The focus of Dutch policy vis-a-vis the private sector will be on the 'twin transitions' of digitalisation and sustainability – both of which will be key to achieving the Paris and Glasgow climate goals. Dutch businesses can play a key role in tackling these challenges, but additional efforts may be required to getting them more involved.



○ *Ensure that the twin-transition is a just and locally-driven transition (49 respondents)*

While the envisioned twin-transition is not being questioned, many respondents underline the importance of ensuring that a **just transition** is realised. That is, the envisioned targets for the digitalisation and sustainability agendas must be achieved with explicit attention for the social consequences of the transition process. Decent employment, equal participation and local ownership should be core considerations in devising relevant policies. Moreover, for a just transition to meet **local needs**, it must be locally-driven: Actors in the global South – governments, private companies and, most importantly, civil society organisations and local communities – should be given the lead in determining the best-fitting transition pathway. In this endeavour, participation of and support for women's organisations is critical to improve **gender equality**.

○ *Focus on exchange of knowledge and expertise (47 respondents)*

The envisioned twin-transition is a 'knowledge-intensive' transition. Highly specialised knowledge and expertise, in various complex fields, is required – fields in which the Dutch private and knowledge sectors (i.e. universities and knowledge institutes) have an impressive track record. In the fields of digitalisation, technology, circularity, and water management, for example, the Netherlands can play a key role. Importantly, insights that are being generated, by private companies or through academic research, must be 'translated' to **context-specific knowledge**.

○ *Promote CSR, respect for human rights and international standards for companies (41 respondents)*

Many contributors underline that more intensive participation of the private sector must go hand-in-hand with greater emphasis on compliance with the highest global standards regarding responsible investment and **due diligence** as well as respect for climate, human rights and environmental protection obligations (e.g. OECD Guidelines, UN Guiding Principles). **CSR regulations** should, moreover, include gender equality and women's rights as key focal points.

○ *Foster multi-stakeholder partnership formation (37 respondents)*

Many contributors point to the importance of building partnerships between actors from various sectors and building on the impressive Dutch track record to realise such partnerships. As exemplified by the answer of the Netherlands Food Partnership: "One of the key strengths of The Netherlands internationally is its experience and focus on bringing actors together to join forces in solving concrete challenges [...]." It is argued that approaches that are built on **cross-sectoral partnerships** of government, research institutes, civil society and business, are better suited to achieve transformative impact. Fostering the formation of these collaborations will enable Dutch companies to make meaningful contributions to the envisioned transitions.

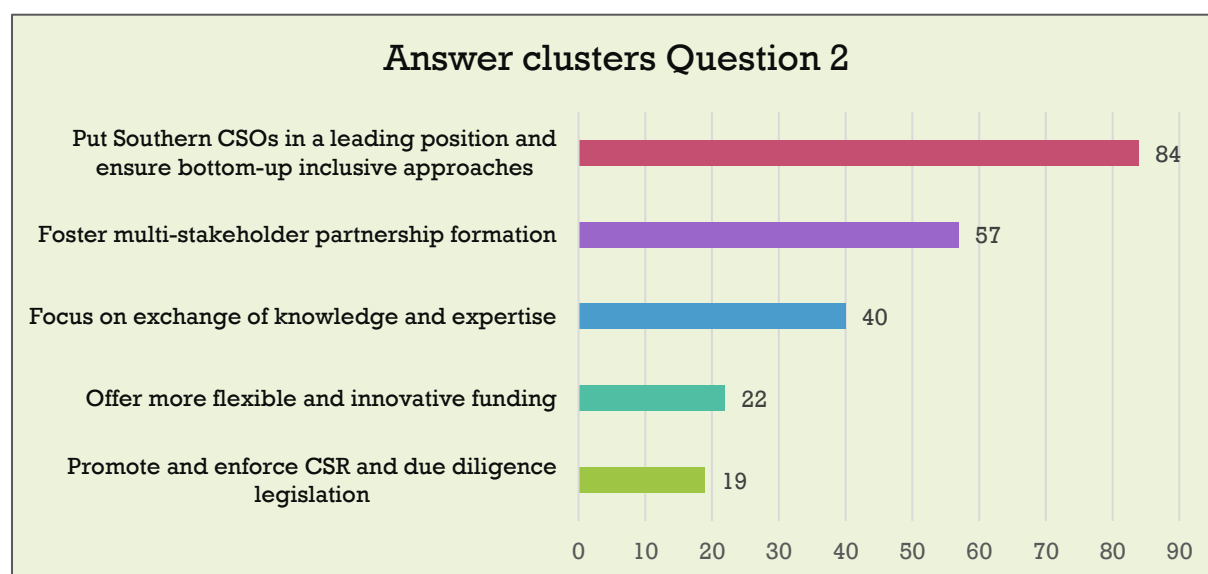
- *Targeted (financial) support for the (Dutch) private sector (35 respondents)*

To encourage Dutch companies, and especially SMEs to invest in LMICs and contribute to the twin-transition, creating incentives and minimising risk are deemed essential. **Attractive financing, de-risking and support mechanisms** – with in-built due diligence and CSR requirements – will boost investments of the private sector in more risky locations. This direct support should be accompanied by interventions with a more long-term perspective that foster an enabling environment, focusing on good governance, rule of law, anti-corruption and democratisation. Finally, and in line with the widely shared call for location, there should be specific support for partnerships and joint ventures between Dutch companies and SMEs in the global South.



Question 2: How can government, the private sector and knowledge institutions work together better to achieve the SDGs?

The Netherlands has a long tradition of public-private partnership, which must be accelerated and deepened to adequately address global challenges and better achieve the SDGs.



- *Put CSOs (especially from the South) in a central and leading position and ensure bottom-up inclusive approaches (84 respondents)*

Although question 2 does not mention civil society organisations, many respondents point to the importance of including CSOs in the envisioned partnerships as they are regarded to be key actors in combatting poverty and injustice whilst fostering equality and democracy. Only with the meaningful **inclusion of CSOs from the global South** at every policy level and in every stage of programming can local ownership be guaranteed. Moreover, there is widespread agreement about the need to pay special attention to the **engagement of women's rights organisations** and the advancement of SDG 5. To ensure CSOs can take a central and leading role, the Dutch government is advised to devote more effort and resources to supporting civil society, especially in the global South.

- *Foster multi-stakeholder partnership formation (57 respondents)*

The representative from Oxfam aptly summarizes the gist of responses in this cluster, drawing attention to the added value of Dutch expertise in fostering **multi-stakeholder partnerships**: "The Netherlands has a longstanding tradition of cross-sectoral collaboration. This experience can be employed globally to encourage collaboration between governments, CSOs, companies and knowledge institutes, working together to achieve the SDGs." Further, **diaspora** are seen as promising partners to improve North-South collaboration.

- *Focus on exchange of knowledge and expertise (40 respondents)*

Deepening and accelerating public private partnerships (PPPs) in an efficient and inclusive manner demands thorough reflection on similar experiences so far. More research should be devoted to identifying the benefits, challenges and disadvantages of PPPs, thus expanding the relevant knowledge base. This can be realised by **collaborative learning trajectories** between knowledge institutes and the private sector, assessing practices and policies in relation to the SDGs to identify lessons learned and formulate policy recommendations. Collaboration with and between **Dutch and local knowledge institutes** is a prerequisite to ensuring co-creation of knowledge that matches local needs and realities.

- *Offer more flexible and innovative funding (22 respondents)*

Realising cross-sectoral partnerships that include CSOs and SMEs from the global South demands funding mechanisms that are more inclusive and accessible to these actors. Through more **inclusive and flexible funding**, new sets of stakeholders and actors are empowered to play an active and transformative role in partnerships. However, voiced by Kumi Naidoo, respondents underline that these funding mechanisms “need to be targeted and directed towards achieving sustainable development outcomes.” Additionally, better accessible flexible funding must be offered to SMEs and small start-ups to allow for innovation.

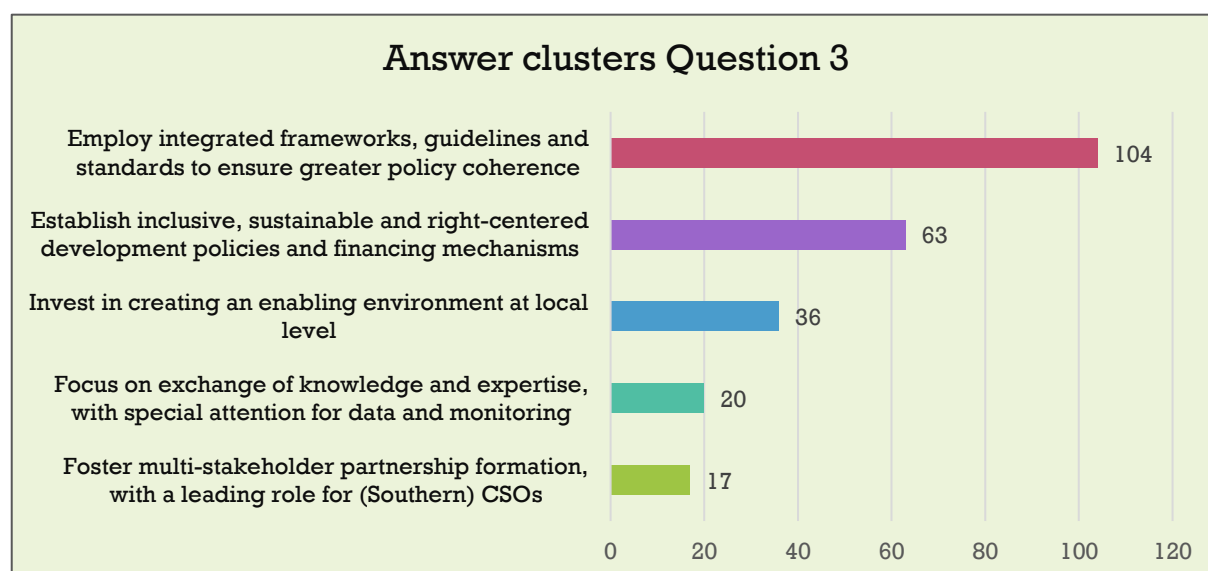
- *Promote and enforce CSR and due diligence legislation (19 respondents)*

Compliance with OECD guidelines and upholding **international CSR standards** is the basis for an effective, efficient and coherent contribution of the private sector to the realisation of the SDGs. In efforts to support PPPs, the government is advised to put OECD guidelines and the UN Guiding Principles for Business and Human Rights central stage. The Netherlands, with its leading position in establishing multi-stakeholder partnerships, can set an example by prioritising and encouraging compliance with these guidelines in all its efforts.



Question 3: How can the Netherlands’ efforts to achieve policy coherence for development be further strengthened or enhanced?

The Netherlands has an action plan on policy coherence with five central policy themes: 1) combating tax avoidance/evasion, 2) development-friendly trade agreements, 3) a development-friendly investment regime, 4) more sustainable production and trade, and 5) combating climate change.



- *Employ integrated frameworks and guidelines to ensure greater policy coherence (104 respondents)*

Participants stress that achieving sustainable development is a matter that extends beyond the confines of the Ministry of Foreign Affairs, thus requiring the **breaking down of silos**, fostering greater inter-ministerial collaboration and realising policy coherence. To do so, the **SDGs should be employed as an overarching governmental objective**, applying the SDG test more rigorously to achieve and safeguard coherence and complementarity within and between policy frameworks and ministries. According to Partos, “[p]ursuing an integrated international CSR policy and focusing on UN Guiding Principles and OECD guidelines will automatically contribute to the SDGs” and by extension to greater policy coherence.” Additionally, respondents highlight the potential of the Netherlands to take a leading role in creating European and international agreements on fossil fuel taxation, setting standards and promoting policy coherence.

- *Establish inclusive, sustainable and right-centred development policies and financing mechanisms (63 respondents)*

Many participants agree that **human- and labour rights, inclusion, environmental sustainability and gender equality** are interconnected policy themes that ought to be the basis of all development and trade policies. Gender-sensitive approaches to policy development that place the promotion of gender equality and the needs of local communities at the centre are, thus, seen as instrumental. To truly foster **inclusive and rights-centred policies**, financing instruments and mechanisms need to reflect commitment to these themes as well. Making climate finance more accessible to local communities, for example, will ensure programmes

are better aligned with their needs and contexts. In addition, the provision of **long-term cash transfers and social security safety nets** enhances the capacity of local communities to realise sustainable transformation.

- *Invest in creating an enabling environment at local level (36 respondents)*

Forging an enabling environment – as characterised by the **rule of law, good governance and social cohesion** – is identified as a prerequisite for realising sustainable development, especially in fragile, conflict-affected states. Tackling and preventing tax avoidance, particularly by multinational corporations, both domestically and in developing countries, is one of the key interventions needed to create such an enabling environment. Beyond a keen **focus on tax avoidance**, the Dutch government can also play a key role in **strengthening the capacity of local government officials and CSOs** so they are better equipped to contribute to the development of local enabling environments.

- *Focus on exchange of knowledge and expertise, with special attention for data (20 respondents)*

Many participants recognise all five policy themes as ‘knowledge-intensive’, thus placing great emphasis on **knowledge sharing**. To ensure the vast knowledge and expertise of Dutch stakeholders is adequately utilised across all five themes, respondents highlight the importance of joint learning events and recommend that **knowledge institutes are better integrated in policy development**. Internationally, the Netherlands can take a leading in North-South knowledge transfer, with specific emphasis on technology and the importance of decolonising and de-monopolising knowledge.

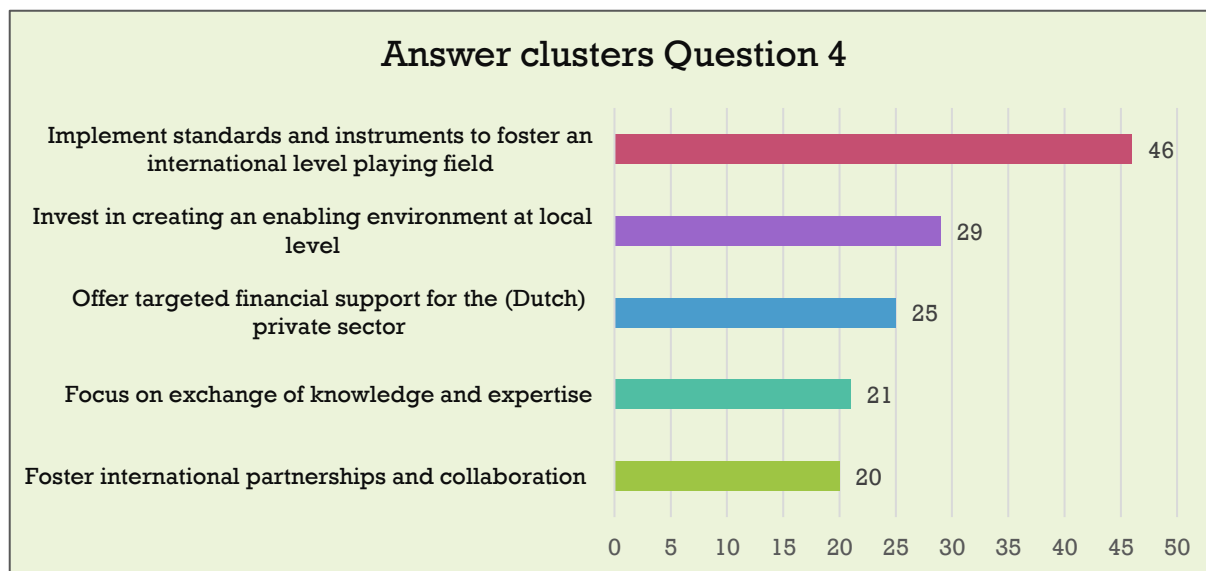
- *Foster multi-stakeholder partnership formation, with CSOs in the lead (17 respondents)*

Many contributors advocate for stimulating cross-sectoral and multistakeholder partnerships as a way to generate greater policy coherence. It is argued that **multistakeholder partnerships** between government, private sector, knowledge institutes and CSOs will lead to better risk management and mitigation.



Question 4: How can the government strengthen Dutch companies’ sustainable earning capacity abroad?

International competitiveness of the Netherlands faces risks posed by the twin transitions and the shifting geopolitical balance of power. Our interconnections with the rest of the world are both greater and more fragile. To ensure sustainable earning capacity, the Netherlands will focus on a strategic and sustainable trade policy.



- *Implement standards and instruments to foster an international level playing field (46 respondents)*

Many respondents argue that, due to ongoing inequalities and protectionist trade policies, an **international level playing field is still lacking**. This means that 1) many opportunities for strengthening the Dutch earning capacity abroad remain untapped; and 2) private sector actors, especially SMEs, and local communities in the global South will not be able to link up to the global economy and develop to their full potential. It is, therefore, seen as imperative to **align the private sector’s earning capacity with the needs and priorities of local communities and the achievement of the SDGs**. To do so, the government should encourage greater compliance with international guidelines and agreements in the fields of **CSR and human rights protection** – with special attention for **gender equality** – and advocate against unfair tariffs, subsidies, and import quotas.

Breaking through the constraints of institutional protectionism, as a representative of Agrico – cooperative in the potato sector – notes, “is essential for a fair level playing field, the basis for a sustainable trade policy”.

- *Invest in creating an enabling environment at local level (29 respondents)*

Building an enabling environment and stimulating the creation of a skilled labour force in (trading) partner countries are prerequisites to strengthening Dutch companies’ sustainable earning capacity. To that end, the Dutch government should intensify its efforts to foster **good governance and the rule of law** as well as build dependable **digital and physical infrastructure** abroad. Additionally, the government should further invest in the provision of **quality education** and vocational training for youth in developing countries. CSOs are viewed as key actors in ensuring equitable and inclusive enabling environments in (trading) partner countries.

- *Offer targeted financial support for the (Dutch) private sector (25 respondents)*

Dutch companies with inclusive and circular business models, offering solutions and services that can help tackle major challenges facing developing countries, have great dual potential: 1) to contribute to sustainable development and climate adaptation, and 2) to enhance sustainable Dutch earning capacity. **Targeted financial support** for these companies, especially for youth-led, **start-ups and SMEs**, can further fortify the private sector’s earning capacity and accelerate innovation. Some participants also noted that while targeted financial support and subsidies are essential, they can also lead to market distortions, which necessitates close alignment of development and trade policies.

- *Focus on exchange of knowledge and expertise (21 respondents)*

The prominent position of Dutch companies in the international arena hinges on access to reliable information and a deep understanding of local context and markets. As a result, many respondents urge that Dutch embassies increase their **contextual expertise** and that the government continues investing in new and **innovative forms of knowledge development**. Dutch knowledge institutes are well-positioned to assist in that regard by conducting comprehensive studies and organising joint, multistakeholder learning sessions and knowledge exchange events.

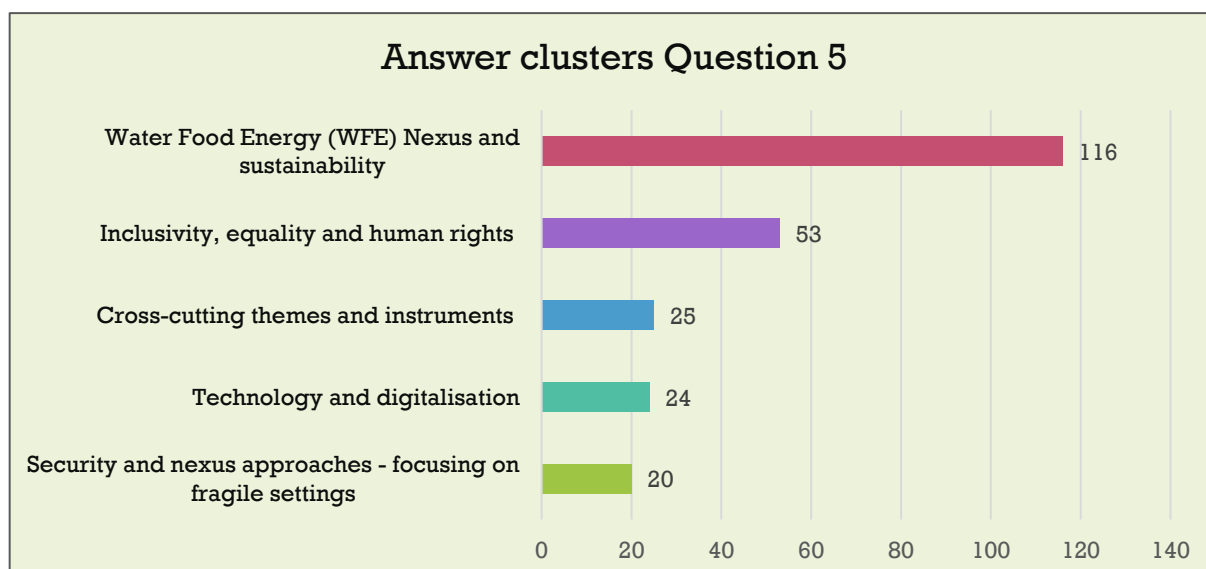
- *Foster international partnerships and collaboration (20 respondents)*

Some participants argue that currently, Dutch international trade is overwhelmingly focused on developed economies, neglecting the **potential of emerging markets**. As argued by Seed NL: “The future earning capacity of Dutch companies will be secured through market expansion and strategic trade partnerships in LMICs.” In pursuing multi- and bilateral trade agreements and partnerships in LMICs, the government should provide **complimentary development aid**; move away from **institutional protectionism**; and focus on countries respecting **human rights**. No matter the country or regional focus Dutch trade policy undertakes, the government should ensure **alignment with EU trade policies** and initiatives.



Question 5: In which themes or sectors do you see opportunities for international enterprise?

The focus of companies, governments and knowledge institutions is changing in light of the global transition to ensure a bright future for current and future generations.



○ *Water Food Energy (WFE) Nexus and sustainability (116 respondents)*

The agri-food, water-, and energy-sectors are particularly opportune for international enterprise, especially considering that the Netherlands already holds vast knowledge and expertise on these topics. To ensure that Dutch initiatives in these sectors are aligned with the global transition, participants recommend a sharp focus on innovation, sustainability and impact, striking a balance between **environmental and societal goals** through **circular and green business models**. Here, many participants highlighted the “power and potential of women in ensuring climate-just transitions for international enterprises”, as noted by Women Win. Additionally, participants recognise the interconnectedness of these sectors, arguing that cross-sectoral connections and **integrated or nexus approaches** will give rise to robust climate adaptation solutions.

○ *Inclusivity, equality and human rights (53 respondents)*

Participants stress that stimulating **social dialogue** and striking **close cooperation with local CSOs** should be the backbone of any intervention aimed at achieving inclusive development and promoting human rights. Amref Flying Doctors explain: “Close collaboration with CSOs contributes to local embeddedness of development programmes or private sector initiatives and maximise added value for partner countries.” The Netherlands, participants argue, can further distinguish itself in these policy themes by increasing investment in international CSR, placing emphasis on **human and labour rights, gender equality and living wages**.

○ *Cross-cutting themes and instruments (25 respondents)*

Green entrepreneurship, innovation for sustainability and **knowledge-sharing** are interconnected and cross-cutting themes, presenting great promise for Dutch enterprise and progress in other policy areas. The Dutch government should support them by 1) fostering an enabling business environment; 2) providing essential missing services; 3) strengthening their knowledge and awareness of sustainability issues. Emboldened green entrepreneurs will create opportunities in the field of innovation for sustainable sectors. Instead of leaving the innovation process entirely to the market, the government can assume a leading role by pursuing policies and practices that promote transparency and sharing of knowledge, know-how, data and technologies. This way, it is argued, the innovation process can become both inclusive and collaborative.

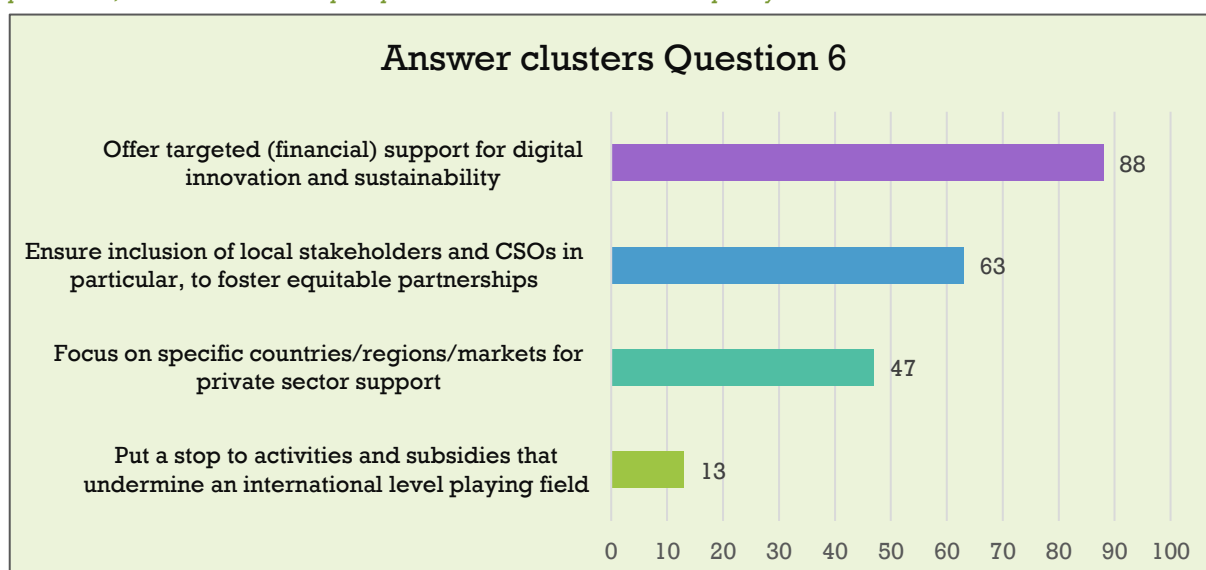
○ *Technology and digitalisation (24 respondents)*

Beyond traditional sectors in which the Netherlands has long-standing expertise, respondents also identify opportunities in the area of **digitalisation**. The COVID-19 pandemic has both accelerated the pace of digitalisation globally and showcased the potential of **digital solutions for addressing pressing societal issues** (e.g. digital access to finance for entrepreneurs, digital IDs for refugees). Dutch companies can play a crucial role in providing the knowledge required to developing secure digital solutions. Additionally, **digital inclusion** must be prioritised to ensure digitalisation benefits vulnerable and marginalised communities.



Question 6: How can the government better support companies (especially SMEs) that are doing or want to do business abroad?

A successful approach to international trade requires cooperation between the public, companies, civil society and government. It is also useful to align with market demand. What would help companies, and SMEs in particular, to increase their export performance and innovative capacity?



- *Offer targeted (financial) support for sustainable impact (88 respondents)*

In collaboration with knowledge institutes and civil society actors, the government should assist businesses, and SMEs in particular, to comply with **CSR frameworks** and to develop best practices around **human rights and environmental sustainability**. Additionally, support for SMEs – especially through Dutch embassies – should consist of providing easy access to reliable and quality **information regarding local markets, associated risks, rules and procedures**. Access to information can both safeguard businesses from risky endeavours and enhance their understanding of the local context and thus lead to greater sustainable impact. In terms of financial support, the government should provide more **inclusive finance mechanisms** specifically targeting women-led SMEs, female entrepreneurs and youth-led start-ups.

- *Ensure inclusion of local stakeholders and CSOs in particular, to foster equitable partnerships (63 respondents)*

To support Dutch businesses many respondents highlight the potential of inclusive, multi-stakeholder partnerships with **local stakeholders and CSOs at the centre**. Through these partnerships private companies can be linked to local CSOs, trade unions, knowledge platforms and institutes, all of which possess vast knowledge, contacts and local networks. Consultations of and collaboration with these local CSOs and relevant stakeholders can further ensure that private sector ventures are driven by **local market demands** and the needs of communities on the ground. Additionally, the Dutch government should support local businesses, in order to **stimulate local-Dutch SMEs joint ventures**. To do so, the government can build local SMEs' capacity to comply with Dutch requirements as well as localise investment instruments like the FMO innovation fund. This way, local SMEs can become credible and reliable business partners for Dutch companies.

- *Focus on specific countries/regions/markets for private sector support (47 respondents)*

A dual approach to selecting the countries, regions and markets for private sector support is recommended. On the one hand, the government should continue providing **support to existing trade partners** to build trust and ensure long-term policy coherence. On the other hand, the government should also extend greater private sector **support to LMICs**, to stimulate sustainable economic and market development. As the attainment of sustainable market development in LMICs hinges on the existence of a skilled labour force, it is imperative that private sector support is at least in part directed towards **professional training**. Additionally, the government should tie the formation of new trade agreements and partnerships to **strict adherence to CSR and due diligence guidelines** as well as commitment to achieving the SDGs.

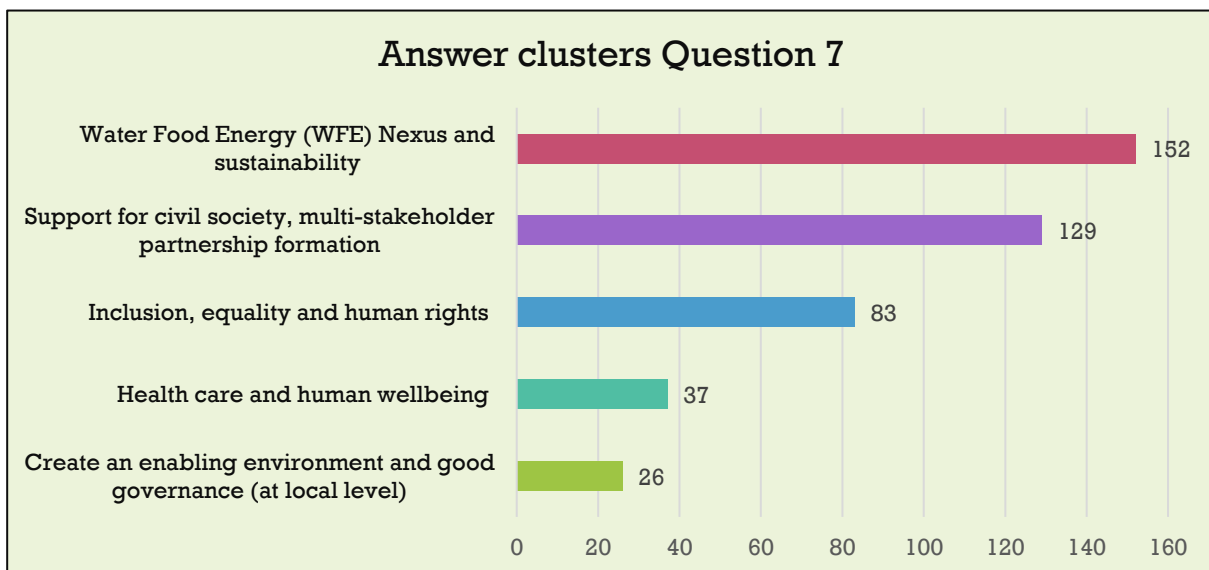
- *Put a stop to activities and subsidies that undermine an international level playing field (13 respondents)*

Several respondents recommend that the government **stops supporting business activities that contribute to human rights violations and environmental degradation**. WEFC International provides several examples. The government should stop “investments for extractives, the fossil fuel industry (export credit support), and the aviation industry. The Dutch export of chemical fertilisers also leads to environmental damage [...]. Dutch livestock farming and development of consumer products lead to deforestation.” Additionally, several respondents call for a stop to subsidies for export promotion to individual companies, and especially to multinational corporations, as this does not contribute to an overall stronger private sector. Instead, Cordaid advises, the government should focus on “targeting entire strategic sectors and value chains [...] that are embedded in inclusive partnerships and can add economic value and contribute to the SDGs.”



Question 7: In your opinion, what are the Netherlands' strengths when it comes to development cooperation? In which policy themes could the Netherlands play a leading role?

The Netherlands is pursuing a number of policy themes in the area of development cooperation. Efforts will continue in areas where progress is made, focusing on Dutch strengths, like linking diplomacy and development.



○ *Water Food Energy (WFE) Nexus and sustainability (152 respondents)*

With almost half of respondents referring to the Dutch expertise in these fields, the **WFE Nexus and sustainability** are clearly areas in which the Netherlands can play a leading role. Most respondents who point to the knowledge and track record of the Netherlands regarding water management, see a direct link with agriculture and food production, as well as with green energy. Tackling this nexus in a sustainable manner – incorporating **innovative climate adaptation and mitigation strategies** – is seen as a field in which the Netherlands can make an important contribution.

○ *Support for civil society, multi-stakeholder partnership formation (129 respondents)*

The so-called 'Strategic Partnerships', or Power of Voices programme, are applauded as a great success and unique strength of Dutch policy. The Netherlands stands out by its **support for civil society and protection of civic space**, and is encouraged by respondents to continue and scale up its efforts. Similarly, the Dutch ability to foster multi-stakeholder partnerships – not least through its **Dutch diamond approach** – is often praised and regarded as a field in which the Netherlands can take up a more prominent role. Building these partnerships, many actors stress, must always be accompanied by a strong focus on **inclusion, gender equality and localisation**. The notion of '**shifting the power**' is, as yet, insufficiently operationalised, but could be integrated in partnership building efforts and take a more central place in the Power of Voices programme.

○ *Inclusion, equality and human rights (83 respondents)*

Among participants there is widespread appreciation for the way in which the Netherlands has taken a leading role in the fight for women's rights and gender equality. As the Count Me In! Consortium states "[t]he MFA has been a global innovator and front-runner in gender equality, shifting power and championing Southern leadership. It has played a key role in not just funding but mobilising more resources for women's and feminist movements worldwide [...]." Various participants recommend that **gender equality and women's rights are applied as a crosscutting dimension** in all policy areas. Additionally, the **promotion of LGBTQI rights, sex workers' rights, and SRHR** generally is seen as a major strength of Dutch policy. Much worry is expressed regarding an increased global backlash against women's rights, the rights of LGBTQI persons, and a shrinking civic space. Increased support for CSOs representing these groups and a strong lobby for the protection of human rights and SRHR is called for. In recommendations on inclusion and equality, the role and responsibility of the Netherlands in pursuing **decolonisation of development cooperation** is a recurring theme.

○ *Health care and human wellbeing (37 respondents)*

Especially against the backdrop of the COVID-19 pandemic, respondents identify the need to **step up efforts in the field of global health**, ensuring equal access to vaccines and medication. Additionally, mental wellbeing is identified as an area in which the Netherlands can play a leading role, particularly in crisis situations through **Mental health and psychosocial support (MHPSS)**.

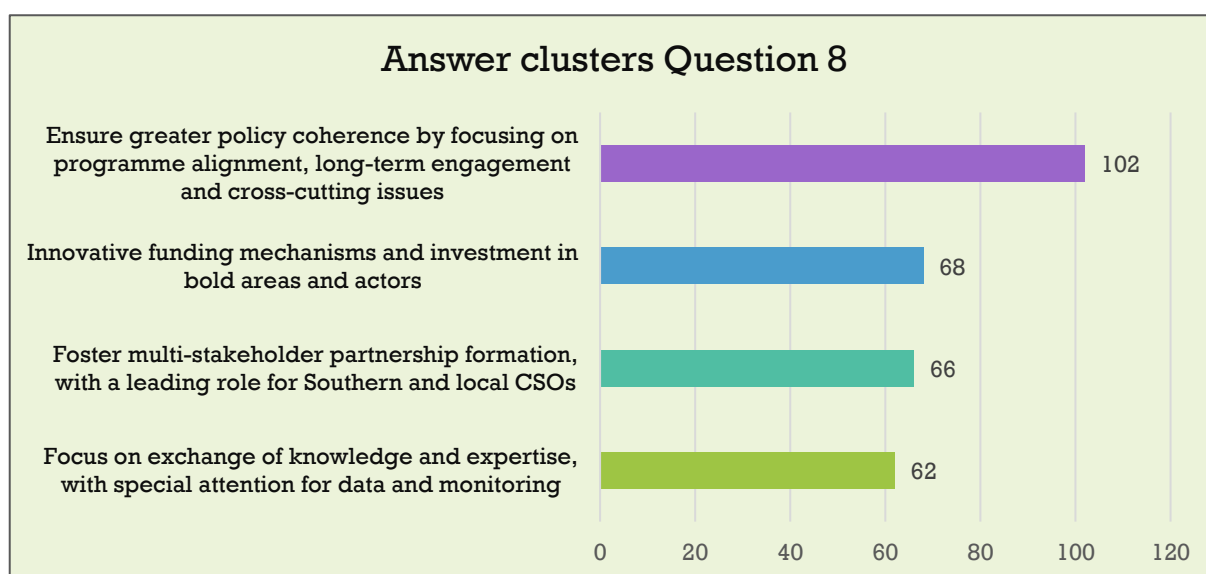
- *Create an enabling environment and good governance (at local level) (26 respondents)*

The Netherlands is widely viewed as a strong supporter and advocate of issues related to peace, justice, human rights, and the rule of law. Increased political and financial support in these areas is very much needed at a time when they are under pressure globally – the war in Ukraine has lent particular urgency to these issues. By building on its **expertise in diplomacy, peace building, promoting good governance and democracy**, the Netherlands can create an enabling environment for private sector actors as well as CSOs to thrive and contribute to systemic change.



Question 8: In what other ways / areas could Dutch development cooperation innovate more?

Dutch international cooperation is flexible and knowledge intensive. We are also innovative, developing new ways of working and new types of partnership that are subsequently adopted or scaled up by others. Though we are a relatively small donor, as an EU member state and through bilateral aid we can make EU aid more visible and generate additional, relevant capital flows.



- *Ensure greater policy coherence by focusing on programme alignment, long-term engagement and cross-cutting issues (102 respondents)*

In answers to almost every question policy coherence is identified as vital. When it comes to innovative approaches to realise more coherent policy and programming, several suggestions are made: There is much to gain in the development and implementation of so-called '**triple nexus programmes**', connecting humanitarian aid, development cooperation and peacebuilding. By linking these elements, policy coherence is advanced, as this comprehensive approach demands intensive collaboration between departments and organisations that are now often working in separate silos. Similarly, respondents have argued to address the **food-water-climate nexus** as a system; also requiring and, hence, policy coherence. These nexus-trajectories, moreover, demand a more **long-term perspective and longer project cycles** – which is a plea that is made by many respondents. Finally, a **focus on cross-cutting issues** is pointed to as particularly useful to foster policy coherence. Several themes are identified as areas that warrant priority across all projects, programmes, departments, ministries, and policy levels. As such, they can be the tissue that binds all these elements together. The most listed themes are: SRHR and gender equality; youth participation; climate adaptation and sustainability; inclusive digitalisation; and inclusion and protection of marginalised groups.

- *Innovative funding mechanisms and investment areas and actors (68 respondents)*

Flexible, innovative, and adaptive funding mechanisms are mentioned by many respondents as promising pathways to ensure that Dutch development cooperation becomes more efficient and inclusive. Importantly, the mechanisms should be designed to be **better accessible for and tailored to the needs of local CSOs**. This, as a representative from the Global Alliance for Green and Gender Action (GAGGA) puts it, "[would] ensure funding reaches Southern innovators [...] leading to structural or systemic changes." According to respondents, transformative funding mechanisms are, among others, 1) **greatly simplified** in terms of reporting and M&E requirements and do not require long, burdensome tender trajectories; 2) **flexible and adaptive** to match changing local needs; and 3) **adjusted to local needs** in terms of budget size and length. Additionally, innovation itself could be accelerated through funding mechanisms, for example through an **innovation fund** that, as Partos underlines, "not only invests in stimulating new ideas but also invests in upscaling of innovative projects from civil society that have proven to work." It is also suggested that funding

is allocated to particular **areas and actors to drive innovation and inclusive change**, such as: **quality education** to bridge the gap with the local labour market; **democratisation processes and active protection of civic space**; and furthering the **decolonisation** of development cooperation.

- *Foster multi-stakeholder partnership formation, with a leading role for Southern and local CSOs (66 respondents)*

The **Power of Voices programme** is identified as a particularly innovative and successful initiative that should be continued, deepened and expanded. “[It] was exemplary to the innovative donor that the Dutch government can be,” the Count Me In! consortium stated. “It marked a significant shift to adopting a partnership approach, away from managerial models [...] and recognising how social change happens.” The Minister is, thus, encouraged to advocate for the adoption of this model by other donor EU member states and to expand and improve on the programme. “The Netherlands could step up her ambitions by ensuring **more partnerships are led from the Global South**, and mechanisms are in place to ensure Southern partners have true voice and agency in shaping priorities and programmes,” GAGGA suggests. In addition to ensuring more localisation and a meaningful ‘shift of power’ within the framework of the Power of Voices programme, these ideas should also be applied in other partnership initiatives. The Netherlands, as frontrunner in building multi-stakeholder partnerships, can take the lead in ensuring a **leading role for (Southern) CSOs** in these collaborations.

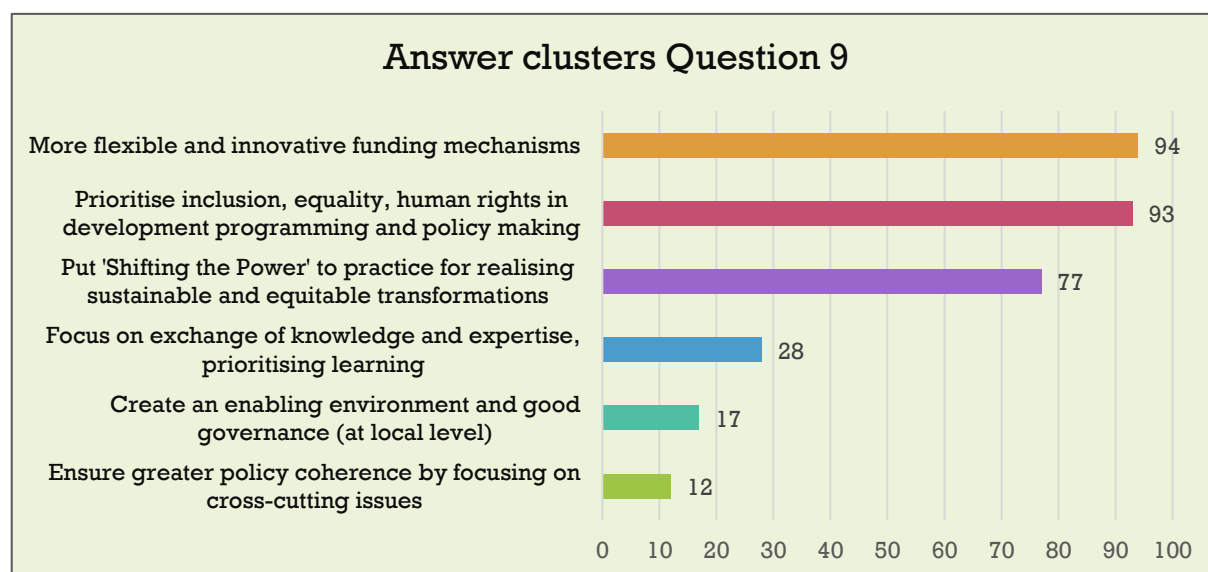
- *Focus on exchange of knowledge and expertise, with special attention for data and monitoring (62 respondents)*

Innovation demands experimentation, which is why many respondents point to the need of supporting **innovative start-ups, pilots and incubators**. This support should be coupled with **learning trajectories** to ensure that we can scale up successes and, importantly, learn from mistakes or failures. What this implies, is a more **committed investment in learning and knowledge exchange**. Respondents point to the importance of data-driven programming and policy making. **Data-centric approaches** are seen as promising pathways to improve efficiency and to better identify left behind groups or areas. Finally, it is suggested that **local knowledge** should be better incorporated in our learning cycles. The Netherlands could, for example, invest in **local think tanks and knowledge brokers** in the partner countries, thus strengthening links between research and policy at local level and encouraging mutual learning and knowledge co-creation. Southern-led think-tanks are particularly well-placed to provide input on specific policies and interventions, as well as to drive broader, knowledge-driven systemic change.



Question 9: In what ways or areas could the Netherlands, as a donor, be even bolder?

Dutch international efforts can be characterised as bold, linking financial investment to diplomatic efforts and expertise. We will continue our work on themes where we add value and make better use of the diplomatic weight of the EU. To achieve the SDGs, systemic change will be a top priority.



- *More flexible and innovative funding mechanisms (94 respondents)*

“The role of the Netherlands as innovative leader lacks a translation to funding mechanisms that effectively support projects abroad, particularly those of local civil society actors.” This remark by Both Ends aptly underlines the urgency of innovative funding mechanisms: The bold leadership role of the Netherlands in

shifting the power and supporting civil society actors in the global South must be accompanied by equally **bold funding mechanisms**. ‘Flexible’, ‘adaptive’, ‘inclusive’, ‘accessible’ and ‘locally-led’ are some key-works that are used to describe the envisioned mechanisms. Importantly, many respondents stress the utmost necessity of **‘paying our fair share’**; i.e. **increasing the ODA budget to at least 0.7% of the GDP**. “Not only will this set apart the Minister from her predecessors,” as ZOA points out, “it will also significantly strengthen the Netherlands’ position vis-à-vis other OECD countries and further support its diplomatic efforts” – a point made by many respondents and aptly put by the Global Fund.

- *Prioritise inclusion, equality, human rights (93 respondents)*

While many respondents praise the Dutch role in promoting inclusion, gender equality and SRHR, they generally agree with a remark made by LANDAC: “The Netherlands can be even bolder in making inclusivity and equity corner stones of its policy.” Frequently mentioned priorities include **protecting LGBTQI rights**; incorporating a **disability perspective**; **integrating SRHR** into other policy domains (education, climate, humanitarian response); **youth participation**. Special attention must be paid to **women’s rights and gender equality**. Even though the Netherlands has a strong track record in this field, concern is expressed about signs of wavering government support. Another key topic is the Dutch tradition of **protecting human rights defenders and civic space**. Considering current developments, with civic space shrinking in many places across the globe and democracies under threat everywhere, the Netherlands should double down on its efforts to support civil society and their fight to **protect and promote human rights and democracy**.

- *Put ‘Shifting the Power’ to practice for realising sustainable transformations and equitable partnerships (77 respondents)*

It has been mentioned throughout the consultation: The Dutch government could really show more boldness and take a leading role in stimulating local ownership, **putting the notion of ‘Shifting the Power’ to practice**, and following the lead and agenda of Southern (civil society) actors. A practical translation of this commitment would be, for example, to ensure that 50% of consortia in the next round of Power of Voices is led by organisations from the global South. Southern leadership can also be applied more explicitly in agriculture, following the agendas of local, smallholder farmers and ensuring that policy and funding matches their needs and priorities. As Oxfam puts it: “The narrative that big companies must feed the world must be challenged, considering the fact that it is smallholder farmers that produce the majority of food in developing countries”

- *Focus on exchange of knowledge and expertise, prioritising learning (28 respondents)*

As many respondents, including The Broker and the International Institute of Social Studies of Erasmus University (ISS), argue “[t]he Netherlands could be bolder in terms of investing in knowledge partnerships, and in increasing genuine Southern ownership in these knowledge-centred collaborations”. Allocating structural funding flows “to stimulate knowledge exchange and cooperation would create a healthy and **reciprocal knowledge hubs**” which will greatly benefit development interventions. The structural and **long-term collaboration of Northern and Southern knowledge institutes**, working closely together with local CSOs and learning from their experiences, can generate invaluable insights and create great societal impact.

- *Create an enabling environment and good governance (at local level) (17 respondents)*

“We see a growing tension between a desire to be bolder on the one hand, but a political reality under which taking risk in development is politically discouraged. [...] Especially, in recent years the Netherlands has become much more risk averse.” This perception, voiced by a representative of SPARK, is shared by multiple respondents. The Minister is encouraged to offer **support mechanisms for SMEs** that are characterised by **‘de-risking’ or risk sharing**, thus facilitating their investment in the global South, especially in fragile settings. Such support should go hand-in-hand with targeted interventions to create an enabling environment for the private sector – from the Netherlands and the global South. These interventions include, but are not limited to, **simplifying** funding processes and lowering budget thresholds to give innovative start-ups an opportunity to experiment; scale up efforts to **combat tax evasion**; **remove protectionist trade barriers**; invest in **good governance** practices, especially in collaboration with local community leaders and civil society.

- *Ensure greater policy coherence by focusing on cross-cutting issues (12 respondents)*

Enhancing policy coherence within the ministry, between Dutch ministries and between different policy levels, from local government to the EU and international bodies, is a tall order. However, respondents point to bold actions that can help stimulate coherence across the board: 1) lobby for **harmonisation of EU development cooperation and funding**; 2) **include diaspora** in development policy to ensure more efficient linkages with local communities; 3) develop integrated approaches and **nexus programming** – such as the WFE nexus and the ‘Triple Nexus’ (humanitarian-development-peace); 4) rigorously **apply the SDG-test²** to all new policies.



² This SDG-test refers to the Dutch ‘SDG-toets’ introduced in 2019 as part of the IAK (intergraal Afwegingskader).

Question 10: Are there any other points that should be included in the new policy document?³



○ *Take a long-term perspective and prioritise systemic change and policy coherence (68 respondents)*

In addition to points made in reply to the other questions, one concern stands out in this cluster: In prioritising systemic change and fostering policy coherence, it is of utmost importance that the Minister addresses the apparent disconnect between the trade and development agendas. Respondents express great worry about **insufficient focus on development cooperation and too much emphasis on the trade agenda**.

○ *Put CSOs (from the South) in a leading position and ensure bottom-up approaches (40 respondents)*

Shifting the power to ensure local, Southern leadership is top priority for many respondents. This point is explicitly linked to the **support of civil society, the protection of civic space and active promotion of democracy** – especially in countries where democracy and civic space are threatened. A healthy and vocal civil society is seen as indispensable for a thriving democracy, which means that CSOs' role in promoting democratisation processes must be encouraged and supported – with the organisations themselves in the lead.

○ *Targeted support for and explicit inclusion and protection of marginalised groups (31 respondents)*

As WO=MEN explains, “there is a global pushback against the Women, Peace & Security (WPS) agenda [...] and the lack of political will to implement the WPS-agenda is a major obstacle.” Corresponding to this statement, many respondents encourage the Minister to take a leading role, at home and abroad, in **mainstreaming women's rights and gender equality** as core elements in all policies. In addition, inclusion more broadly – of women, youth, marginalised groups – should take central stage in all policies.

○ *Focus on exchange of knowledge and expertise, prioritising learning (29 respondents)*

The importance of knowledge and data is emphasized throughout the consultation. Respondents add that that we should improve ways in which we learn from current and past development efforts. **Continuous learning loops** should accompany development programmes, and lessons learned during the process should result in adjustments along the way. Improved learning mechanisms – explicitly including **co-creation of knowledge with local actors** – should be integrated in all development programmes.

○ *Other topics that demand special attention (26 respondents)*

A host of additional topics to focus on were suggested by respondents in reply to this final question. The most commonly named issues not addressed in other clusters in question 10 are: 1) **climate change**, including support for climate activists; 2) additional **funding for humanitarian aid**, especially given the situation in Ukraine; 3) contributing to an **inclusive global health system**, including pandemic preparedness and equal access to medication & vaccines; 4) furthering the **decolonisation agenda**; and 5) investing in **MHPSS**.

³ In response to this last question suggestions made often repeated earlier answers. To avoid repetition, answer clusters contain little elaboration but focus on new or additional issues.

- *Promote and enforce CSR and due diligence legislation (16 respondents)*

Within efforts to promote CSR and due diligence legislation, advocated for throughout this consultation, it is important to adopt approaches that seek to protect of **workers' rights** and at the same time increase involvement of and **collaboration with Dutch and Southern private sector** actors.



Africa strategy

In the coalition agreement the Minister announces the formulation of a new Africa-strategy. While input for that strategy is not explicitly requested in the consultation, respondents have taken the opportunity to share their ideas and concerns. Some key take-aways:

- Poverty, inequality and climate change should be at the heart of the strategy.
- African development cannot be realised without an integrated approach to food security and inclusive, sustainable transformation of the agri-food sector.
- Support for civil society, protection and expansion of civic space and promotion of democracy must be prioritised.
- Youth are the future. Not only should the strategy explicitly focus on their development, education and wellbeing; they should be actively consulted when shaping the strategy and future policies and programmes.
- CSOs, from the Netherlands and, most importantly, from African countries, should be consulted to provide input for the Africa Strategy.

3) Cross-cutting issues

Cross-cutting issue 1: concern over overwhelming focus on foreign trade and the private sector

Looking closely at the consultation's ten questions, the comparatively greater focus on foreign trade and the private sector over development cooperation becomes apparent. Respondents fear that this greater focus on foreign trade will also be reflected in the Minister's new policy and urge her to **look for balance and complementarity**. Unbalanced attention on either of the two themes, argues Marjike Priester, could hamper policy coherence and fail to harmonise often "contradictory interests in the Dutch trade and investment policy, development cooperation policy and foreign policy". Respondents noted another potentially troublesome omission in the consultation: while question nine recognizes the need for systemic change, it neither discusses how to realise it nor asks participants for their recommendation. **Nexus-approaches, South-led policy making and programming** – in which CSOs from the global South take a prominent role – and **inclusive, equitable multi-stakeholder partnerships** are suggested as promising pathways.

Cross-cutting issue 2: promoting gender equality and SRHR

Gender equality and SRHR are highlighted throughout the consultation as key cross-cutting issues: progress in these thematic areas can help achieve all the SDGs and tackle pressing social and environmental issues. Thanks to its impressive track record on the matter, reflected in groundbreaking funding mechanisms (i.e. MDG3 Fund and the Leading from the South Fund), the Dutch government can continue being a global front-runner for gender equality. To meaningfully treat those issues as cross-cutting in policy design and implementation, participants - here in a joint statement of feminist consortia and organisations - urge the government to "ensure that gender equality [...] is both a stand-alone theme and applied as a cross-cutting dimension in all policy areas, at all levels, including international cooperation, foreign trade and investment, climate and sustainable economic development".

Current Affairs: COVID-19 and the war in Ukraine

When reading the answers of all respondents it becomes clear that two major events in particular have affected their priorities and concerns. The COVID-19 pandemic has drawn attention to the importance of a global health strategy in mitigating grave inequalities in access to health care, vaccines and medication. Additionally, it has brought home the message that we live in a hyper-connected world – we are, indeed, all in the same boat – lending even more urgency to realising inclusive development across the globe, for everyone. The war in Ukraine is causing grave concern, as its devastating effects are spreading and growing. Support for civil society and for democratisation efforts in particular are regularly stressed. Moreover, concerns about the effects of the war on global food security and stability are expressed, leading to calls for concerted, international efforts to safeguard food security in the global South. SNV, putting to words a plea made by many, states: "[W]e are living through highly fluid and uncertain times. We therefore encourage the policy framework, whilst being focused and clear on the areas where the Netherlands can add the greatest value, to include opportunities for – at times rapid – adaptation and flexibility in response to changing contexts."

Cross-cutting issue 3: trade as a catalyst for inclusive and sustainable development

Despite worries over the consultation's overwhelming focus on foreign trade policy, participants still consider trade as a promising catalyst for achieving inclusive and sustainable development. Whether Dutch trade policy will, however, manage to fulfil its promise hinges on the Ministry adopting an integrated approach to aid and trade and maintaining high, binding standards for fair production, human rights, food safety, sustainable growth and climate. Such standards, which should be developed in accordance with OECD guidelines and can be enforced through **comprehensive CSR legislation** at both Dutch and EU level, can foster an international level playing field - a requirement for inclusive and sustainable development. If such conditions are created, then "trade agreements and policies [can become] bearers of European values and high standards [...] and a 'force for good'", as argued by VNO-NCW & MKB Nederland.

Cross-cutting issue 4: localisation and leading from the South

There is wide consensus over the **centrality of localisation and leading from the South** in achieving systemic change and sustainable impact. The question, however, remains how such approaches can be operationalised in the new policy. A robust first step in that direction includes the Ministry assuming a key role in "incentivising and requiring engagement [with global South stakeholders], when funding or facilitating partnerships" to

ensure local ownership of development initiatives, as argued by the Netherlands Food Partnership (NFP). More specifically, the Ministry can set ambitious targets to ensure at least half of its programmes and consortia include a penholder from the Global South and engage communities in pertinent funding and investment decisions. To complement such requirements, the Ministry should seek to engage organisations based in the Global South through the entire policy making process by including Southern voices in advisory structures and proactively inviting them to share their input.

Cross-cutting issue 5: long-term approaches to development cooperation

Achieving systemic change is a long-term process, which subsequently requires a **long-term approach to development policy**. Throughout the consultation, respondents call for project cycles that go well beyond the standard three to four years; with SNV arguing for timelines of 10+ years and ECDP suggesting to link up to the 7-year EU periods. Impunity Watch explains that tackling structural injustices in particular needs longer-term support: “[I]t is important that the Ministry [...] designs development strategies that have a built-in sustainability approach and a responsible exit strategy which ensures that gains are not easily undermined.” Such sustained support does not always require ongoing large investments: political support and monitoring may suffice. Although the strategic partnerships receive much praise, their short project-cycle is one element that demands attention. “[They] are still situated within a system in which themes, countries and [...] regions can [change] every four years depending on political developments and priorities in the Netherlands,” writes Marijke Priester. “Fragmentation and discontinuity are often the result.” Trade union federations CNV and FNV highlight the importance of long-term approaches to realise an enabling environment for entrepreneurs as well as come to agreements on decent employment and a just transition towards a sustainable economy.

Cross-cutting issue 6: policy coherence

Reasons to realise coherence are clear, but interventions to realise it are less straightforward. Throughout the consultation, multiple suggestions have been made to achieve this goal, including:

- 1) **Adopt nexus approaches**, such as the aforementioned WFE nexus, to establish linkages between policy fields, sectors and geographic areas. The humanitarian-development-peace nexus, or Triple Nexus, is also particularly promising, as it demands cooperation between various actors on the ground and a coherent policy approach. The Triple Nexus is especially applicable in fragile settings, where development “can contribute significantly to greater local stability”, SNV underlines.
- 2) **Place the SDGs centre-stage for policy coherence**. As the roadmap for development cooperation, the SDGs can be instrumental in realising synergies and complementarities between departments and ministries. The framework can be a yardstick to assess whether and assure that existing and new policy is coherent and contributes to the positive change the SDGs promote. The SDG-test that was developed as part of the so-called IAK (Integraal Afwegingskader) should be applied more rigorously, many respondents have argued. “Research has shown,” Partos notes, “that, as yet, this hardly happens.”
- 3) Pay more attention to the role of embassies at country-level in strengthening coherence. As a consultation report by the NFP argues, **embassies can make a great difference in the pursuit of policy coherence**. First, they can work with national governments on long-term strategies that pursue internal coherence. Second, they have a stronger link with local dynamics and a better sense of how to ensure inclusion. Building the capacity of embassies is therefore essential.
- 4) Implement a comprehensive agenda for **responsible business conduct**. “CSR legislation”, Cordaid argues, “links social and environmental objectives with how business is conducted”, which can lead to greater coherence between business ventures and development policy. Most importantly, by connecting financial and non-financial support from different government branches and ministries to compliance with CSR can create common inter-ministerial standards, fostering policy coherence.