

BHOS consultatie beleidsnota - submission SeedNL

By Babette Bodlaender, Joep van den Broek, Coosje Hoogendoorn and Emily ter Steeg

Introduction SeedNL

The SeedNL Partnership enables powerful collaboration between relevant Dutch organisations and international partners to achieve urgent changes that contribute to SDG2 by 2030. The mission of SeedNL: The Netherlands, as a world leader in seed and planting material development, can contribute to building an effective seed sector in low and middle income countries. SeedNL brings together a unique network of Dutch Diamond actors from government, private sector, civil society organisations and research institutions. SeedNL is a partnership that brings together three parties: the Ministry of Agriculture, Nature and Food Quality, the Ministry of Foreign Affairs and Plantum, the Dutch branch organisation for planting materials. In addition, the Netherlands Potato Organisation (NAO) is about to join SeedNL. SeedNL aims to contribute to achieving SDG2 through providing appropriate access to quality seeds for all farmers and increase productivity and farmer income. The SeedNL strategy and activities have been formalised by way of a [covenant](#).

1. Nexus between development cooperation and foreign trade

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

Response

World hunger and rural poverty are on the rise due to unaddressed challenges such as population growth, climate change and economic downfall. Scarcity of resources required for food production, water and arable land, will continue to increase. Low- and Middle-Income Countries (LIMCs) will be hit hardest: they have the most urgent need for knowledge, technology and skills regarding digitalisation and sustainability to adapt to new realities. Dutch policy should encourage private companies to contribute to climate resilience, by making it an integral part of their business plan. Within LIMCs, smallholder farmers are extremely vulnerable as their livelihoods depend greatly on weather conditions, which are changing and becoming less reliable.

Thinking about climate-smart agriculture, many people may think of high-tech solutions like smart-phone applications and remote sensing to monitor crop performance. However, it is important to consider the feasibility of technology adoption. The most urgent need may be

the introduction of low-cost, low-tech solutions. Most smallholder farmers in LIMCs have mobile phones but they do not have smartphones nor reliable access to the internet. It is important to not lose sight of the basics and as the FAO states: *“seed is one of the least expensive but most important factors influencing yields.”* Seed remains the starting point of agriculture and the Dutch vegetable and potato seed sector remain global frontrunners.

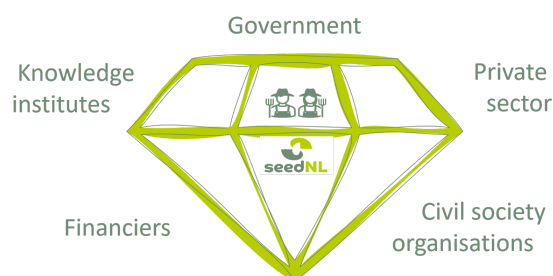
Public-Private Partnerships can be initiated to facilitate multi stakeholder collaboration. The Ethiopia-Netherlands Seed Partnership (ENSP) provides an example of how involvement of Dutch companies can be increased. Within ENSP, Dutch seed companies are supported to increase uptake of improved varieties through training and demonstration activities. A wide variety of Dutch seed companies, including those active in vegetables and potato, have embraced the challenge and are setting up demo fields, training smallholder farmers and introducing varieties that are well-adapted to the local environment. This example shows how Dutch companies can play a role in increasing local food security; an initiative could be emulated in other LIMCs. A form of public support is justified in these countries, as Dutch companies are working on pre-competitive topics like capacity building and improving the enabling environment.

2. Public Private Partnerships

How can government, the private sector and knowledge institutions work together better to achieve the Sustainable Development Goals?

Response

SeedNL is an example of a Public-Private-Partnership (PPP) through which the Dutch Diamond including government, private sector, development organisations and knowledge institutions work together to contribute to the realisation of SDG2 ‘zero hunger’. The PPP includes the Ministry of Agriculture, Nature and Food Quality, the Ministry of Foreign Affairs, Plantum, the Dutch branch organisation for planting materials, and the Netherlands Potato Organisation (NAO). The partners realised that they have shared goals and decided to join forces. The main shared goal is to improve farmer access to quality seed in LIMCs improving agricultural productivity, climate resilience and farmer incomes. It focuses in particular on access to planting material of vegetables and potato, as these Dutch sectors are global frontrunners.



At the international level, the Netherlands is known for its innovative private sector as well as the innovative ways in which the Dutch government collaborates with the private sector. It is important to continue the support for Public-Private Partnerships in key areas of expertise such as agrifood, water and energy. Public-Private Partnerships like SeedNL ensure alignment and complementarity of activities implemented by different organisations. Moreover, they incentivise partners to implement activities together and/or in accordance with mutually agreed guiding principles. So far, three SeedNL flagship programmes are being implemented in Nigeria, Ethiopia and in the Sahel region. The Dutch Diamond approach is successfully represented in these partnerships. Based on lessons learned regarding collaboration and innovation, new local seed partnerships can be explored. We want to stress that SeedNL never implements projects itself, but it serves as a knowledge hub and network organisation. The SeedNL team develops guidelines, initiates projects, and supervises project design and/or implementation.

3. Policy coherence

How can the Netherlands' efforts to achieve policy coherence for development be further strengthened or enhanced?

Response

The Netherlands can further harmonise its domestic and foreign ambitions in the area of sustainable production and trade combating climate change. The Ministry of Agriculture, Nature and Food Quality is developing an International Strategy on Sustainable Agriculture reflecting this ambition to align international activities with domestic policies. An effective strategy requires a clear prioritisation of topics based on Dutch added value and expertise. Topics like water and nutrient use efficiency, 'doing more with less', are important in this respect. Meanwhile, high-quality seed of improved varieties remains as the basis of all agricultural growth and climate adaptation. The important role of quality seed of improved varieties within the water-food-energy nexus should be highlighted. In the absence of good genetics, the impact of investments in water and energy will be limited.

4. Foreign trade / strategic and sustainable trade policy

How can the government strengthen Dutch companies' sustainable earning capacity abroad?

Response

The government can strengthen Dutch companies' sustainable earning capacity abroad by further improving the enabling environment, removing barriers to entrance, and enhancing

the capacities of smallholder farmers. Already, the Dutch seed sector is competitive in terms of their products and services; and is a market leader in the vegetables and potato sector. This is also reflected in its inclusion as a Topsector, for Starting materials and Horticulture. Dutch companies have an especially strong position thanks to their R&D capabilities, focus on quality and international orientation. The Ministry can further strengthen this position by continuing its support for the top-sector approach and SeedNL.

Secondly, enabling environments in low and middle income countries need to be strengthened. One of the main reasons why private seed companies refrain from investing in LIMCs is a weak enabling environment. Weaknesses related to business licensing, intellectual property rights, variety registration, phytosanitary standards and access to plant genetic resources, persist to a point where companies are discouraged to start or expand their activities. SeedNL is in the process of developing a Seed Laws Toolbox. This Toolbox can support low and middle income countries to address some of these regulatory challenges, and initiate government-to-government collaboration.

Thirdly, the government should focus on Dutch earning capacity in emerging markets with rapidly growing economies and populations. Future earning capacity of Dutch companies will be secured through market expansion in LIMCs. At the moment, trade still needs to be complemented by aid in these markets. Therefore, the Ministry together with RVO, NGOs and research institutes can play an important role. The Nigeria- and Ethiopia-Netherlands Seed Partnerships are examples of development projects with balanced aid and trade components. Through local capacity building, Dutch seed companies are enabled to build their market as farmers gradually move from low input-low output systems, to high input-high output systems.

5. Themes and sectors of the future

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

Response

Agri-food, horticulture and starting materials remain key sectors to contribute to a bright future for current and future generations. Dutch vegetable seed companies produce 33% of quality seed worldwide. The Netherlands is also the number one producer of seed in the world for potato, grasses and forage crops. SeedNL focuses in particular on vegetable crops and potato. These two sectors are a perfect example of how Dutch companies can contribute to improved nutrition and income security around the world. These two sectors

are global frontrunners in breeding, production, quality control, extension and seed-related services.

Vegetables are a crucial component of healthy diets: cultivation contributes to nutrition security directly through consumption and/or indirectly through an increased income from market sales. While many farmers grow and sell staple crops, fewer farmers grow and sell vegetables. Commercial vegetable production tends to require a higher investment and additional knowledge and skills. Interestingly, semi-commercial vegetable production in LIMCs is done by women, both for consumption by their families and for sale to the local market. Many Dutch seed companies invest in training and capacity building of smallholder (commercial) farmers, and offer a variety of growing solutions. Together with NGOs and knowledge institutes they are ready to expand these activities, and bring in specific Dutch expertise to low and middle income countries.

Potato can become an even more important staple crop in the future. In comparison with maize, rice and wheat, crop yields contain the highest number of calories per hectare using the lowest amount of water. Limited access to good quality potato planting material remains the main challenge for potato farmers in LIMCs. Stakeholders in the Dutch potato sector have published a [Position Paper](#) outlining their vision on sustainable potato sector development as well as their collaborative strategy to improve potato production and markets in LIMCs.

Dutch seed potato and vegetable seed sectors are building their own markets in LIMCs creating demand for high-quality starting material. These markets are developed working at the intersection of aid and trade, collaborating with Embassy teams, NGOs, private companies and knowledge institutes. This reflects the integrated approach that is often needed to develop a seed sector in a country, and focuses on a demand-driven and country-owned approach, that can be codified in seed sector strategies and roadmaps.

6. Public-private cooperation and role of SMEs

How can the government better support companies (and SMEs specifically) that are doing or wish to do business abroad?

(a) Response *What type of support do companies need in order to achieve international success in the areas of digital innovation (innovation partnerships) and sustainability?*

Response

Support for companies, SMEs specifically, should focus on strengthening multi-stakeholder collaboration and local enabling environments. Underdeveloped enabling environments in LIMCs continue to pose a challenge in the agricultural sector. SeedNL has developed a Seed Laws Toolbox, which represents an example of an initiative to support activities aimed at strengthening local enabling environments, addressing bottlenecks in the (seed) regulatory framework. The Seed Laws Toolbox is a new initiative, which will complement the existing Plant-Variety Protection (PVP) Toolbox.

Both multinationals and SMEs can benefit from the Seed Laws Toolbox initiative. Multinationals may have the required resources to launch operations anywhere in the world, but they still struggle with market access when navigating through underdeveloped or different enabling environments on their own. SMEs do not have access to the same resources and rely on public support or multi-stakeholder initiatives when it comes to solving these challenges. From 2023 onwards, financial support for the Seed Laws Toolbox is needed.

Furthermore, financial support is vital for experimentation, innovation and demonstration in LIMCs to mitigate risks. If SMEs have to fund these projects themselves, they will not dare to enter emerging markets. The Topsector initiatives have launched Seed Money Projects, to encourage Dutch innovative business ideas in the agrifood domain around the world.¹

(b) For what countries, regions or markets should the government provide private sector support?

Response

The support should be provided in those countries, regions or markets where objectives of the Ministry and the private sector overlap. In these areas, the aid and trade agenda can complement each other and the financial sustainability of projects is enhanced. Moreover, support should be provided in the most vulnerable regions: Sahel, Horn of Africa and the Middle East and North Africa (MENA) region. In these areas, a significant contribution to the eradication of hunger (SDG 2) and improvement of food systems can be made. The key focus countries of SeedNL at the moment are Nigeria and Ethiopia, both are countries with a serious food security challenge, a sizable population, an emerging private sector, and major issues in the enabling environment. It is in these countries that the SeedNL approach works well, combining development activities with (local) private sector development and

¹ <https://topsectoragrifood.nl/seed-money-projecten/>

creating a conducive business climate. SeedNL would welcome new flagship programmes in countries with a similar profile in Africa and Asia. Also, it is appreciated that a certain longer term consistency is pursued in the list of priority countries. To achieve sustainable results, long-term commitments are needed.

7. Dutch development cooperation activities

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?

Response

The core strength of the Netherlands is its Dutch Diamond approach. Sector development, for example in agri-food, can be realised when making use of the complementary expertises and networks of government institutions, private sector actors, civil society organisations and research institutes. The complementary expertise of the Dutch diamond parties can form the starting point for the development cooperation agenda. Private companies rely on Netherlands Embassies abroad to facilitate discussions with local authorities and potential local partners when pursuing market access. Dutch knowledge institutes and civil society organisations work with the private sector to introduce their technologies in an inclusive and sustainable manner.

Dutch agricultural expertise is in high demand. The Netherlands is known for the quality of the enabling environment in terms of regulations as well as implementation capacity including variety registration services and quality assurance systems supported by organisations like Plantum, NAK, Naktuinbouw, CGN, NVWA, and the Ministry of Agriculture, Nature and Food Quality. Wageningen University and Research (WUR) is a global knowledge hub, being the world's number one university in agriculture and forestry. Also, the development sector including KIT, Oxfam-Novib, SNV and WCDI, are renowned for their international work on (integrated) seed sector development. Finally, the Dutch private sector is known for variety breeding, scientific research, seed production, processing, extension, and equipment.

One key strength is the global network of agricultural counsellors, which connects to all stakeholders part of the Dutch Diamond. The locally embedded presence of an agricultural team at Netherlands Embassies underpins the international orientation in this sector. SeedNL seeks to support agricultural counsellors with expertise on seed sector development.

8. Innovative development cooperation

In what other ways and areas could Dutch development cooperation innovate more?

Response

- Programme duration: The Netherlands could commit to more long-term projects deviating from standard 3- to 4-year project timelines. Sector development and systemic change require long-term commitment, beyond short project cycles (and a Minister's term of office).
- Project size: The Netherlands is decreasing the number of projects, while increasing their size. Care should be taken that this does not limit flexibility and innovation in the development project portfolio. Perhaps, a larger Seed Sector Development fund can be launched to support projects in multiple LIMCs in line with SeedNL's guiding principles.
- Innovation: In addition to larger projects, small funds should continue to be made available as seed money serves to test-run innovations, and enables development of partnerships leading to an optimal response to the twin transitions: digitalisation and climate & sustainability.

9. A bold donor

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

Response

- Long-term commitment to focus countries, regions, and partners in combination with a flexible outer layer of start-ups and smaller projects allowing new initiatives, organisations and individuals to enter the scene.
- Positive discrimination taking into account diversity in project teams, supporting 'non-typical' partners and team members, to contribute effectively to the project itself and the team's working culture and ethics.

One example was provided by the Knowledge Transfer (KT) foundation of East-West Seed. Currently, the standard in development projects is results-based financing based on achieved milestones reporting on a combination of qualitative and quantitative data on Key Performance Indicators (KPIs). KT suggested launching a pilot with 'predicted impact-based financing'. The idea is to predict the impact of funding spent per beneficiary based on the track record of an organisation. The number of KPIs is limited because certain indicators like household income or yields can serve as proxies. For example, KT has collected a lot of M&E data itself regarding the performance of its farmers. The data show that, on average,

with an amount of 50 USD per farmer spent over a course of three years, KT can double a farmer's income. KT would like to help develop and participate in a pilot with a financing instrument, which provides a basic amount per beneficiary/farmer to achieve predicted outcomes on proxy indicators. The Netherlands can become a bolder donor through this kind of experimentation with innovative financing instruments.

10. General closing question

Are there any other points that you believe should be included in the new policy document?

Increasing the agricultural productivity of smallholder farmers and strengthening global nutrition security should continue to be at the core of Dutch development cooperation and the Minister's new policy document. The focus should be on 'doing more with less' optimising outcomes within the nexus; contributing to climate-smart and climate-proof food systems. The knowledge, skills and technologies required to increase productivity for the majority of smallholders are known. This includes (financial) access to and use of agricultural inputs such as high-quality seed of improved varieties. The new policy should build on the successes of the Dutch Diamond approach, with a major role for knowledge institutes and NGOs working alongside the private sector, in increasing productivity in developing countries, and invest in scaling up effective activities. In the coming years, more SeedNL flagship programs like the Ethiopia-Netherlands Seed Partnership and Nigeria-Netherlands Seed Partnership can be launched in LIMCs to support local seed sector development and nutrition security, amplifying the efforts of Dutch companies and supporting them to build their market.