

Food Security Exchange for Dutch Embassies' policy staff May 6 - 9, 2014

Report



Ministry of Foreign Affairs of the
Netherlands



Ministry of Economic Affairs
of the Netherlands



Table of Contents

Table of Contents.....	2
1 Summary.....	3
2 General policy trends Ministry Foreign Affairs.....	4
2.1 Opening speech by Secretary-General of the Ministry of Foreign Affairs Renee Jones-Bos.....	4
2.2 Policy developments Food and Nutrition Security	4
2.3 Dutch Good Growth Fund.....	4
2.4 Private Sector Development.....	5
3 Digging deeper on Emerging Themes in Food & Nutrition Security	6
3.1 Farming as business.....	6
3.2 Agri-finance	6
3.3 Agro-logistics.....	7
3.4 Low-cost technology to prevent post-harvest losses and value addition	7
3.5 Land titling and investment funding	8
3.6 Nutrition: Going Dutch: the movement and the diamond.....	9
3.7 Soil fertility, fertilizers, agro-inputs and subsidies	9
3.8 Regional value chains and markets.....	10
4 Visits to companies and knowledge institutes	12
5 Further innovation in investment and cooperation - exploring transitions to a post-ODA timeframe	14
6 Conclusions and Recommendations	16

1 Summary

Putting people first, think longer term in stable investment and intervention policies (like the business sector does), and support that with a good and specific theory of change. Translate that into action by joint programming between The Hague and local embassies. Make farming attractive for the young through higher profit margins and much more innovative business models. And have your people where it matters when formulating and implementing large multilateral and central programs. These are some of the conclusions of a Food Security Exchange among food security experts and agricultural attaches from 11 partner country embassies, policy makers in The Hague and food security and agricultural sector partners in the Netherlands.

The Food Security Exchange was opened by the Secretary General Foreign Affairs, Renee Jones-Bos, and closed four days later through a joint wrap-up performance by Roald Lapperre and Christaan Rebergen, Deputy Director General at respectively Economic and Foreign Affairs. It shows, as the week did more broadly, that the “One Team” concept in foreign affairs stretches across departments and ministries, although embassy feedback learned there is still room for improvement sometimes.

In between the opening and closing:

- Embassies shared their lessons and views on public-private partnerships, on combining aid, investment and trade in food and nutrition security, on the nexus between food security and water in program implementation and on a target group centered M&E framework with an example from the Great Lakes Region.
- At WageningenUR thematic expert sessions were held with partners on a range of topics indicated by embassies as priority learning themes.
- This was followed by a lively market with intensive networking among many organizations and programs, larded with 1 minute pitches.
- A full day was dedicated to company visits throughout the country with different itinerary in various groups
- Finally, before the wrap up, Joost Oorthuizen (IDH), Willem Lageweg (MVO NL) and Myrtille Danse (BoPInc) shared their view on future developments in sustainable supply chains and reaching ‘bottom of the pyramid’ markets for food and nutrition security.

This last session reflected the need, also expressed by embassy staff, for stable longer term policy investment if transitions are to be achieved. The presenters warned that we have just started. Inclusive business models for ‘bottom of the pyramid’ markets are not yet business-as-usual. African national investments in agriculture and rural development are not a given priority, and sustainable sourcing by mainstream companies is not yet generally accepted or irreversible. We are on the right track with some of this, but it is fragile! Transitions are not achieved in one or two political or planning cycles.

2 General policy trends Ministry Foreign Affairs

2.1 Opening speech by Secretary-General of the Ministry of Foreign Affairs Renee Jones-Bos

Ms. Jones-Bos outlined the necessary agenda for change which emerges from global developments, as well as in response to the heavy budget cuts (100 million Euros to the Ministry's staff and operations), and a critical report by a special committee chaired by Mr. Docters van Leeuwen. Key elements of the agenda are: protect the embassies (as our "whoppers") more than headquarters; create a more open, more flexible and stronger digital working environment; reduce the hierarchy; integrate the Directorate-General for Foreign Economic Relations (DGBEB); communicate better to the outside world.

Embassy staff pointed out among others that local tech conditions still put many limitations on a digital working environment. They also saw that visa procedures are sometimes a barrier to timely seizing business opportunities with local players. In addition, embassy staff asked about the target group of intended better external communication and also wondered whether economic diplomacy is not too much focused on the interests of the Netherlands, rather than creating mutual benefits. They indicated positive examples on opening up, such as in Nairobi, where there is a 2 days/week secondment from a private sector network to the embassy on spatial and urban planning; which may become a business sector hub within the embassy.

In her response Ms Jones-Bos pointed out that external communication targets political players in the Netherlands, as these are the key decision makers including on future budgets. But it also targets the general public, through interviews, newspapers etc. Finally she encouraged everybody to keep the three core values in mind: work together, achieve results, take responsibility. The last one is all the more important in a time where communication goes fast along social media.

2.2 Policy developments Food and Nutrition Security

Head of the cluster Food & Nutrition Security Marcel Beukeboom gave an overview of policy developments towards a post-2015 agenda and some of the key centrally funded programs.

A great deal of the discussion revolved around the relation between centrally funded Dutch or multilateral programs and local realities and embassy programs. The picture was mixed. Some had positive experiences with the leverage global programs can bear on local policy development, such as for example with the WEF mechanism in Indonesia, although communication and collaboration are not always adequate. On the other hand many of the large global and centrally funded programs have no implementation capacity on the ground, which hampers their effectiveness and their ability to communicate with the embassies. Where embassies have been able to act as brokers in program choices (e.g. NICHE, FDOV), they turn out to be much more effective and useful for bilateral relations and for local realities. More locally or regionally grounded challenge funds such as the African Enterprise Challenge Fund or comparable initiatives in the Beira corridor are also more effective. Another major concern is the fact that The Hague cannot monitor central and global funding on a country by country basis, which means that embassy results reporting may cover as little as 25% of in-country spending of Dutch public investments. There is a need for a more comprehensive results framework at country level.

The Dutch agenda "from aid to trade" is about investments for the longer term. There is a strong plea for stability in central level policies, which allow for reliable engagement for the longer term at the country and regional level. If the embassies are Foreign Affairs unique selling point (the "whoppers"), then they should be allowed to be consistent. The longer term perspective - feeding 9 billion people by 2050 – also does not require constant policy changes. Moreover, a stronger focus on target groups is recommended: it is about people, women, youth etc.

2.3 Dutch Good Growth Fund

Head of the DGGF at the Ministry of Foreign Affairs Mr. Selwyn Moons gives an overview of the DGGF and its three tracks that will become operational this year. The discussion reveals that there is practically no local level steering opportunity for the development of local SME capacity. The Fund Manager is procured through a tender and has his own authority in selecting a minimum of 10 intermediaries for the 66 countries eligible for the DGGF. Also questions are raised on the added value next to existing instruments for liquidity, equity and guarantees such as through FMO, GAFSP, EDF etc. More needs to be figured out about the TA options and embassy brokering

roles. As for the moment more pro-active engagement could be expected in track 1, linking Dutch SMEs to local opportunities.

2.4 Private Sector Development

Johan Veul (Head of Entrepreneurship and Markets) presents the recommendations of the IOB evaluation of Dutch PSD support and the way government has responded. The discussion recommends that it would help to specify better what kind of results we are aiming for, beyond broad terms as “employment” or “ease of doing business”. Looking at employment for example, the issues are the conditions and the earnings. Examples: are we targeting the interface between formal and informal? Or entrepreneurship? Or primary production? Or more upstream conversion of agricultural products?

Another recommendation is to start joint programming between central PSD programs and delegated embassy programs, provided this can be done in a workable non-bureaucratic manner and with adequate division of tasks.

Some embassies observe that bilateral in-country programs could more often address the regional context. The region is often crucial for market opportunities. That requires coherent regional thinking also for central level PSD instruments. It still happens that such efforts are frustrated by our own rules of engagement differing between country X and neighboring country Y.

Finally, power analysis shows that middle-income countries are the primary beneficiaries of PSD instruments, because Dutch businesses see more opportunities. That aligns with the IOB observations. Abolishing PSI for partner countries probably does not help doing more for least developed countries.

3 Digging deeper on Emerging Themes in Food & Nutrition Security

3.1 Farming as business

The theme was introduced by Bart Doorneweert (LEI) and Joost Gorter (New Foresight) and Gerbrand Haverkamp (MoEA-ELV) facilitated the meeting.

Bart Doorneweert showed examples of designing interventions that make aspirational move up, such as mobile payment systems which were initiated by consumers. The essence is to understand, analyze and synthesize behavior. Joost Gorter presented the concept of market transformation in global value chains. He believes this framework can enhance sustainable intensification of smallholder-based agriculture. The basic idea is that different archetypes of sectors have different potentials for sustainable development. 'Competing on poverty' by many small farmers as well as 'competing on efficiency' is not sustainable. 'Competing on quality' is: employing the benefits of SME-agro-sectors. Four main forces determine the absorption capacity of a sector: production character, enabling environment, market character, alternative livelihoods.

Headlines from the discussion:

- The sector analysis may help to understand mechanisms, but there is no silver bullet for all farmers. Do you support farmers that won't make it?
- It is obvious that differentiation in the approach of farmers is needed. To select the farmers which have the capacity to grow one may (1) Leave it up to the market mechanism (e.g. Mars); (2) let cooperatives find the best farmers; (3) Organize the sector and finance farmers (FNC in Columbia).
- Participants think transition of a sector into an 'archetype' is ambitious. Better start from the reality of the farmers. Experience in the past shows that understanding livelihood diversification and the complex process of technology adaptation is key.
- Agricultural development programmes should promote farming as a business: e.g. in agricultural education, via the non-formal sector (NGO field schools) and via private sector (e.g. up-takers). In addition it is noted that lessons learnt in Europe cannot be copied and developments in other sectors influence agricultural development.
- How to appeal the new generation? How do young people look at farming and can we make it more interesting (employment, more business-like)?

3.2 Agri-finance

The theme was discussed twice in similar sessions. Both started with a presentation by Hans Boogaard (Head of Agri-business at Rabo Development) and a short introduction by Cees van Rij (Agriterra). The meetings were facilitated by Aaltje de Roos and Richard Dons (MoFA).

Rabo follows a two pronged approach in developing countries, i.e. offering advisory services to agri-business and collaboration with partner banks. If successful, the relationship with partner banks will show a transition from development partnership to business partnership, from services and TA to more emphasis on commercial linkages. The opportunities vary in different countries depending on the local bank structure and the strength of the partner candidate of which skill levels and infrastructure are often very low. Building a solid agri-knowledge framework is key.

Rabo works with a pyramid with four agri-segments and for each level a different financing approach: (1) semi-commercial smallholders, (2) commercial smallholders, (3) medium size farmers & farmer organisations, (4) large farmers & agri-business. Subsistence farmers are not bankable for savings and credit cooperatives; the repayment culture is crucial for success. Commercial smallholders are interesting in case there is a chain-organisation or cooperative. In most cases this requires a scheme-based approach with a sector (e.g. dairy, sugar). Individual emerging farmers are also of interest since they grow and need services.

The target group of Agriterra are the farmers that want to stay in agriculture and make a decent living. Agriterra's approach is to lower the risk profile of a farmer-led cooperative or producer organisation to make them more bankable. Three interventions are central and aim to improve governance, financial management and the development of the business plans. Cooperatives should be run as a business. Members investing in their

organization make them more interesting for banks. Managers of cooperatives need to understand the perspectives of banks.

Highlights from the discussion:

- Banks often say they have a long term vision and that their objectives are 'doing good' and 'making money'. In practice, banks need scale and need to cover both medium size and commercial smallholders. The question is raised whether banks could do more for the BoP (since there is plenty money available), e.g. via collaboration with MFIs. Impact investors often focus too much on short term loans and too little on long term investments. Too much on export instead of local markets. The Triodos trade fund is a positive exception.
- How can lower risk materialize in being more bankable and/or lower interest rates which are now huge (up to 40%)? Land is not a collateral and there is lack of agri-insurance. Could DGGF give guarantees? Guarantee funds have limited influence and do not seem to lower the interest rates (while banks make a profit). Involving suppliers and off-takers in screening farmers could help. However, competition between banks is a main condition to decrease interest rates according to Rabo.
- The strategy should be to strengthen the local financial infrastructure and lower the transaction costs on the long term. A mature financial infrastructure creates an enabling environment. Donors and banks are able to influence policy and regulation.

3.3 Agro-logistics.

After brief introductions by Michael Jurriaans (Network Agro-logistics) and Peter Verbaas (Frugi Venta) participants discussed how to address agro-logistics challenges for food and nutrition security.

Information about relevant initiatives and experiences:

- Network Agro-logistics broadens its membership basis abroad. A post-harvest losses network will be established, including Dutch actors in this field.
- Frugi Venta is a network of logistics companies. Growers and traders work together in the Fresh Produce House. "Fresh Corridor 2.0" project looks at all phases of value chains.
- Segan Industries, a globally operating logistics agent, uses an Integrated Model network. Within NL representing lots of different companies active in agriculture and agro-processing.
- Post-harvest Innovation Centre Ghana, with which WUR collaborates. Centre collaborates with Ghanaian and Dutch companies and universities.
- In Uganda, EKN found it difficult to find companies interested in banana processing.

Highlights from the discussion:

- Participants acknowledged the need to develop further solutions in the field of agro-logistics, and were interested to exchange information from amongst others the Post-Harvest Innovation Centre Ghana. They acknowledged the need to carefully match demand and supply: the technology offered should match with country realities, which is not always the case now. Taking societal factors into account is important.
- It was recommended to develop an integrated chain in which different stakeholders collaborate. Preferably starting at national level, using existing structures and networks. Getting farmers cooperatives and supermarkets on board; working with e.g. Agri-Profocus network. And involving consumers too, as product quality is in their interest; raising further awareness about that.
- Developing agricultural innovations, e.g. technologies to address post-harvest losses, may generate new jobs for youth. The innovations may help to convince them to choose for the agro-sector.
- Companies have become more context oriented, e.g. in collaboration with BoPInC, with a focus on low income consumers, and in initiatives with public sector support. SMEs and larger companies can't do this on their own, amongst others as it may be too big an investment for businesses, so they can only operate effectively in a network.
- It was also recommended to look at the opportunities to strengthen infrastructure for regional trade.

3.4 Low-cost technology to prevent post-harvest losses and value addition

This session, facilitated by Kim Geesink (DDE) started with a presentation by Nicolas Chevrollier (BoP Inc) entitled 'Are low costs technologies appropriate for low income groups?'

Technologies to prevent post-harvest losses and to add value are e.g. storage facilities, packaging, transportation, drying, cooling, processing. Low cost adapted technologies used in Africa are e.g. biogas, solar energy driven pumps, mobile technology, milk quality checking machines, soy processing units. Before entering a market, one needs to analyse it, and understand the drivers of purchasing behaviour of people on the 'bottom of the pyramid'. BoP uses four main lenses to assess the possibility to introduce new technologies, all equality important: Awareness-Affordability-Acceptability-Availability. This shows for example that many low income people prefer risk free products more than cheap products; that a good product needs convenience (like easy to repair) and experience (e.g. via aspiration platforms); and that it is helpful to create word of mouth on a new technology, like in market-place sessions.

In the discussion after this presentation, participants stressed the importance of a gender dimension to the above. It was said that innovation takes time, and that policy makers should acknowledge that. It was also said that low income people cannot keep pace with technology development and new products (e.g. new mobile phone types). Major investments will have depreciation costs, which means that we have co-responsibility for these choices.

This was followed by a brief presentation on an upcoming **Food Wastage Overview Study facilitated by the Food & Business Knowledge Platform**¹:

1. Many organisations address the topic of food wastage mainly assuming that this will contribute to food security and poverty reduction;
2. Little scientific evidence exists on the effect of interventions on food security;
3. The current study maps these actors and their motives;
4. And makes a systematic academic review of studies on impact of losses and waste reduction on food security

3.5 Land titling and investment funding

Panelists and other leading participants: LANDac - Guus van Westen, Annelies Zoomers, Gemma Betsema; ITC/Twente University - Rohan Bennett; Kadaster International – Co Meijer; CDI Wageningen – Cora van Oosten; WUR/Sociology of Development and Change group – Gemma van der Haar; Oxfam Novib – Duncan Pruett; Agriterra - Jur Schuurman. Chair: Frits van der Wal – DME

Land issues are a top priority, and a big issue in most countries. Land is a global public good. Within LANDac (launched 2010, DGIS main donor) a lot of exchange and innovation takes place, e.g. linking scientific research with policy and practice on themes as diverse as the role of civil society organizations in the land debate, the role of local governments in governing commercial pressures on land, and issues around responsible business. See: www.landgovernance.org.

Pitches by Panel members on the contribution of national land programmes:

- Propositions need to be made to enhance protection, fairness first and caution principle.
- Realisation of continuum of land rights options, not always trying to find full ownership but also including other options like lease models where risks are distributed.
- Considering to counter-act land fragmentation and applying land consolidation.
- Using a landscape framework, including land as one of the resources. Businesses are interested to apply it, and it may also strengthen capacities of local actors.
- Key is building civil society capacity to build empowerment and link local and global
- Look at the knowledge generated by the main stakeholders and link with them, e.g. East African Farmer Federation is setting up an elaborate consultation structure.
- Dutch cadastre has supported various countries with their cadastre institution, e.g. Benin, Burundi, Rwanda, Ethiopia, Palestine, Uganda, Kenya.

Discussion/ exchange:

- Great Lakes embassies explore a regional programme on land. Other participants confirm the value of a regional approach, e.g. to tackle cross-border issues, and for cross-country learning. Possible actor is the East African land administration unit.

¹ This study, organized by the Food & Business Knowledge Platform, will be available online by June (<http://www.knowledge4food.net/>).

- Land issues are political, so do first a power analysis internally and explore what is realistic and not too ambitious. Gender and land could be a way to get things moving, e.g. in Uganda after oil was discovered and resulted in displacement.
- EKN Cotonou: Synergie Paysanne in Benin is a collective effort in French speaking West Africa. <http://synergiepaysanne.org/foncier.html> ²

Final remarks:

It is a matter of balancing legitimate interests of actors. Unfortunately, many businesses and governments overlook the rights of ordinary people in their effort to modernise. Land registration systems are only as good as they are being implemented. Different types of lands can be used for different purposes; one needs to allow flexibility. Land issues should be integrated within an holistic approach, which needs some type of multi-stakeholder process to develop appropriate solutions. **DGIS is preparing an event in July** with a large group of stakeholders. The NL wants to set an example how we can make progress in this difficult topic.

3.6 Nutrition: Going Dutch: the movement and the diamond

The meeting started with presentations by Stineke Oenema (ICCO) about the Scaling Up Nutrition (SUN) movement; and by Herbert Smorenburg (AIM) about the progress of the first implementation phase of the Amsterdam Initiative against Malnutrition (AIM). SUN tackles both direct and structural causes of malnutrition, using direct and indirect interventions. It is a global movement, but contributions can be made at local level, and by all 'diamond' stakeholder groups. Embassies can support the movement with their contact networks, and share lessons from the local level with other people from existing and different networks. ICCO recommends SUN to find the right balance in addressing direct and structural causes of malnutrition, and to broaden its focus to a/o. include a life cycle approach. AIM works with 19 implementing partners, and explores new project ideas to extend the portfolio of projects, as the current portfolio doesn't reach 100 million people yet. Key aspects of projects are their direct or indirect contribution to malnutrition, and the sustainability of the business model used.

The presentations were followed by an open exchange led by Mario Leeflang (MoFA).

- Several participants shared experiences with nutrition-specific and nutrition-sensitive programmes:
- EKN Indonesia implements a nutrition programme with 60,000 cocoa farmers, aimed at combating child malnutrition among the farmers' families, in coordination with IDH3. An interesting unexpected effect was that some women farmers' position was strengthened, as they got a better market price for the vegetables than their husbands for the cocoa. Also: positive engagement private sector.
- AIM works with SPAR in South Africa. It develops a vegetable supply chain, locally sourced.
- IDH will take up nutrition in their value chains; WUR-CDI provides advise.

Participants confirm they are interested in information about concrete examples of effective nutrition programmes. What works, what doesn't work; best practices; what needs to be scaled up. The SUN movement may play a role bringing these examples together. Embassies need to encourage local actors to share their experience. Food & Business Knowledge Platform could play a role too.

ICCO will organise a regional meeting in Ghana this summer, to discuss the SUN approach, the lessons learnt, and the ideas on what should belong to it, what should not belong to it.

3.7 Soil fertility, fertilizers, agro-inputs and subsidies

This session was introduced by Geert Westenbrink (MoEA) and supported by experts of WUR Alterra, Christy van Beek and Niek van Duivenbooden. In the introduction, MoEA and MoFA shared their interest in soil fertility. After some first reflections on opportunities since 2013, it is time now to take a next step. Various embassies are working on soil fertility: Burundi, Ethiopia and Uganda.

Christy van Beek introduced the issues of soil fertility, agro-inputs and subsidies. The trend is negative: 10 million hectares fertile soils are lost each year; with this trend by 2025 Africa can feed only 25% of its population. Yet climate change trends demand even more resilient systems. A review was done on soil fertility management, showing two main management practices: 1. Those based on large scale fertiliser subsidy programmes, and 2. Field plots with different rates of fertiliser application. The main trend forward: integrated soil fertility management. This is not common practice however: fertiliser companies and organic producers are quite separate practice areas.

² See also: <http://knowledge4food.net/report-on-lunch-meeting-dealing-strategically-with-land-issues/>

³ See also: http://gainhealth.org/sites/s1.gainnutrition.addison.com/files/Cocoa_productivity.pdf

“Feed the plant versus feeding the soil”. A network of different actors has chosen to take up: increasing efficiencies as a way forward.

The idea Van Beek shared with embassies is how to make Integrated Soil Fertility work. It could be done within a special scale in which “waste” streams are used, increased recycling, composting, site specific recommendations that are locally validated, make the best use of locally available resources and combine with external supply of fertilizers.

Reactions:

- Participants interested in waste management issues; suggested to also look at other waste streams like sanitation
- There have been various types of soil research in Ethiopia supported by WUR (e.g. prof Smaling); it would be good to create continuity, to deepen learning from research and to explore out-up scaling. In Ethiopia, both work on fertilizer application and work on the integrated approach takes place; opportunity to foster the combination.
- In Burundi different actors collaborate address the challenge of combining available mineral fertilizers and organic matter. Initiative mainly reaches farmers with some means.
- In Uganda the mineral fertilization application rate is very low, less than 10%, for multiple causes. Example: keeping cows on specific plots to enrich the plots, and if there is money farmers add other fertilizer or organic matter (i.e. access to finance is an important factor).
- Issue of subsidizing fertilizers was discussed. WB is reluctant, as this may distort markets.
- There might be sources not used in a country, that can be of use; e.g. accumulation of minerals in urban areas. So cycling minerals seems a logic next step, a.o using residues in processing.
- Agro forestry can also be a way forward. Ethiopia gives nice cases of cheap and effective re-greening of abandoned land, without fertilizer, resulting in soils of high fertility.
- Mineral fertilizer often used at a completely different level and scale (macro). Can organic soil fertility management be used at this larger scale? Research showed only small scale level results.
- Good agricultural practices and adding nutrients seems the logic practices combined with fair food prices. Integrated soil fertility management has to be included. But: organic matter has to be produced on the farm. It is labour intensive to produce it and also to transport it. With poor fertility situations: probably you will need additional chemical nutrients.

The chair closes by inviting: Let’ s explore new business cases!

3.8 Regional value chains and markets

The theme was introduced by Francesco Rampa (ECDPM) and the discussion facilitated by Monique Calon (MoFA). Key questions addressed were about the importance of regional markets for food security, and the opportunities for a more proactive Dutch role in regional processes.

Headlines from the discussion:

- The Netherlands participate in several new programmes in the field of regional markets, value chains, such as TradeMark East Africa⁴, Marketing Inputs Regionally⁵, and the AU CAADP⁶.
- Participants see opportunities to strengthen the engagement in fostering regional trade for food security, and explored how the role of Embassies therein could be enhanced.
- Participants acknowledged that cooperatives, companies, agricultural associations, knowledge institutes, and networks such as Agri-Profocus are key players which (could) also use their own regional level networks. Yet, not all players have such regional connections.
- NL have permanent representatives at the regional institutions. These institutions are sometimes weak and are gradually building their capacity. Some further clarification needed which Dutch actor plays which role in strengthening both governmental and other institutions or networks (e.g. regional farmers movement)
- It was recommended that Dutch actors should carefully look at which regional systems and trade flows exist already and respond to those in an appropriate manner.
- The idea of developing a regional business indicator was discussed.

⁴ <http://www.trademarkea.com/>

⁵ http://www.ifdc.org/Projects/Recent2/North_and_West_Africa_Division/MIR_Plus_Marketing_Inputs_Regionally/

⁶ <http://www.nepad-caadp.net/>

4 Visits to companies and knowledge institutes

On May 8, the group of participants from the Embassies split up into four groups and, together with several representatives from the Ministries of Foreign and Economic Affairs, visited companies and a few knowledge institutes across The Netherlands. An overview of companies and institutes visited can be found below.

The objective of the visits was to learn about the way the companies operate, the products they have to offer and what would motivate them to become active in developing countries and emerging economies. It was also an opportunity to network with companies that are or could become interested to invest in Dutch partner countries, and to laying the foundations for partnerships to invest in those countries.

In the experience of the participants, the visits helped companies and Embassy staff to better get to know each other. Many companies were not really aware how Embassies are able to support them when they engage in activities abroad. While this differs per country, this would be an area for improvement in order to strengthen the aid, trade and investment agenda. One company indicated it enjoyed experiencing the positive interest in the company's strategy from the partner countries. They realise now they can pro-actively approach the Embassy for particular support to the implementation of their strategy. In this way, the company visits contributed to the awareness of the visited companies of the knowledge and services that the Embassies can offer. On the other hand, the Embassies gained better insight into the way companies operate. Some visits showed there are opportunities for Embassies to link up to company activities to develop their food security and trade agenda. De Groot & Slot, for example, cooperate with Agriterra in knowledge sharing about onion seed and breeding⁷.

Embassies would need to have a better understanding of companies and what they have to offer and why, as this could improve their capacity to seize the right opportunities in combining a trade agenda with food security objectives. Companies and knowledge institutes offer a wide variety of products and services that could potentially play a positive role in stimulating food security in partner countries. Or, in other words, choosing the wrong product or service in the wrong context or at the wrong time could mean failure, with negative implications for all – companies, Embassies as well as target groups of development cooperation policies. It was suggested that this is something that could be taken up by BEB and/or RVO.

All in all, the company visits generated enthusiasm from the side of the Embassies as well as the companies. Companies were enthusiastic about the attitude of the Embassy representatives and particularly appreciate that they can approach the Embassies to think together how companies can make their operations abroad stronger and more efficient. Many of the representatives from the Embassies on the other hand indicated that this was one of the highlights of the week to them, because of the rare opportunity to network in the Netherlands with the private sector and at the same time see with their own eyes how companies operate and what they could potentially offer in practice.

⁷ See also: <http://www.degrootenslot.nl/de-groot-en-slot-nl/nieuws/laatste-nieuws/groeierende-ambitie-in-niger.aspx?Action=1&PID=13>

Table 1. Overview of companies and institutes visited by subgroups during Food Security Exchange

Company	Location	Sector	Website
Hesy	Kwintsheul	Aquaculture	www.hesy.com
Port of Rotterdam	Rotterdam	Transport	http://www.portofrotterdam.com/en/Pages/default.aspx
Dairy Campus	Leeuwarden	Dairy	www.dairycampus.nl
RijkZwaan	De Lier	Vegetable	www.rijkszwaan.nl
Seed Valley	Enkhuizen	Seeds	www.seedvalley.nl
Enza Zaden	Enkhuizen	Seeds	http://www.enzazaden.com/
Koppert Biological Systems	Berkel en Rodenrijs	Biological crop protection and natural pollination	www.koppert.com
De Groot en Slot	Broek op Langedijk	Onion seeds	http://degrootenslot.nl/de-groot-en-slot-en/home.aspx
Poultry Expertise Centre / PCT+	Barneveld	Poultry	http://www.ptcplus.com/?sc_lang=en
Nutreco	Boxmeer	Animal nutrition and fish feed	www.nutreco.com
WUR	Bleiswijk	Knowledge Institute	www.wageningenur.nl/en.htm
Eosta	Waddinxveen	Organic fruits, vegetables, juices	www.eosta.com
Soil & More	Naaldwijk	Soil fertility, composting	www.soilandmore.com

5 Further innovation in investment and cooperation - exploring transitions to a post-ODA timeframe

Introduction by Marcel Vernooij

Four main questions when looking at the future beyond our policy cycle and annual plans:

- Are there self-sustaining business models? What are driving forces?
- How is private sector development going? Does the market do its work or does the sector need a push? And what sort of push? Financial (IDH, PPP, RVO instruments, DGGF) and Dutch diamond cooperation?
- Is the private sector still supporting public goals such as inclusive growth and food security? More orientation towards local and regional chains?
- What is the role of government?

Pitch by Joost Oorthuizen, IDH

- IDH co-invests with the private sector in supply chains, mainly agro chains.
- Inclusive business, local sourcing and partnerships central
- NL is in the forefront of working this way, however this type of business model is just starting and not yet self-sustaining.
- Investing in Africa is difficult; how to include small-holders, women and get banks involved. However, a positive development is that agriculture is back on the agendas of African governments.
- The government has an important role for diplomatic work and co-funding mechanisms
- Role of NGOs is to push the issue but when it comes to investments in Africa it's the government with private sector. Embassies can support by making sure that local governments make the right choices

Pitch by Willem Lageweg, MVO Nederland

- Sustainability comes with threats but companies can make them opportunities when looking for solutions.
- Netherlands not ahead when it comes to sustainability. We lack a clear national ambition. Government and private sector could do more and expose that
- Aid and trade should go with more sustainable knowledge transfer. Example is Dutch-Kenyan sustainable network
- Systemic changes in market transformation come in phases: from inception to first movers, to critical mass, to level playing field.

Pitch by Myrtille Danse, BoP Inc

- Focus on the markets of the future, how to get access to this group? Not through the classical marketing strategy.
- 3 challenges:
 - Inclusive business is different from business as usual. Be more active in the countries, see Philips R&I hub in Kenya. Role for embassies: support with funding, moreover provide market information, give technical support and management support for pilots
 - Understand the market. Look what consumers really want don't assume, connect local farmers to the local market demands
 - Reach impact through scaling up initiatives on the level of companies, value chains, public goods and government. In order to change the sector level you need appropriate innovation systems.
- The public sector has the unique position for investments in softer infrastructure.
- PPP funding stimulate competition but also frustrates more coordinated action on system changes

Conclusion

- Netherlands should sell sustainable development and partnerships (selling points such as tulips)
- Embassies should be soft and smart partners and not only tough donors

Comments & conclusions regarding discussion

Myrtille Danse

- Sustainability has its own context

- We need supportive structures, embassies have a role to include local parties
- Business models do not work in all countries the same way; focus on Dutch sector but also stimulate local companies
- Embassies and Dutch government can play their role better

Willem Lageweg

- We started to develop infrastructure, now we have to localise
- Embassies have a role to play in stimulating the discussion on sustainability in local networks and link with Dutch private sector
- We have to flag not the model as such, but the way to do it (instead of the tulip)

Joost Oorthuizen

- There are limits in the supply chain approach, it's not a holy grail
- We can bring many aspects together such as export and import markets, cash crops etc
- Regulations vs voluntary standards, how does it work?
- Can we make best practices on PPPs?
- The work of business is still very fragile and sometime depending on the efforts of a few

6 Conclusions and Recommendations

During a wrap up session at the end of the week, 'scouts' presented the following 10 conclusions and recommendations:

1- Putting people first

Focus more on people and their innovations and less on 'pillars' or 'result areas'. Distinguish categories such as vulnerable groups, youth, women, (small) farmers, companies. Starting from people is also helpful for communication about our work.

2- Being more business-like and allow time for the agenda

We want to be more business-like, but (development oriented) business cycles are in general long term processes, both in terms of results and in terms of profitability. Innovation needs time. Allowing time for our agenda, based on clear objectives and a intervention logic, would be an innovation in itself.

3- Theory of Change

We lack a theory of change for food security. The subject is still too elastic, accommodating almost any intervention no matter how remotely linked to the subject. Then, we need more fundamental debates on how to move forward as an institution. A good Theory of Change can also strengthen and support a longer term agenda against the vagaries of politics and bureaucracies.

4- Value chain approach

The value-chain approach is central to our thinking and our intervention logic. But are our instruments the smartest? There is more scope for joint programming on the precompetitive phases and the linkages from there to the Dutch private sector. But, who coordinates?

5- Thinking in future terms

We think too much about today and too little in future terms. Young people worldwide do not want to work as a farmer. We will have to support models that deliver higher margins for farmers and we have to allow for innovation in structures, models and options that are more attractive for youngsters.

6- Same, same, while different

We have to be clearer in our own organization where we are different in what each of us is doing and where we are the same. Local conditions differ, but our solutions and partners are often the same, for example in feed and fodder, aquaculture, seed sector, seed potatoes. We must think more in themes and in learning from each other.

7- Visibility and service orientation

Embassies are not always recognized by companies as a source of information or as a partner when they engage in a country. Reachability and service delivery profile need to be upgraded in a Single Service model for the different entities providing these services: Embassies, RVO, CBI, HQ, etc. This can be structured along the following lines:

- Zero line visibility: companies should inherently know what Embassies can do for them
- First line accessibility: being reachable (technical) and responsive (organizational)
- Second line assistance: answering inquiries, providing information, receiving at Embassy
- Third line collaboration: brokering, embedding in programmes, finding right partners, etc.

And then the "Orange Carpet" model needs to be made to work!!!

8- Nexus aid and trade

Appeal to have a more fundamental discussion on how we define "Good Growth". Blending financing, inclusive growth, supporting farmers with good market perspectives, will certainly be part of that. But it cannot be based on "trickle down". When and where is this debate going to take place?

9- Implementation level information

Being present at the implementation level is key to making good progress. Well informed feedback loops from there to inform policies, instruments and funding are equally important. Presently too many of the centrally funded programs have no implementation structure on the ground, which affects effectiveness and efficiency.

10- One team, one mission

“One team, One Mission” needs to translate in meetings like this and many others organized by DG Agro and Ministry of Foreign Affairs. There is still too much un-useful differentiation in local versus international staff and in thematic experts versus agricultural attaches. This is an appeal to both MoEA and MoFA.