Workshop 21 February – Hellenic Aid

Involvement of the private sector in development cooperation projects



Arend van Vuren
Combination policy and combination
tracks

<u>arend-van.vuren@minbuza.nl</u> <u>Arend van Vuren | LinkedIn</u>



Outline of the workshop

1. Presentation:

- 1. Why involve the private sector?
- 2. History: how did we get to the current policies?
- 3. Current policies: the policy note and the implementation
- 4. The combination tracks
- 2. Questions & reflections
- 3. Practical examples:
 - 3. The combi-track approach in Egypt
 - 4. PPPs: the example of SDGP
- 4. Open discussion on potential for Greece



Why the private sector

- Reaching the SDGs
- The private sector generates employment
- Sustainable value chains: a responsibility for the private sector
- Gain better access to upcoming economies
- The private sector as neutral party
- The private sector (sometimes!) can be more efficient



Brief history of 'aid and trade'

- Not a very recent development
- Tied versus untied aid
- Public-Private Partnerships
- Key moment in 2012:
 - DG Foreign Economic Relations + DG International Cooperation
- 'Aid, Trade & Investment'
- DGGF + Invest International



Does it work?

YES

Policies have been relevant

NO

- Not always 'win-win', sometimes a trade-off
- We kept working in silos with minimal synergy
- A coherent approach/agenda on aid & trade has been lacking
- Hard to quantify the exact results (e.g. efficient?)





Policy document 2022

Do what we do best

A strategy for Foreign Trade and Development Cooperation



Chapter 1

Trade policy:
For the Netherlands'
earning capacity

Chapter 2

Development cooperation: Focus on what works

Chapter 3

Combination policy:

Dutch solutions for global challenges

Six working methods for win-win situations



Chapter 3: Dutch solutions for global challenges

We stimulate greater synergies between our efforts to boost trade, investments and development:

- By implementing i.a. six working methods in all of our work across the globe
- By setting-up 'combi-tracks' in 14 'combination countries'
 - (7th working method)

Six working methods for win-win situations

- Green international instruments
- 2 Improve Dutch businesses' access to climate instruments
- Work towards a trade system that works better for developing countries

- Trade agreements on an equal footing with developing countries
- Support developing countries with their exports
- 6 Making value chains more sustainable



Combi-tracks in 14 combination countries

To stimulate Dutch solutions for a greener and/or more digital economy in the 'combination countries':

- Our ministries, embassies, RVO, Invest International jointly identify the one or two most promising sectors to combine trade, investment and development cooperation
- Use trade & investment instruments to help Dutch companies and local partners scale up their businesses;
- Invest <u>development aid instruments</u> to create (local) development results, such as decent jobs.



Côte d'Ivoire

Egypt

Ghana

Kenya

Morocco

Nigeria

Senegal

South Africa

Bangladesh

India

Indonesia

Vietnam

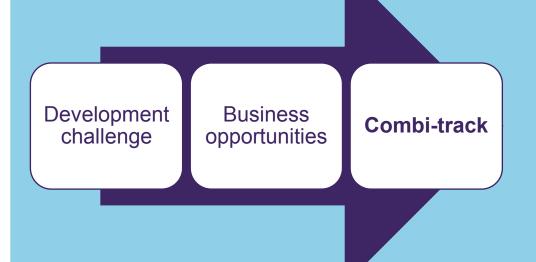
Colombia

Ukraine

Chapter 3 Dutch solutions for global challenges



Combination track - EGYPT



Dutch companies display solutions for climate-smart farming in Egypt

A group of 11 Dutch companies visited Egypt earlier this year to explore opportunities for climate-smart agriculture. This 'Inspiration and Knowledge-sharing tour' was organized by the Netherlands-African Business Council (NABC), on behalf of RVO and the Netherlands embassy in Cairo.



Combination track - EGYPT

- PIB: Partners for International Business
 - G2G: policy influencing
 - Economic diplomacy
 - Branding strategy
 - Organization of trade missions
 - Market demand studies
 - Knowledge cooperation



Working in Public-Private Partnerships

Why work in PPPs?

- Use the strength of each partner
- Share risks and responsibilities

SDGP example:

Public-private partnership SUCCEEDS in Vietnam - ENG - YouTuk





Examples of instruments

- DHI Support Dutch SMEs to do business abroad
 - Video
- D2B / DRIVE Infrastructure development
 - Invest International
- DGGF (Co-)finance or give a guarantee to a commercial bank, or provides export insurance
 - Website
- CBI Connecting and supporting exporters from developing countries
 - Website
- PIB Action plan (public-private) for entering a foreign
 - Information and video
- SDGP Public-Private Partnerships
 - Website

