



CBI

Ministry of Foreign Affairs of the Netherlands

CBI

Joint ITC-WTO Workshop on Aft
and SME Competitiveness

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Netherlands New Agenda for Aid, Trade & Development Cooperation

- Since 2012, one Minister for Foreign Trade and Development Cooperation
- 3 priorities:
 - Ban extreme poverty in one generation
 - sustainable & inclusive growth everywhere in the world
 - success for Netherlands Trade & Industry
- Spearheads: Food security, water, women rights, sexual & reproductive health care, security and legal order.
- Private sector = cross cutting theme.



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- Fundamental conviction that we need to encourage growth in low & middle income countries
- Only eradicate poverty through sustainable & inclusive economic development
- Private sector is crucial in this process as a driver of employment, esp. SMEs
- Helping DC's to link up with local, regional and global markets
- Connecting to global value chains requires a good



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- Connecting to global value chains requires a good business environment and a strong private sector
- Weak physical & financial infrastructure, inadequate knowledge & skills, difficulty in meeting standards make it difficult for DCs to integrate in local, regional and global value chains
- Successful aid removes these obstacles and paves the way for trade and investment; in this context NL strongly supports the Trade Facilitation Agreement.



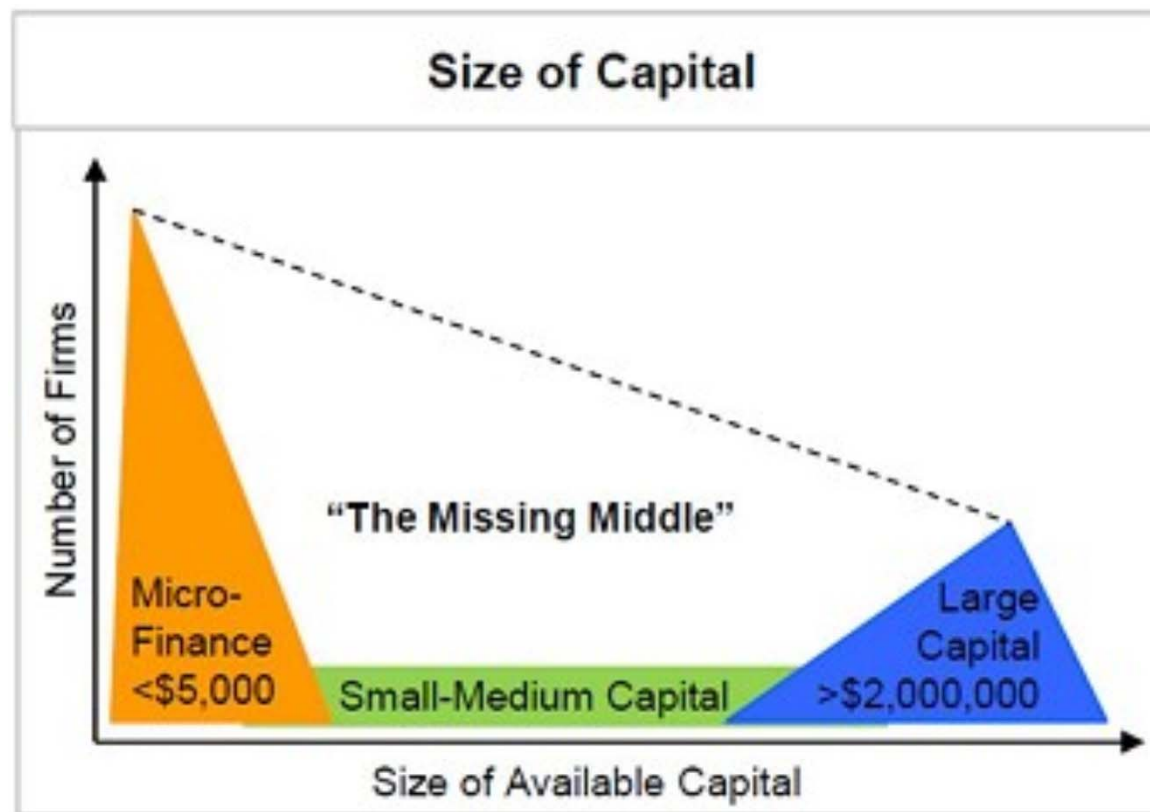
Netherlands New Agenda for Aid, Trade & Development Cooperation

Improving the Business Enabling Environment:
through PARTNERSHIPS: companies, government,
knowledge institutions and NGOs – The 'Dutch diamond
approach'

- Access to Markets (€68 m)
- Improvement of legislation & regulatory framework,
strengthening customs & tax services (€5 m)
- Reliable institutions (€129 m)
- Physical & insurance infrastructure (€83 m)
- Strengthening financial structures (€38 m)
- Access to finance, Dutch Good Growth Fund €750 m)



Dutch Good Growth Fund





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Dutch Good Growth Fund = Revolving fund for:

- Investments by Dutch SMEs in emerging markets and DCs
- Finance for local SMEs in these markets
- Export credit insurance and finance for development-relevant exports from Dutch SMEs to these markets



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Improving the Business Enabling Environment:

- Stimulating Dutch companies to do more business in DCs, to give an impulse to local economies with their knowledge and skills
- to contribute to solutions for Food Security, Water, Logistics and Life Sciences & Health
- Compliance to ICSR is a must
- Mutual profit

➤ Better access to int'l markets of exports & investments for



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Three categories of countries:

- Aid countries (LDCs & fragile states) – least connected, weak governance, infra, Customs, tax, physical & financial), land rights, instability: Afghanistan, Burundi, Mali, Yemen, Rwanda, South Sudan, Palestinian T.
- Transition countries from aid to trade ,Bangladesh, Benin, Ethiopia, Ghana, Indonesia, Kenia, Mozambique ,Uganda. PSD instruments also in 50 other low & middle income countries
- Trade relation countries



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The role of CBI

- PSD is intrinsically linked to creation of jobs & income
- CBI integral part of Dutch PSD agenda
- Working on increased access to regional & global markets
- Enable SME exporters to benefit from new technologies and trade agreements that facilitate access to global markets
- To make the difference between market access and market presence...
- Especially LDCs cannot benefit due to market imperfections



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The role of CBI

45 years experience identified bottlenecks hampering access of SME exporters to int'l markets:

- Information asymmetry:
 - lack of strategic knowledge – at all levels and lack of skills & network to effectively implement this knowledge
 - Lack of access to finance
- Lack of coherent trade & economic development policies, little involvement of private sector
- Lack of understanding functioning of GVCs, role of SMEs in trade and inclusive development, and impact of AfT



CBI approach, practices for the AfT Agenda

- Strong research base: promising sectors and markets
 - continuous research on export markets (€ 2.9 mln)
 - intelligence through 25 advisory boards from T&I
 - Value chain analyses in supply countries
- Programmatic approach: integrated, tailored solutions on country /sector level
- Strong commitment of stakeholders in design phase including early involvement of importing trade
- Need oriented, focus on most urgent constraints
- Focus on value addition and export diversification



CBI approach; practices for the AfT Agenda

Programmatic approach integrating 4 levels:

- Coaching SMEs: Long year coaching, knowledge & skills transfer on all critical export success factors, enhance self-reliance; this includes actionable intelligence, strengthening networks with suppliers and buyers, compliance to ICSR and assistance in getting access to finance
 - ❖ Start with Audit, Selection & Plan of Action
 - ❖ Identify USP/niche
- Scale up trade support delivery of BSOs to SMEs
 - ❖ Focus on most pressing constraints of SMEs
 - ❖ Learning by doing; capacity strongly anchored



CBI approach, practices for the AfT Agenda

- Advising local governments on opportunities + constraints and consequences of trade policies for SMEs;
Voicing effects of trade policy measures on SMEs to governments in the North
- Advising importers, retailers and producers on sourcing from developing countries; enhancing partnerships:
 - ❖ Northern buyers are in strategic position to bridge the knowledge, technology and finance gap faced by SMEs
 - ❖ Mutual interest

In such a way that strengthening soft skills on all levels becomes mutually re-enforcing (case)



CBI approach; practices for the AfT Agenda

Solving SME constraints also require:

- Collaboration with other partners with complementary expertise: e.g. ITC, USAID, European partners, NGOs, financial specialists e.g. Fast International, etc.
- Robust monitoring and evaluation system, to understand how AfT assistance to SMEs contributes to sustainable economic development, what works and how
 - ❖ Real-time monitoring, to enable adaptive management in dynamic environments www.primepartnership.nl



CBI approach, practices for the AfT Agenda

CBI position paper on Aid for Trade: <http://www.cbi.eu/marketintel/cbi-policy-intelligence-aid-for-trade-review-position-paper-connecting-and-upgrading-smes/201212/platform/136122/database>

CBI research paper on Access to Trade Finance for SMEs in developing countries:

<http://www.cbi.eu/marketintel/cbi-policy-intelligence-access-to-trade-finance/192231/platform/136122/database>

Speech by Jeroen Roodenburg, Director of the Department for Sustainable Economic Development of the Ministry of Foreign Affairs about the Dutch approach in Private Sector Development:

<http://ecdpm.org/great-insights/promoting-development-through-business/dutch-approach-aid-trade-private-sector-development/>

Link to CBI film on CBI's Integrated approach to export development and export promotion:

<http://www.cbi.eu/About%20CBI>

A CBI policy paper on the Factors that will shape World Trade, A CBI peer group perspective:

<http://www.cbi.eu/marketintel/cbi-policy-intelligence-the-factors-that-will-shape-world-trade-a-cbi-peer-group-perspective/192232/platform/136122/database>

Link to the CBI Market Intelligence Portal: http://www.cbi.eu/marketintel_platform

Link to information on the Dutch Good Growth Fund:

http://www.rvo.nl/sites/default/files/2014/07/Factsheet%20DGGF_eng.pdf

Link to the website of PRIME, an initiative of CBI, PUM, Wageningen University and Rotterdam Erasmus University for [Pioneering Real-time Impact Monitoring and Evaluation in small and medium enterprises](http://www.primepartnership.nl/)

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