

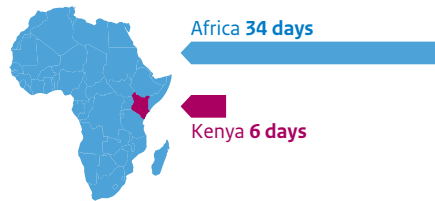


# Results Private Sector Development 2014

Dutch investment: €240 million

## 1 MARKET ACCESS AND SUSTAINABLE TRADE

Average time to import in days

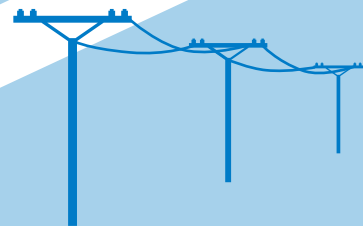


**340,000 farm- and factory workers** whose working conditions comply with international agreements

**1 million farmers** trained in sustainable agriculture practices

**5 million hectares** under sustainable land management

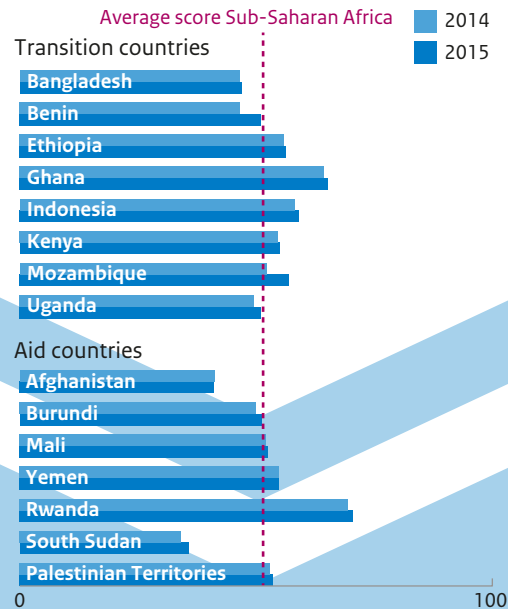
## 4 INFRASTRUCTURE DEVELOPMENT



**18 completed projects**, providing **4 million end users** new or improved infrastructure, such as electricity, roads and water

## 2 LAWS, REGULATIONS AND POLICY PLANS

World Bank Doing Business-Index, showing improvement in the business climate of our partner countries



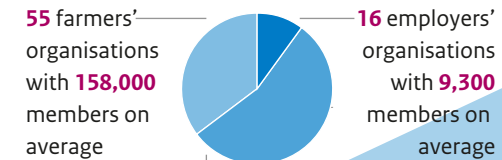
0-100 = Lowest to best performance by any economy in business regulation since 2005

**200 extra factory inspectors** employed and trained in Bangladesh

**Ethiopia, Ghana, Kenya, Malawi and Zambia** agreed with the Dutch proposal to include anti-abuse clauses in their bilateral tax treaties with the Netherlands

## 3 ECONOMIC INSTITUTIONS AND ACTORS

Supported economic institutions and actors



**86 trade unions** with **134,000 members** on average

## 5 FINANCIAL SECTOR DEVELOPMENT



**24,000 SMEs** provided with an **outstanding loan**

**122,000 new bank account holders**

**460,000 people** with new agricultural and health **insurance policies**

## 6 PRIVATE INVESTMENT IN DEVELOPING COUNTRIES

**460 Dutch companies** with supported **investment plans for development**

**€135 million** in corporate cofinance generated with ODA

**150,000**

**Jobs** created of which approximately 40% for women



## Results Private Sector Development 2014

Nine out of ten jobs in developing countries are generated in the private sector. They may be self-employed as farmers, fishers, tradespeople or shopkeepers, or work for someone else. A country with a fast-growing population needs to substantially expand its private sector and ensure decent working conditions and equal opportunities, especially for women and young people, if people are to work their way out of poverty. Dutch policy on private sector development in low- and middle-income countries is aimed at improving the local business climate and strengthening entrepreneurship. Dutch businesses are invited to contribute modern, innovative solutions to stimulate the local economy.

Dutch private sector development policy<sup>1</sup> has six result areas. Results achieved in 2014 are aggregated based on selected international result indicators<sup>2</sup>. But not all efforts in private sector development can be quantified in this way. This summary therefore does not entail a complete, but fairly representative overview of results achieved in private sector development in 2014. It will be further developed and improved in the coming years.

### 1. Market access and sustainable trade

Trade facilitation benefits both local and international parties. Linking up customs systems in the East African Community has reduced the time needed for imports into partner country Kenya to six days; it is expected to be only two days by 2017. This compares well to the average of 34 days for Africa as a whole. Sustainability in international trade chains has been improved by training a million farmers in sustainable agricultural practices. Five million hectares were brought under sustainable land management, and working conditions of 340,000 farm and factory workers have been brought up to international standards.

### 2. Laws, regulations and policy plans

Rules and regulation in the area of trade, tax, labour standards, the financial sector and infrastructure have been improved in cooperation with local governments, the World Bank, IMF and regional organisations. As results in this area cannot be aggregated due to their qualitative nature, the new World Bank distance-to-frontier measure is used instead. This is currently the best indicator of performance on business regulation, enabling comparisons between countries and over time. Business regulation in Dutch aid-to-trade partner countries improved overall between June 2014 and June 2015, with Benin and Mozambique improving considerably from the baseline of June 2014. Besides contributing to World Bank and IMF programmes in this area, the Dutch government also provides direct support to developing countries for better regulation or enforcement. Five countries (Ethiopia, Ghana, Kenya, Malawi and Zambia) have agreed to include anti-abuse clauses in their bilateral tax treaties with the Netherlands. Negotiations with several other developing countries are ongoing.<sup>3</sup> In Bangladesh, 200 additional factory inspectors were hired in response to the Rana Plaza disaster and trained by the ILO with financial support from the Netherlands.

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1 'Enterprise for development, House of Representatives, 2013-2014 session, 33 625, no. 38; 'In search of focus and effectiveness: policy review of Dutch support for private sector development 2005-2012', House of Representatives, 2013-2014 session, 33 625, no. 96.

2 The Donor Committee for Enterprise Development Standard for Results Measurement

### 3. Economic institutions and actors

Reliable economic institutions contribute to inclusive growth. In capacity building programmes Dutch trade unions, employers<sup>3</sup> and farmers' organisations share their expertise with their sister organisations in low- and middle-income countries. In 2014 this approach improved services to members of 16 local employers' organisations, 86 trade unions and 55 farmers' organisations and cooperatives. Employers' organisations had an average membership of about 9,300, trade unions about 134,000 and farmers' organisations about 160,000. About 40% of members are women. In supported trade unions, 38% of the leadership in 2014 were women.

### 4. Infrastructure development

In 2014, 18 Dutch-funded infrastructure projects were completed, providing some 4 million people with access to amenities such as electricity, roads and water. Access to these types of infrastructure is a major precondition for development.

### 5. Financial sector development

By improving access to financial services in low- and middle-income countries, 24,000 local SMEs were able to take out a loan, 122,000 new clients opened a bank account and 460,000 people took out agricultural and health insurance. The Dutch Good Growth Fund (DGGF) was launched mid-2014; the first results will be reported next year.

### 6. Private investment in developing countries

Improvements in the business climate and entrepreneurship not only benefit local actors, they also increase trade and investment opportunities for Dutch business. By applying modern, innovative solutions to the challenges of development, Dutch companies strengthen contacts and know how in local economies. This is the synergy between aid and trade, and the reason why the government supports Dutch entrepreneurs with ambitions in low- and middle income countries. A total of 460 Dutch companies have received support in realising innovative investment plans for development and over 600 Dutch entrepreneurs have sought advice on opportunities for trade and investment in the 15 Dutch partner countries. In total, private sector development and food security programmes led to the creation of 150,000 formal jobs. An estimated 40% of these jobs are held by women. Collaboration with the business sector resulted in total private cofinancing of approximately €135 million.

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3 Dutch policy on international tax treaties, House of Representatives, 2014-2015 session, 25 087 no. 104.