

**Round table on the Netherlands' new strategy on foreign trade and development co-operation  
House of Representatives of the Netherlands, 15 September 2022**

**Contribution by the OECD Development Co-operation Directorate**

1. The OECD Development Co-operation Directorate thanks the Tweede Kamer for the opportunity to contribute to its deliberations on the Netherlands' new strategy on foreign trade and development co-operation, "*Doing what the Netherlands is good at*".

2. As a member of the OECD Development Assistance Committee (DAC), the Netherlands regularly undergoes peer reviews that assess the strengths and challenges of its development co-operation. Following from the [2017 peer review](#) and a [mid-term review in 2020](#), the next peer review process will start towards the end of 2022.<sup>1</sup>

3. Considering the new policy, this note aims to outline aspects that the next peer review could explore in greater depth. It is not aimed to pre-empt findings from the review. The note draws on findings from the previous reviews as well as the standards articulated in the [DAC peer review analytical framework](#). It considers three main aspects: a) the overall priorities set out in the policy; b) ODA resources and ways of working; and c) efforts across government, notably the link between trade and development.

#### **Development co-operation priorities**

4. The policy is closely aligned with the Sustainable Development Goals. Thematic priorities and cross-cutting issues illustrate the linkages to the SDGs, including in relation to trade policy. Thematic priorities correspond to Dutch strengths, as confirmed by many of the respondents to the public consultation and already highlighted in the previous peer review.

5. Geographic priorities are clearly defined. The mid-term review had highlighted Dutch efforts to manage exits carefully, and this will remain relevant. The Netherlands continues to be willing to engage in fragile and extremely fragile contexts, many of which are its priority partner countries.

6. The Netherlands is recognised as a champion of gender equality and continues this strong focus under the new strategy. The new feminist foreign policy could outline how development co-operation and diplomacy are mutually reinforcing. The policy also sets out an ambition to work with and for youth and strengthen civic space. Exploring the overall direction towards and approach to poverty and leaving no one behind (notably in middle-income countries) would be useful.

7. Climate and environment are visibly integrated across the new policy. These should now also translate into country strategies and planned increases for climate finance. The Netherlands also aims to pursue digitalisation as a cross-cutting issue. Sharing of experiences on opportunities and challenges from digitalisation with other DAC members could be valuable<sup>2</sup>.

8. Addressing migration and onward movements of refugees remains high on the agenda in the new policy, in terms of financial allocations and objectives. Close dialogue with partner countries can support the compatibility of migration policy objectives with development co-operation objectives to ensure policy coherence for development.

#### **Resources for development co-operation and ways of working**

9. Following several years of ODA decreases, the strategy provides a welcome commitment to substantially raise ODA over the coming years. Although planned increases would not be sufficient to reach an ODA/GNI ratio of 0.7% by 2025 (from 0.51% in 2021), they are important steps to bring the Netherlands back in line with its international commitment. The mid-term review had welcomed efforts to mitigate ODA volatility due to fluctuations in GNI and in-donor refugee costs. Such efforts will likely remain relevant over the coming years.

10. The mid-term review praised progress to reduce fragmentation and increase the focus of Dutch development co-operation. It would be of interest to assess how greater focus has strengthened Dutch development co-operation, for instance by enabling synergies and freeing up resources for policy and dialogue.

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<sup>1</sup> Further information is available in the [Development Co-operation Profile of the Netherlands](#).

<sup>2</sup> See also the latest [OECD Development Co-operation Report 2021: Shaping a Just Digital Transformation](#).

11. The policy's clear commitment to working long-term, across the humanitarian-development-peace nexus as well as taking and managing risks rather than avoiding them is good practice. The plan to undertake longer-term systematic reviews and more evaluations that track (unintended) impact several years after completion will usefully complement this approach.

12. As with other DAC members, the Netherlands expresses a strong ambition to strengthen the localisation of its development co-operation. Further strengthening the role of local CSOs in its civil society partnerships and supporting local private sector development are important elements in this regard. Building on these elements, it will be important to understand what localisation means in practice for Dutch co-operation, and if the Netherlands is ensuring that programming decisions at headquarters reflect local needs and priorities.

### **Efforts across government, notably trade and development**

13. While the Ministry of Foreign Affairs and Trade is the central actor for Dutch development co-operation (and responsible for the new policy), the document was adopted by the whole of government and outlines the need for joint work on important issues such as global health and the humanitarian-development-peace nexus. This can strengthen collaboration across government. However, the important issue of global citizenship education, where the last peer review had recommended investments, seems to be absent from the policy.

14. The last peer review highlighted Dutch leadership on policy coherence for development. The policy commits the Netherlands to continue its good practice of a dedicated action plan that sets out efforts and objectives to better manage impacts of Dutch and EU policies on developing countries. Learning more about the Dutch experience in applying the action plan and tools such as the Integraal Afwegingskader (IAK), SDG check, and dedicated evaluations could be of great interest to other DAC members.

15. Since the 2013 policy 'A World to Gain', the Netherlands has issued combined trade and development co-operation policies. This can allow for synergies, notably in the promotion of responsible business conduct (RBC, IMVO in Dutch). Both the peer review and mid-term review had highlighted significant Dutch efforts to strengthen RBC, including through promoting voluntary adherence to multi-stakeholder sector-wide agreements. The public consultations on the new policy surfaced the high importance stakeholders attach to RBC, and "*Doing what the Netherlands is good at*" highlights plans for legislation and financing requirements. Two aspects could be of particular interest to the DAC: lessons and new approaches the Netherlands can share, as evaluations have highlighted room for improvement; and how the Netherlands will continue its leadership for ambitious RBC standards at international and domestic level.

16. Responding to recent evaluations, the policy seeks a more integrated approach between ODA, trade and investment policies and instruments, introducing combination countries where it will focus on both trade and development. Dutch experience in managing the transition from a development to a trade focused co-operation would be of interest for DAC members. It would also be important to explore how the Netherlands supports Aid for Trade in least developed countries, and how it is balancing the promotion of its own private sector with partner country priorities, notably to reduce poverty and increase exports.

### **Conclusion**

17. High-level policies can play an important role in steering a country's development co-operation efforts and informing the public. Ultimately, their effectiveness depends on their translation into guidance, procedures and decision-making processes, leadership by management, awareness of staff across institutions and buy-in from partners. Peer reviews consider how these different dimensions of a development co-operation system work together, tailored to the specific context of each DAC member. The 2023 peer review of the Netherlands will thus provide insights into the strengths and challenges of Dutch development co-operation and give recommendations for improvement.

18. Peer reviewers from Spain and the United Kingdom as well as the OECD Secretariat will meet with the Dutch government and stakeholders, including Parliament, at the end of January 2023. After a discussion in the DAC in June 2023, the report is planned to be launched in the second half of 2023. The OECD looks forward to the exchanges and would highly welcome the participation of Dutch Parliamentarians in the launch of the peer review.