

NETHERLANDS

Development challenges as investment and business opportunities: The Netherlands's policy and practices

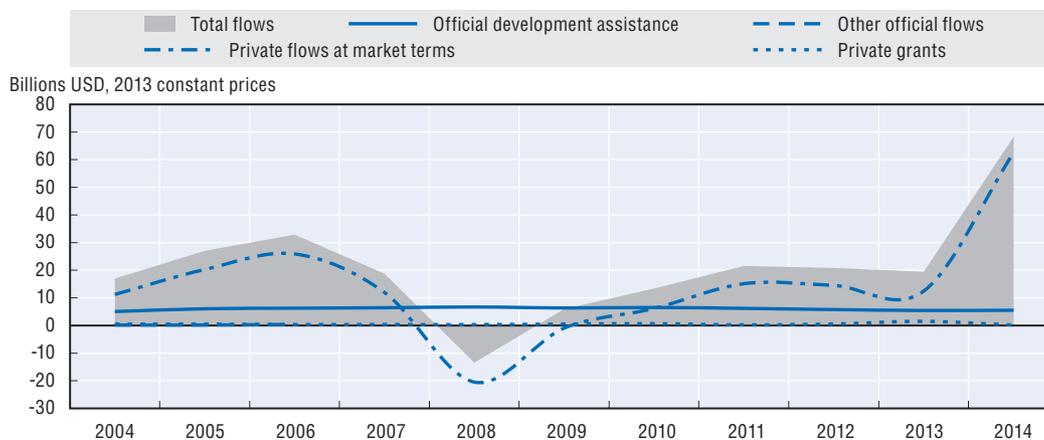
Private sector development has become a key component of Dutch development co-operation since 2010, reflecting the priority that the government places on economic development in its development policy. The Netherlands has created new public-private partnerships (PPPs) to promote sustainable entrepreneurship and food security and facilities to support Dutch small and medium enterprise (SME) investments in emerging markets, such as the Infrastructure Development Fund (IDF) and the Credit Fund for Micro and Small Enterprises (MASSIF). The facility for development-relevant export transactions was also transformed into a grant facility to support developing countries in the development, implementation, operation and maintenance of public infrastructure. Furthermore, the Dutch Good Growth Fund was launched in 2014: a revolving fund which provides funding for inclusive growth in 68 least developed countries (LDCs) and middle-income countries (MICs) generated by Dutch and/or local SMEs. The government also seeks to spur innovation in private finance as shown, for example, by its support to the "Health Insurance Fund" of the Pharmaccess Foundation, which subsidises insurance premiums for low-income groups.

The FMO (the Netherlands Development Finance Company) is the Dutch development bank. With an investment portfolio of EUR 8 billion, the FMO finances businesses, projects and financial institutions in developing and emerging markets, with the aim of supporting sustainable private sector development. The FMO also manages funds for the Dutch government such as the Infrastructure Development Fund (IDF), Access to Energy Fund (AEF) and Fund Emerging Markets for Developing Countries (FOM-OS) of the Ministry of Foreign Affairs.

According to the 2015 DAC Survey on Mobilisation (Benn et al., 2016), the Netherlands mobilised USD 680 million from the private sector through shares in collective investment vehicles in 2012-14.

Financial flows from the Netherlands to developing countries

Figure 26.1. Net resource flows to developing countries, 2004-14, Netherlands



Note: Data on other official flows are not available from 2007.

StatLink  <http://dx.doi.org/10.1787/888933359752>

The Netherlands uses ODA to mobilise other resources for sustainable development

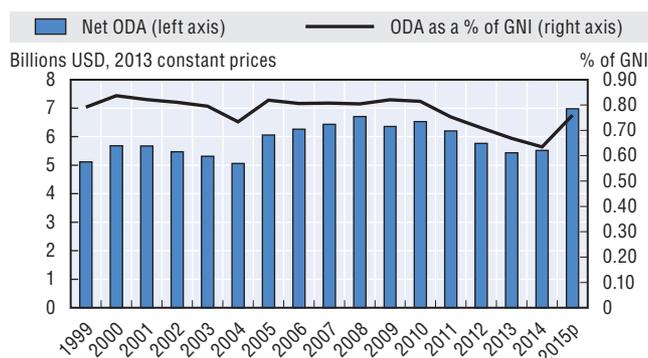
- **The Netherlands contributes to the mobilisation of domestic resources in developing countries by supporting their tax systems.** In 2014, it is estimated that the Netherlands committed USD 1.4 million of its official development assistance (ODA) to tax-related activities in partner countries.
- **It promotes aid for trade to improve developing countries' trade performance and integration into the world economy.** It committed USD 1.1 billion (37.9% of its bilateral allocable ODA) to trade-related activities in 2014, a 37.2% increase in real terms from 2013. The trend has been fluctuating over the past few years.
- **The Netherlands has pledged USD 134 million (EUR 100 million) to the Green Climate Fund,** which plays a key role in channelling resources to developing countries and catalysing climate finance at the international and national levels.

The Netherlands' official development assistance

In 2015, the Netherlands provided USD 5.8 billion in net ODA (preliminary data), which represented 0.76% of gross national income (GNI) and an increase of 24.4% in real terms from 2014, due mostly to a rise in in-donor refugee costs. The Netherlands is committed, at European level, to collectively achieve a 0.7% ODA/GNI ratio by 2030. The Netherlands is the fifth largest Development Assistance Committee (DAC) provider in terms of ODA as a percentage of GNI, the seventh largest by volume, and one of only six DAC members to have met the UN target of 0.7%. The Netherlands' share of untied ODA (excluding administrative costs and in-donor refugee costs) was 98.4% in 2014 (up from 96.7% in 2013), above the DAC average of 80.6%. The grant element of total ODA was 100% in 2014.

The Netherlands reported USD 935.4 million of its in-donor refugee costs as ODA in 2014. These costs represented 16.8% of its total net ODA.

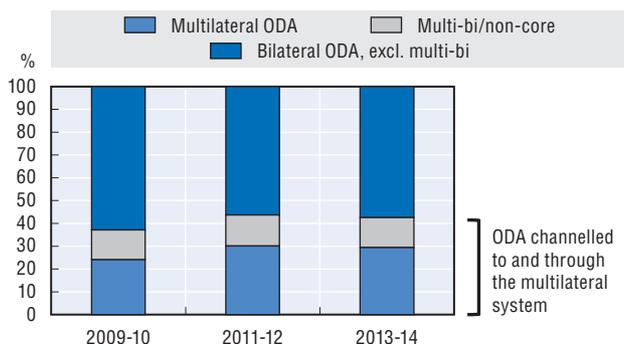
Figure 26.2. Net ODA: Trends in volume and as a share of GNI, 1999-2015, Netherlands



StatLink <http://dx.doi.org/10.1787/888933359761>

In 2014, 73% of ODA was provided bilaterally. The Netherlands allocated 27% of total ODA as core contributions to multilateral organisations, slightly below the DAC country average of 28.3%. In addition, it channelled 17.4% of its bilateral ODA for specific projects implemented by multilateral organisations (multi-bi/non-core contributions).

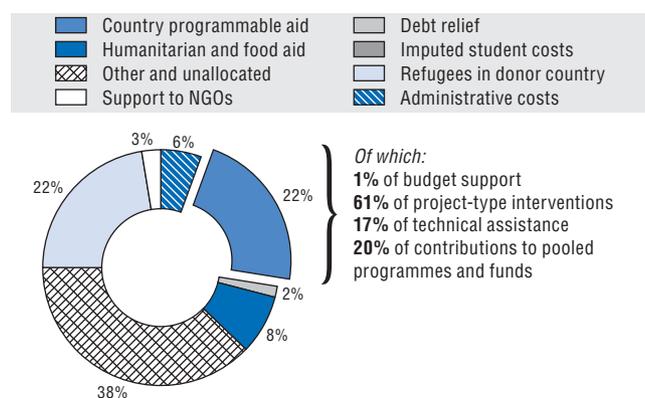
Figure 26.3. Share of ODA channelled to and through the multilateral system, two year averages, gross disbursements, Netherlands



StatLink <http://dx.doi.org/10.1787/888933359776>

In 2014, only 21.9% of bilateral ODA was programmed at partner country level. The Netherlands' share of country programmable aid (CPA) was lower than the DAC country average of 52.9% in 2014. Project-type interventions accounted for 61% of CPA. Thirty-eight per cent of the Netherlands' bilateral ODA was reported as "other and unallocated".

Figure 26.4. Composition of bilateral ODA, 2014, gross disbursements, Netherlands

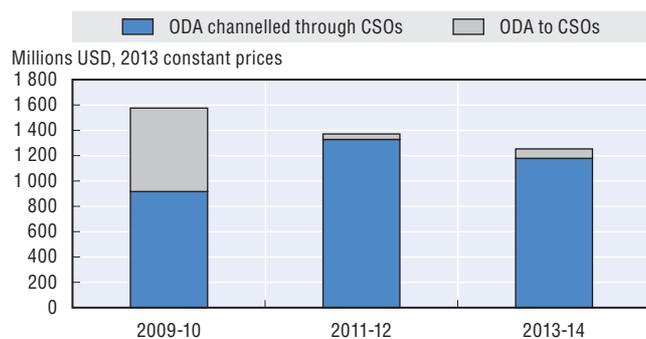


Of which:
1% of budget support
61% of project-type interventions
17% of technical assistance
20% of contributions to pooled programmes and funds

StatLink <http://dx.doi.org/10.1787/888933359783>

In 2014, USD 1.2 billion of bilateral ODA was channelled to and through civil society organisations (CSOs). Between 2013 and 2014, aid channelled to and through CSOs decreased in volume (-6.9%) and as a share of bilateral aid (from 33.9% to 29.2%). This share was higher than the 2014 DAC country average (17.4%).

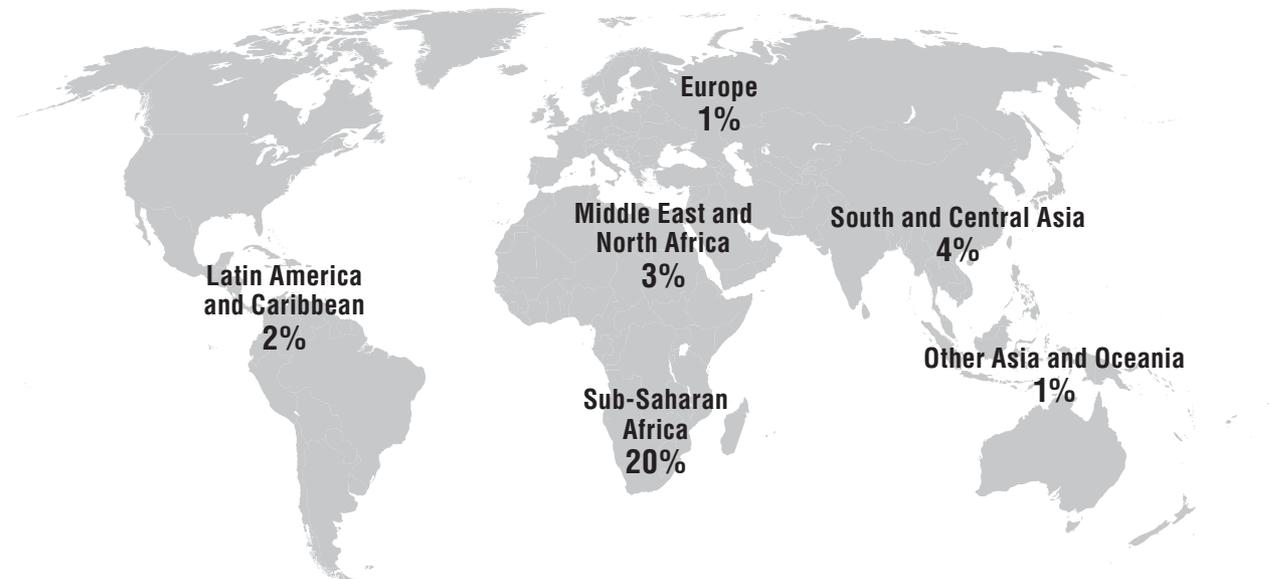
Figure 26.5. Bilateral ODA to and through CSOs, two year averages, gross disbursements, Netherlands



StatLink <http://dx.doi.org/10.1787/888933359792>

The largest share of bilateral ODA was directed towards sub-Saharan Africa. In 2014, USD 747.2 million was allocated to sub-Saharan Africa and USD 148.4 million to south and central Asia.

Figure 26.6. Share of bilateral ODA by region, 2013-14 average, gross disbursements, Netherlands

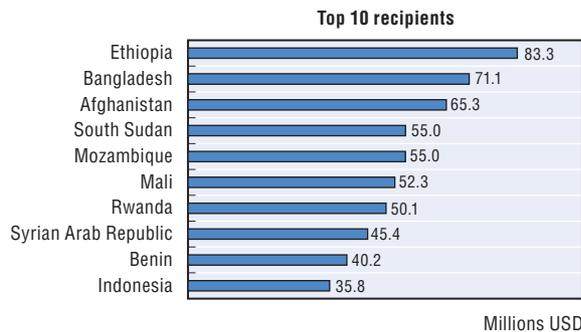


Note: 69% of bilateral ODA allocated was unspecified by region in 2013-14. This share is not represented on the map.

StatLink <http://dx.doi.org/10.1787/888933359806>

In 2014, 12.6% of bilateral ODA went to the Netherlands' top 10 recipients. Nine of its 15 priority partner countries are on the list of its top 10 recipients. It has taken steps to concentrate its bilateral ODA on fewer countries. In 2014, its support to fragile states reached USD 646.2 million (15.5% of gross bilateral ODA).

Figure 26.7. Bilateral ODA to top recipients, 2013-14 average, gross disbursements, Netherlands

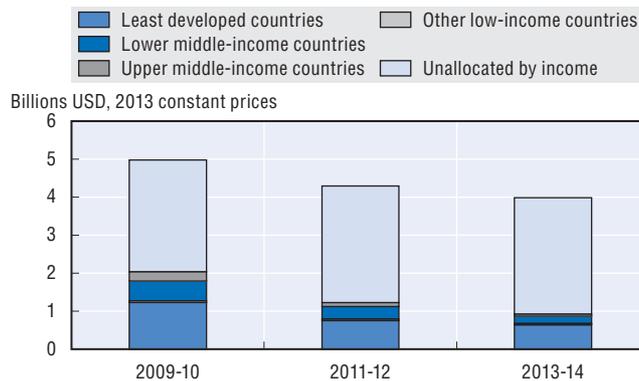


StatLink <http://dx.doi.org/10.1787/888933359810>

In 2014, 14.2% of bilateral ODA was allocated to least developed countries (LDCs), amounting to USD 592.6 million. This is a decrease from 18.2% in 2013 and is far lower than the 2014 DAC average of 25.6%. LDCs received the highest share of bilateral ODA in 2014, noting that 79.7% of bilateral ODA was unallocated by income group.

At 0.13% of the Netherlands' GNI in 2014, total ODA to LDCs was below the UN target of 0.15% of GNI.

Figure 26.8. Bilateral ODA by income group, two year averages, gross disbursements, Netherlands



StatLink <http://dx.doi.org/10.1787/888933359825>

In 2014, 51% of the Netherlands' bilateral ODA was allocated to social and economic infrastructure and services. USD 1.1 billion was allocated to social sectors, with a strong focus on support to government and civil society (USD 497.8 million), population and reproductive health (USD 247.1 million), and water and sanitation (USD 207.5 million). USD 894.7 million was allocated to economic infrastructure and services, with a strong focus on business and other services (USD 812.1 million). Humanitarian aid amounted to USD 381.4 million.

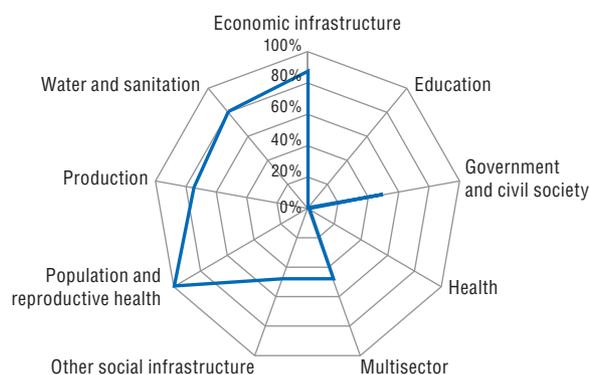
Figure 26.9. **Share of bilateral ODA by sector, 2013-14 average, commitments, Netherlands**



StatLink <http://dx.doi.org/10.1787/888933359836>

USD 1.6 billion of bilateral ODA supported gender equality. In 2014, 57.1% of the Netherlands' bilateral allocable aid had gender equality and women's empowerment as a principal or significant objective, compared with the DAC country average of 34.7%. This is up from 29% in 2013. The Netherlands' aid to population and reproductive health, economic infrastructure, and water and sanitation focuses on gender.

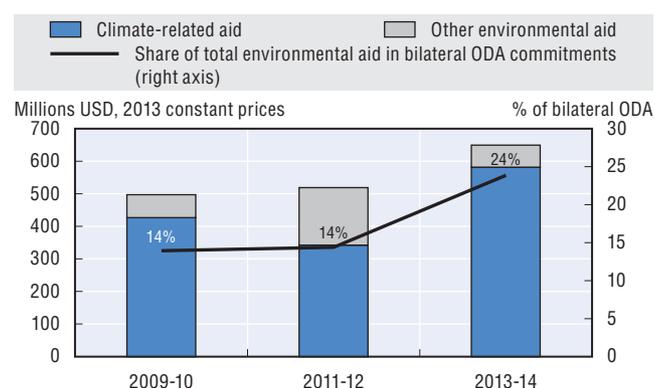
Figure 26.10. **Share of bilateral allocable ODA in support of gender equality by sector, 2014, commitments, Netherlands**



StatLink <http://dx.doi.org/10.1787/888933359840>

USD 441.5 million of Dutch bilateral ODA commitments supported environmental outcomes in 2014. The Netherlands focuses on promoting a sustainable and safe living environment and poverty reduction through sustainable environment and water management and investments in climate change – mitigation and adaptation. However, the share of bilateral allocable aid supporting the environment was 15.8% in 2014, compared with the DAC country average of 32.2%. In 2014, 15.4% of bilateral allocable aid (USD 430.1 million) focused on climate change, compared with the DAC country average of 23.9%.

Figure 26.11. **Bilateral allocable ODA in support of global and local environment objectives, two year averages, commitments, Netherlands**



StatLink <http://dx.doi.org/10.1787/888933359856>

Note to reader: Annex B provides “Methodological notes on definitions and measurement for the Profiles of Development Assistance Committee members”.



From:

Development Co-operation Report 2016

The Sustainable Development Goals as Business Opportunities

Access the complete publication at:

<http://dx.doi.org/10.1787/dcr-2016-en>

Please cite this chapter as:

OECD (2016), "Netherlands", in *Development Co-operation Report 2016: The Sustainable Development Goals as Business Opportunities*, OECD Publishing, Paris.

DOI: <http://dx.doi.org/10.1787/dcr-2016-32-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.