

Open online consultation of BHOS - April 2022 - to be finished before 14 April 2022

The answers to these questions were informed by members of the [INCLUDE Knowledge platform](#), and in that sense represent the connection between researchers, policy makers and knowledge brokers from different African countries and also within the Netherlands. This is an essential element of this knowledge platform, which is a valuable asset in Dutch development cooperation as it anchors policy in evidence-based knowledge, and feeds into the policy dialogue between all relevant stakeholders.

1. How can we increase the involvement of Dutch companies in the twin transitions in low- and middle-income countries?

In the twin-transition African youth should be in the lead as Africa's growing youth population has the potential to be the continent's greatest source of productivity and innovation. Africa's youth are potential drivers of agribusiness enterprises as well as rural transformation. This means they are no longer seen as just a recipient of the results of economic growth, but should be positioned in the driver's seat, initiating and creating that growth themselves ([UNDP Africa](#); UN Economic Commission for Africa, 2015 and <https://includeplatform.net/blog/the-world-youngest-continent-is-looking-for-work/>).

In Sub-Saharan Africa alone an estimated 230 million jobs will require digital skills within the next decade. While digital skills for youth employment was already a focus of public and private sector policies in past years, the pandemic accelerated the transition into digital jobs, expanding market opportunities of the digital economy. Creating an enabling environment for digitally-enabled jobs and green jobs will be crucial to address the wicked problems of inequality and youth unemployment. An investment in digital literacy and digital skills for youth will be key. Inclusive business- and multi-stakeholder partnerships between the private sector, governments, non-governmental organizations and knowledge institutes, could play a key role in facilitating this.

Low-income communities should be included in value chains and last-mile distribution of products and services. This involves encouraging responsible innovation, ensuring that products and services related to the twin transition of digitalisation and sustainability adhere to the [5 A's of inclusive innovation](#): accessibility, availability, affordability, awareness and appropriateness. Partnering with non-market actors such as civil society organizations (CSOs), knowledge institutions and public actors can help develop and embed these innovations in the local market and align their business model with local cultural, social and political realities. For more information on this see the Research for Inclusive Development in Sub-Saharan Africa (RIDSSA) programme that INCLUDE coordinated: <https://includeplatform.net/theme/research-for-inclusive-development-in-sub-saharan-africa/>

2. How can government, the private sector and knowledge institutions work together better to achieve the Sustainable Development Goals?

Working together is exchanging knowledge and evidence on what works best between policy makers, knowledge institutions and researchers, and private sector actors. Partnerships should be improved through dialogue and transparency with relevant stakeholders in both African countries and the Netherlands. In most African countries, especially the French-speaking ones, there is still a lot to be done, but it is essential to prioritize and go step by step in order to achieve the Sustainable Development Goals.

To bridge the gap between evidence, knowledge and policy, knowledge institutions should translate their research findings into short, synthesized pieces that can be accessible to governments and private sector actors for their decision-making and policy design and implementation. It is also crucial that knowledge institutions involve governments and the private sector at the early stage of their research design. This can help knowledge institutions to receive feedback from governments and the private sector and be aware of what information they would like to get from the research.

The key is to get everyone involved in a theme or issue to come together and engage in a dialogue. An example of such a mechanism is the African Policy Dialogues, organized by INCLUDE and its partners. These dialogues are set between government, research, and other involved stakeholders in specific policy themes. This way the gap that often exists between policy and evidence is bridged. (for more information on APDs, visit the [INCLUDE web page for APDs](#))

3. How can the Netherlands' efforts to achieve policy coherence for development be further strengthened or enhanced?

Policy coherence should underpin green growth and decent employment for youth. With 12 million youths entering the labor market annually, jobs are scarce, causing the youth to end up working in informal employment, or seeking employment in urban centers or abroad. Trade agreements and investments could match the prospect of this 'youth bulge' and include an emphasis on employment provision in urban and rural areas in African countries. This is also mentioned in question 1, above.

'Industries without smokestacks' can play major roles, as well as extending forward and backward linkages in (agri-food) value chains, lengthening them within the LMICs' own borders and improving possibilities for export of finished high-value products. Within these trade agreements and the investment regime, attention should be extended to financial flows to and from African countries, considering the findings of this [UNCTAD report](#).

In addition to working with developing country governments, the Netherlands should also move down to the household and individual levels to see if there is a gap between the priorities of the citizens and the priorities of their governments. It is important to get data about people's needs, priorities, and how they would like to be approached and/or assisted.

4. How can the government strengthen Dutch companies' sustainable earning capacity abroad?

Dutch companies operating in African countries need a conducive environment. This environment consists of regulatory, economic, infrastructural and logistic factors. The government of the Netherlands can strengthen these companies' earning capacity by working closely with other countries' governments to ease out barriers in these environmental factors. extensive collaboration between businesses and the state is critical, while African governments should not outsource development tasks to Multinational Companies (more on this [here](#)).

A meaningful long term operating strategy should include investments that can help developing countries upgrade their positions in the global value chain. This involves carefully designed and locally consulted social investments and conscious job creation with local benefits. Besides that, technological and knowledge transfer is necessary, as well as promoting responsible business practices for sustainability. Doing so, Dutch companies in African countries will have higher earnings in the medium and long terms. For more on this, visit the '[Dutch multinational businesses in Africa](#)' [page](#).

5. In which themes or sectors do you see opportunities for international enterprise?

Important sectors include agribusiness, the transformation of raw materials to add value, and digitalization. The agricultural sector remains the most important sector to invest in for a food secure future. Not only that, but agriculture also continues to be the main employment sector for many countries, and a first pillar for further development and a rise in welfare and wellbeing of populations.

Besides the above, promoting the green economy is a potential source for green jobs. This means to shift unsustainable practices into more sustainable ones, which opens new opportunities for employment. Industries without smokestacks can play a role in this, including the (digital) services and tourism sector (find out more in this [webinar on the green economy](#)).

Currently, the focus should also be on education and vocational training, infrastructure in the broadest sense (roads, railroads, electricity, internet, and sanitation), digitalization, and agriculture. For most African countries, there is a strong demand for infrastructure development, especially in the areas of electricity, water, road, and agriculture. The African Union is already developing large projects in the framework of the agenda 2063 and Dutch companies could play an important role.

Women face disparate barriers to decent employment, which require interventions that focus on access to finance, childcare services, and engaging with biases in access to jobs in certain sectors ([Synthesis paper Young, female and African](#)). Within the international enterprises and their value chains, it is important to consider the roles and positions that are available to women. Women generally occupy the more precarious and low-skilled positions within value chains, involving less capital, assets, lower income and opportunities. You can find more in-depth analysis of agri-industrial value chains of [cotton](#) and [fish](#) in Uganda.

6. How can the government better support companies (and SMEs specifically), that are doing or wish to do business abroad?

a. What type of support do companies need in order to achieve international success in the areas of digital innovation (innovation partnerships) and sustainability?

b. For what countries, regions or markets should the government provide private sector support?

c. What type of trade promotion activities should the government stop doing?

To better support Dutch SMEs, the Dutch government should get reliable information about the companies' needs, the problems that Dutch companies abroad are facing, and if possible, also get feedback from companies who failed in doing business abroad and what the reasons are. In this process, the collaboration between knowledge institutions, governments and private sector actors is key, as mentioned in question 2.

- a. A good market for digital innovations requires infrastructure, and a population that has the skills and digital literacy to create a demand for such innovations. In many LMIC African countries, export markets in the areas of digital innovation and sustainability exist, but need to be promoted in terms of infrastructure (electricity, network coverage, transport) in LMICs.
- b. (And c) The [Growth sectors for youth employment programme of INCLUDE](#) has identified key growth sectors in Tunisia, Uganda, Nigeria, Kenya, Egypt, Ethiopia, Senegal and Mozambique. Private sector support should focus away from jobless growth to growth with jobs. The predominant sectors for this growth are agriculture and agribusiness, manufacturing, services, digitalization in the health and education systems, energy, and lastly industry and local processing of raw materials before export. This varies per country. Additionally, efforts are still necessary to [boost decent employment for youth in African countries](#) and it is evident that [youth themselves should be involved](#) in the decision making processes.

It must be recognized that the conditions are not always met in all countries to do good business but it is important to make a difference by being present in order to accompany these countries towards emergence. For example, the Dutch government would benefit from accompanying the private sector in West African countries, especially French-speaking countries where even a diplomatic representation is not there for some countries.

7. In your opinion, what are the Netherlands' strengths when it comes to development cooperation? In which policy themes could the Netherlands play a leading role?

Evidence-based knowledge is crucial to make development cooperation work in each context. This knowledge does not only cover practices, modalities and programmatic insights, but it also concerns the political, socio-economic, environmental and demographic contexts within which development cooperation is envisioned. Using evidence-based knowledge in these fields allows the Netherlands to be at the forefront of development cooperation. This means bridging the gap that often exists between evidence and policy-making, mentioned above, in the answer on question 2. In cooperation with other countries, organizations and knowledge institutions, the Netherlands can leverage its strengths (see for example the collaboration between INCLUDE/IDRC/ILO: <https://includeplatform.net/ye-webinars/>).

[Digitalization of various public services, but also the role of digitalization in innovation](#) with private sector actors is an upcoming theme of interest that fits snug into the twin-transition (question 1). Governments and private sector actors, as well as NGOs and CSOs are increasingly looking to digital solutions for contemporary problems. However, this may cause a digital divide to materialize, between those who can access and participate in the digital turn and those who cannot. Can we bend this divide into a digital dividend? These are questions we will continue to grapple with for the future of development cooperation and private sector initiatives. An investment package on digitalization combined with knowledge transfer and capacity building will be key.

Africa's working-age population is expected to increase by 450 million between now and 2035. Each year, about 12 to 15 million people are expected to enter Africa's workforce. With just 3 million formal jobs being created, the job deficit is widening each year. At the same, the continent with a huge amount of fertile land is struggling to feed its people. The Dutch private sector could help and gain from providing sustainable food sovereignty to the continent by investing big in the agriculture sector including the agroindustry. Investing today in agriculture in Africa should not be seen just as a moral move, it is also a strategic business decision. In the short term, investments in irrigation, mechanization, storage facilities, and modern inputs will allow farmers on the continent to grow enough food for themselves and their communities. In the long term, these same farmers will be able to produce and store surpluses and sell them throughout the continent. The establishment of the Africa Continental Free Trade Area would surely make things easier in terms of exchanges between countries on the continent. Overall, this creates an important opportunity for job creation.

8. In what other ways and areas could Dutch development cooperation innovate more?

COVID-19 has taught the world that resilience to shock and the mitigation of its effects is crucial in times of a pandemic. Inequalities and vulnerabilities that existed were exacerbated, as COVID-19 has been a crisis upon crises. [The lessons we learned from the COVID-19 pandemic](#) should be used to improve and focus Dutch development cooperation. These lessons include that socio-economic recovery should be directed at youth, women and vulnerable or excluded groups. [Holistic social protection programmes absolutely necessary](#), not only in terms of tackling vulnerabilities that are exacerbated during or after future shocks, but as general economic sense. And wider use of cash transfers in the various responses to the socio-economic effects of lockdown measures should be considered as a more permanent shock-resilience social protection measure.

The Netherlands could make a difference by partnering in the local processing of certain export products such as cocoa, coffee, cashew nuts, horticulture, etc. The African continent is currently a net importer of food despite having 60% of the world's untapped arable land. The Covid 19 pandemic, as well as the war in Ukraine, show once again the absolute necessity to increase the continent's agricultural productivity (especially in rice, maize, cereals, livestock, dairy, fish, and poultry) in order to ensure food self-sufficiency and even to become a net exporter. In this area, the Netherlands is perfectly placed to make win-win partnerships with the countries of the African continent (also mentioned under question 7).

Bridging the gap between research, policy and practice is a continuous effort that the Netherlands can keep innovating (we mentioned this under question 2 and question 7). Established and dedicated knowledge platforms play a key role in this, and the Netherlands has several [thematic Knowledge Platforms](#) that have shown quality as knowledge brokers, synthesizers and producers. Coordination and sharing knowledge and lessons learned between and within programmes of Dutch development cooperation can continue to help prevent the reinvention of the wheel.

9. In what ways or areas could the Netherlands, as a donor, be even bolder?

While African countries experienced growth in the past decade, a large number of people are still excluded from the benefits of this progress. The Netherlands can be even bolder in promoting [Inclusive development](#) that aims to reduce poverty, both in income and non-income dimensions, and inequality, through improved redistribution. This includes an effort in six policy domains: economic growth, productive employment, social protection, basic services, spatial equity, and inclusive governance. Moving beyond pro-poor and pro-growth approaches toward more inclusive approaches with more inclusive outcomes requires continued and comprehensive consideration of Equality, Diversity, and Context in all policies of the Netherlands as a donor.

[Social protection](#) in a redistributive manner tackles some of the inherent inequalities in the economic systems. The Netherlands could show more leadership in actively promoting social protection. Social protection is not charity, it is a right. Furthermore, it is good for the economy; it is investing in the people and it makes populations more productive, more entrepreneurial and more shock-resilient. During the onset of the COVID-19 pandemic in 2020, many governments and humanitarian organizations [scaled up their efforts](#) in direct cash transfers. In [INCLUDE's conference](#) of June 2021 this was also highlighted.

10. Are there any other points that you believe should be included in the new policy document?

To the Dutch government, Development Finance Institutions' (DFI) investment flows will be a good policy to encourage. ACET for Africa and ONE has recently published the report 'Shifting and Accelerating DFI investments for more decent jobs in Africa' with specific recommendations to donor countries to encourage DFIs to take more risks in Africa- poor countries and critical sectors- and for them to be more accountable for the impact of the investment on decent Jobs in Africa.