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Abstract

This paper reviews the Dutch development cooperation policies for the years 1949-2015 with particular attention for private sector development (PSD). Over the years, poverty alleviation, private sector development and security have been dominant focus areas of Dutch development cooperation, with PSD taking a central role as it was assumed that poverty could only be alleviated when a country's economy is stimulated. Therefore, the Dutch government has been strongly supporting policies and initiatives stimulating PSD in the Netherlands and in developing countries. The long history of Dutch development cooperation shows continuity in its approach towards development policy as a way of promoting Dutch businesses and export in developing countries.

Introduction

This paper reviews Dutch development cooperation policies for the years 1949-2015 with particular attention for private sector development (PSD). Moreover, this appraisal examines a potential role for Dutch development policies in creating an enabling environment for the 'home' (Dutch) and 'host' (recipient) private sector to generate (productive) employment.

Since the end of the Second World War, the Netherlands has been an active supporter of international development aid. Over the years, the priorities, target countries and budget of Dutch development cooperation differed, but behind the dominant motivations for aid has always been Dutch (political and economic) self-interest and idealistic motives to fight poverty in the 'Global South' (Van Lieshout, Went & Kremer 2010; Smits 2010; Breman 2011). The fight against poverty was always high on the agenda, but more importantly Dutch development policies had to "strengthen[-] the productive power of [developing] society in a long term perspective" (Tweede Kamer 1983, in Smits 2010: 52). The Dutch government's presumption has been that poverty reduction and social inclusion are linked to economic development via improved job creation and (productive) employment (Szirmai et al. 2013). It has therefore continuously supported policies and initiatives stimulating private sector and economic development in developing countries. The hypothesis is that via increased economic collaboration heavily stimulated by development policies (bilateral aid, exports and direct involvement of Dutch private sector in developing countries), the Netherlands has indirectly contributed to the creation of (productive) employment in developing countries over the years.

Multinational companies (MNC) – a type of enterprise "which comprises entities located in two or more countries which are linked, by ownership or otherwise" (UNCTAD 2015) – have great potential to create and support productive employment in their home and host country. This can be done deliberately through companies' core business strategy or Corporate Social Responsibility (CSR) activities. MNCs can achieve this through their direct activities, along their supply and distribution chains, as well as through the so-called economic “ripple effect” (Kapstein 2008). Regardless of their size, per definition all Dutch companies working in developing countries can be considered as multinational companies.

Access to productive employment is an essential component of inclusive development (Szirmai et al. 2013). Productive employment is “employment yielding sufficient returns to labour to permit workers and their dependents a level of consumption above the poverty line.” It is composed of three dimensions: 1. remuneration; 2. stability of employment; and 3. working conditions. Productive employment in the form of quality jobs rests on the measurable indicators of workers’ income and expenditure[1] (Marcatelli 2015; Szirmai et al. 2013). Employment creation depends on changes in productive capacity and economic structures, but also on supporting policies. Policies can provide incentives for better use of abundant labour resources and enhance the productive capacity of the labour force through the development of human capital or policies supporting innovation and technological upgrading.

Overview of the current literature

A number of publications reviewing the history of Dutch development cooperation have been published. Huygens ING, a Dutch research institute of History and Culture, compiled a unique and detailed dossier of Dutch development cooperation polices from 1945 to 1989 (Dierikx et al. 2015). The policies are presented in the form of a chronological source edition, in book form (6 volumes in total, available in Dutch), arranged around sixteen main policy themes (Dierikx et al. 2015). In their book, Nekkers & Malcontent (2000) covered 50 years of Dutch development cooperation – from 1949 to 1999. Among the most recent sources, Spitz, Muskens & Ewijk (2013) and an IOB (2014) evaluation titled, ‘Good things come to those who make them happen. Return on aid for Dutch exports’, briefly reviewed Dutch development cooperation from 1949 to 2012; while Verwer, Schulpen & Ruben (2014) reflect on 65 years of Dutch development cooperation (1949-2014) to stimulate the debate on the future of Dutch aid. This last publication is available only in Dutch. Additionally, a number of Master’s theses that compile the history of Dutch development cooperation have been produced (for example Sule (2011) or Giesbers (2012)), as well as a highly critical PhD thesis by Lodevicus Janssen from the University of Twente (strongly criticised by Hoebink (2010)), which describes the unsuccessful management of Dutch development cooperation over the years (Janssen 2009). A brief history of Dutch development aid can also be found in Brinkman’s historical overview of the SNV programme (Brinkman & Hoek 2010), the OECD DAC peer reviews of the Netherlands (OECD 1997; OECD 2006; OECD 2001; OECD 2011), The Netherlands Yearbook on International Cooperation (Hoebink 2007; Hoebink 2009c; Hoebink 2006b) and a number of other publications.[2] With few exceptions, this paper is built predominantly on sources available in English.

[1] Separate from, but complementary to productive employment is a concept of decent work. Decent work is defined as absence of coercion, equity at work, security at work, and dignity at work. (Marcatelli 2015; Szirmai et al. 2013).
[2] See for example: Beurden & Gewald 2004; Lindert & Verkoren 2003; Arens 2003; Breman 2011; Hoebink & Schulpen 1998; NCDO 2012.

For the purpose of this study, the above-mentioned sources (and more) were reviewed to give a balanced overview of changes that have occurred in Dutch development policy since the 1950s with regards to private sector development and productive employment.

Historical overview of Dutch development policies on private sector development

A number of trends can be distinguished within the historical reviews. The debates oscillate around topics such as: reasons for development aid (often referred to as the 'clergyman vs. merchant' debate), aid effectiveness, tied aid as well as policy coherence.[3]

<u>1949-1962: Beginning of development aid and transition period; focus on Dutch interests</u>

Dutch development cooperation started in response to Truman's 'Four point programme'[4] announced in 1949 and, consequently, the creation of the United Nation's Expanded Programme for Technical Assistance (EPTA) on an international level and the Working Committee on Technical Assistance to Low Developed Countries (WITHALL[5]) at the country level of the Netherlands. As a result of WITHALL's work, the Netherlands became one of the first countries to offer financial support via EPTA (Nekkers & Malcontent 2000).

The rapid response of the Netherlands was also a result of the on-going decolonisation processes, especially the loss of Indonesia in 1949 and New Guinea in 1962.[6] In particular, the 'de-Dutchification'[7] of Indonesia between 1954 and 1958 played a very important role in expansion of Dutch development cooperation.[8] The Netherlands was urged to "find a useful way of employing the

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[3] Smits (2010) points out another distinction among topics of Dutch development policies until 1989. In addition to the 'clergyman vs. merchant' debate, he discusses bilateral vs. multilateral aid, technical vs. financial aid, and public authority vs. private organisations. These topics will be returned to in the narrative of this paper.

[4] "A bold new programme for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas" (Truman's inaugural address quoted in Nekkers & Malcontent, 2000: 11).

[5] Werkcommissie Inzake Technische Hulp aan Laag-Ontwikkelde Landen (Postrach 2009). WITHALL advised the government on policy vis-a-vis UN and was overseen by the Directorate International Organisations (DIO, Directie Internationale Organisaties) (Brinkman & Hoek 2010).

[6] Between 1950 and 1966, New Guinea experienced considerable development as a result of an influx of Dutch development funds, especially in terms of infrastructure and administration as well as in agriculture, forestry and mineral exploration and exploitation (Dietz 1979).

[7] Nationalisation of all Dutch businesses operating in the country, which led to a loss of investments estimated to be ~5 billion Dutch guilders (NLG) (€1 would be 2.20371 NLG). Some businesses, like Unilever and Royal Shell were allowed to stay as, being joint British and Dutch ventures, they could staff their operations with British citizens. The opportunity to improve relations with Indonesia came in 1967 after Sukarno was forced to step down and the new leader called for international financial support. The Netherlands together with the United States took the lead in organising an international aid conference, which led to the establishment of the Inter-Governmental Group on Indonesia (IGGI). The Netherlands chaired the IGGI and also provided generous funds in bilateral financial assistance through the IGGI. The Netherlands hoped that their substantial financial contribution to the development of Indonesia would compensate for the 'painful process of decolonisation' and also urges the government in Jakarta to provide Dutch businesses with (some) financial compensation for their losses during the de-Dutchification process (Dietz 1979; Nekkers & Malcontent, 2000).

[8] It was accompanied by an expansion of international focus on other regions of the world, like Africa. Annex 3 shows a constant increase in Dutch bilateral aid to Africa since the 1960s. Broader international focus also led to establishing research and commercial institutes focused on Africa, such as the Afrika-Instituut. The Afrika-Instituut was established in 1947 as a scientific documentation centre in Leiden and a trade office in Rotterdam. In 1957, the Instituut split into the African Studies Centre (ASC) (a scientific institute inaugurated in 1958 in Leiden) and the Netherlands-African Business Council (NABC) in Den Haag (ASC 2015; Stakenburg 1979).

tropical expertise[9] that had been acquired in the East India […] [as well as] potential good prospects for investing Dutch capital" (Hoebink, 2006a: 24). The development aid programme, however, remained small and without any concrete policy plans or long-term strategy (Hoebink 2006b). Until 1965, Dutch Oversees Development Assistance (ODA) was predominantly in the form of technical assistance to a small number of colonies and former colonies[10] and spent through multilateral channels,[11] such as the United Nations (UN) (OECD 2001). The responsibility for organising it was initially assigned to the Ministry for Union Affairs and Overseas Territories and later (1950) handed over to the Ministry of Foreign Affairs[12] (MFA) (Nekkers & Malcontent 2000). The international aid received after the big flood in the Netherlands in 1953 opened the hearts of the Dutch for development aid even further (Spitz, Muskens & Ewijk 2013). This continued until 1962, when a 'Policy Document on Aid to Less-Developed countries' was sent to the Parliament by the Minister of Foreign Affairs – Luns – highlighting the responsibility of the Western world to support less-developed countries. This was the only attempt to formalise development cooperation at this stage. The years 1949 to 1962 can therefore be considered as a transition period between the colonial era and the formulation of a new, Dutch development policy where self-interest ('merchant') and job creation for Dutch 'tropical' experts and businesses were major motives for engaging in development assistance.

1962-1972: Development cooperation takes off, an increasing focus on Dutch interests[13]

The 1960s was a decade of a rapid acceleration of development cooperation. The decolonisation processes were spreading throughout Africa, while the UN announced its First UN Development Decade, increasing optimism in a Europe rebuilt with support of the Marshall Plan, and Rostow's '[The] stages of the economic growth: A non-communist manifesto' (Rostow 1960) was growing in popularity. Rostow's model assumed that underdeveloped countries are capable of passing through the same stages of development as the West did. Therefore, with enough technical assistance provided by Western countries, developing countries would be able to eliminate bottlenecks in the process of economic growth and 'take off' towards a 'Western-model' economy.

A separate position for a Secretary of State for Development Cooperation was established in the Netherlands in 1964. Isaac Diepenhorst (trained as a theologian and lawyer) became responsible for development affairs and supervised the Coordinating Committee on Assistance to Less-Developed

[9] This was one, but the most significant of the four reasons behind the start of Dutch development assistance. The four reasons were: "1. Development aid was of economic importance, as it would make Dutch science and business better known and could help to promote exports; 2. It offered the Netherlands an opportunity to enhance its international prestige now that it was no longer a major colonial power; 3. The UN technical assistance programme would enable the Netherlands to get back into its former colony Indonesia 'by the back door'; 4. The programme was an excellent source of employment for the many tropical experts who risked losing their jobs as a result of decolonisation" (Nekkers & Malcontent 2000: 12).

[10] Most of the Dutch aid donated in the first ten years went to Indonesia, Surinam, the Netherlands Antilles and New Guinea (Brinkman & Hoek 2010; Nekkers & Malcontent 2000).

[11] Multilateral aid was preferred at that time as the Netherlands had insufficient means to provide bilateral aid on a larger scale (Hoebink & Schulpen 1998).

[12] The International Technical Assistance Bureau was created within the International Organisations Department of MFA to prepare technical assistance projects in developing countries and to maintain relations with international organisation (Postrach 2009; Nekkers & Malcontent 2000).

[13] The periods distinguished in IOB 2014, with the exception of a first period labelled as a 'Transition period' – this heading is based on narratives in Hoebink 2006b; Nekkers & Malcontent 2000.

Countries.[14] Only in 1965 was it decided that the position of the Secretary of State for Development Cooperation should be strengthened and upgraded to 'Minister'. The first Minister for Development Cooperation (DC) – Theo Bot, a lawyer by training – became a minister without portfolio, without a department, without a budget and fully dependent on the MFA; but it was an important signal that the development agenda was gaining prominence. Within MFA, the Directorate General for International Cooperation (DGIS) was established as the executive arm of the new Minister for DC. Furthermore, the government established a number of institutions: the National Advisory Council for Aid to Less Developed Countries[15] (NAR) in 1964, the Investment Reinsurance Act in 1969, the Netherlands Development Financing Company[16] (FMO) in 1970 and in 1971 the Centre for the Promotion of Imports from Development Countries (CBI). The purpose of these institutions was to encourage Dutch businesses to invest in developing countries and consequently generate new capital, employment and increase transfer of knowledge (Van Beurden & Gewald 2004; Postrach 2009).

Also in the 1960s, the Dutch co-financing programme for development assistance started. An objective of the programme was to channel a part of the Dutch development budget through Dutch non-governmental development organisations. Co-financing organisations represented the pillars of Dutch society: Protestant ICCO, Catholic Cebemo (later CORDAID), Social-Democratic and secular Novib (later Oxfam Novib), and humanistic HIVOS. A Dutch voluntary organisation – Stichting Nederlandse Vrijwilligers (SNV) was also established. The co-financing organisations enjoyed relative freedom in their programming, but their efforts had to be connected to the aid policies of Dutch governments (Spitz et al. 2013; Brinkman & Hoek 2010).

In the Netherlands, involvement of the public and solidarity movements[17] with developing countries was increasingly gaining momentum. In the Parliament, the new Minster for DC – a lawyer and a political scientist Berend-Jan Udink – initiated a shift from technical and financial assistance towards development cooperation. This led to an increased aid budget, expansion of government agencies and establishment of non-governmental organisations. One of the key changes introduced by Minister Udink was the start of Dutch bilateral aid. He also limited the number of recipient countries, focusing only on 11 concentration countries and former Dutch colonies.[18] Moreover, by introducing a four-year plan (1968-71), the funds could finally be planned and spent in a more structural way.

[14] Coördinatiecommissie inzake Hulpverlening aan Minder-Ontwikkelde Landen. In 1951, the interdepartmental Commission for International Technical Assistance (Commissie voor Internationale Technische Hulp) was established administratively under the Ministry of Foreign Affairs. WITHALL became a working committee of this Commission. In 1964 the interdepartmental Coordinating Committee on Assistance to Less-Developed Countries (Coördinatiecommissie inzake Hulpverlening aan Minder-Ontwikkelde Landen) replaced the Interdepartmental Commission for International Technical Assistance. The new Coordinating Committee formed three subcommittees. The office of the International Technical Assistance changed its name to International Technical Assistance (DTH), which came under the Directorate-General for International Cooperation (DGIS) of the Ministry of Foreign Affairs. (http://resources.huygens.knaw.nl/emigratie/gids/instelling/2067155917 access on 12.09.2015).

[15] NAR was a broad-based body chaired by Prof. Jan Tinbergen with 63 members representing business, banking, agriculture, academics, and cultural sectors. Their role was to give advice to the Minister for DC either on request or on their own initiative (Nekkers & Malcontent 2000).

[16] FMO was a tripartite public-private partnership, with the private sector represented by employers' associations and trade unions. In 1977, Minister of DC – Jan Pronk – raised the government's shareholding in the company from 50 per cent to 51 per cent and scrapped the obligation for the aid to be tied to Dutch economic interest. The aim of FMO was and remains: promoting the interest of the private sector in developing countries (Baneke & Jepma 2000: 262).

[17] Such as the Angola Committee, the Biafra Committee, the Vietnam Committee, the Indonesia Committee or the Other Indonesia Workgroup. (Nekkers & Malcontent 2000; Het Andere Indonesie 1978).

[18] See Annex 1 for a full list of partner countries over the years.

Dutch bilateral aid rapidly surpassed multilateral aid.[19] Udink saw development as closely intertwined with Dutch economic and political overseas interest as well as a way of creating employment in the Dutch economy. He did not see, however, the necessity to 'tie' aid. 'Tied' aid means that a lion's share of the aid money that recipient countries received from the Netherlands had to be spent on Dutch goods and services in return (Spitz, Muskens & Ewijk 2013; Hoebink 2006b; Hoebink & Schulpen 1998; IOB 2014; Nekkers & Malcontent 2000). Regardless, by the end of the 1960s, the amount of tied bilateral aid was 90% in total. The size of the bilateral aid was strongly influenced by the Ministry of Economic Affairs, especially the Directorate-General for Foreign Economic Relations (BEB), which pushed for a higher percentage of 'tied aid' as an "essential means of guaranteeing sales for Dutch businesses" (Nekkers & Malcontent 2000: 23).

A decision to start the bilateral aid was an important step and the result of strong lobbying by the business sector and churches. In 1960 and 1964, the employers' organisations produced policy documents encouraging the government to follow the example of other European countries (such as West Germany) to start bilateral aid. The employers demanded that the government support 'starter' projects and commercial policies projects designed to improve the investment climate for Dutch businesses in developing countries that could be of economic interest to the Netherlands, or areas that had already begun to industrialise. In order to strengthen their links with the MFA and facilitate the submission of desirable project ideas to the government, employers' organisations set up a Development Countries Committee (COL). Most of the pressure came from a group of medium-sized businesses that had long-standing or historical links with the formal colonies or other developing countries. With one or two exceptions, large Dutch multinationals were not really in need of government money for their expansion in developing countries. Ironically, the Ministry of Economic Affairs, which managed 20 per cent of the funds for development projects for the private sector (and it increased until 1973), favoured large Dutch companies as main recipients, instead of small and medium enterprises (SMEs), to avoid having to manage a large number of small projects.[20] Dutch economic interest remained the dominant reason behind Dutch development cooperation until 1973 (Spitz, Muskens & Ewijk 2013; Hoebink 2006b; Hoebink & Schulpen 1998; IOB 2014; Nekkers & Malcontent 2000).

In conclusion, Dutch development policies in the period between 1962-1972, certainly in regard to productive employment creation, were dominated by Dutch self-interest and establishing the mechanisms that would create employment primarily for the Dutch. The budget for development cooperation was heavily influenced by the Ministry of Economic Affairs, which was in favour of 'tied aid'. The Dutch private sector was gradually discovering the potential of starting operations in developing countries and actively sought the support of its government. They mostly did this via COL and institutions such as NAR, FMO and CBI. Despite the fact that most of the Dutch companies willing to start operations in developing countries were medium-sized enterprises, the institutions responsible for funds distribution favoured bigger MNCs (due to the smaller administrative burden

[19] "While the total amount of aid almost quadrupled from 1966 to 1971, bilateral aid increased more than tenfold" (Nekkers & Malcontent 2000: 22).
[20] "The 1970 Annual Report from the Dutch Investment Bank for Developing Countries (NIO), through which most financial aid was channelled, showed that three-quarters of the aid to India and Pakistan was distributed by five to eight companies. […]. This conclusion is also true of aid to other countries: large companies in the electro-technical industry (Philips), the metal, machine and shipyard industry (VM.F/Stork, IHC), the transport industry (Fokker, DAE), and the chemical sector (fertiliser industry: Netherlands Nitrogen Company NSM and United Fertilizer Factories, UKF) each accounted for an average of 20 to 25 per cent of the relevant financial aid" (Hoebink 1999: 185).

linked to such arrangements). The main priority during this period was to promote the interests of Dutch companies in developing countries.

<u>1973-1981: Strong growth of development cooperation and more focus on poverty alleviation</u>

Jan Pronk is probably the most well-known Dutch Minister for DC.[21] Not only because he served in this capacity twice (1973-77 and 1989-98) and in total for over ten years, but also for giving Dutch development policies a more ideological and 'moral' character. During his first term in the office, the role of development cooperation as an instrument to promote the Dutch private sector officially diminished and poverty reduction became the primary objective. Pronk – educated as an economist – was strongly inspired by a Dutch economist and Nobel Prize laureate Jan Tinbergen[22] and the New International Economic Order (NIEO) promoted by UN. Another motive behind the policies he championed was a sense of guilt for sufferings caused by the Netherlands in colonial times.[23] In his White Paper on Bilateral Aid from 1976, Pronk introduced a concept of 'self-reliance' in connection not only with the "nation state but also with the most vulnerable groups within it" (Nekkers & Malcontent 2000: 32). It was assumed that underdevelopment and poverty are not 'natural phenomena', but the result of unjust international relations. A (partial) blame for this state must be taken by the Western world and therefore it should also be a part of the solution (such as fair trade or untied aid).

Under Pronk, the government allocated 0.7 per cent of its national income to ODA. Furthermore, the development aid budget should have been spent on projects benefiting the poorest and, ideally, aid should not be 'tied' but should give the recipient countries more freedom to spend the funds in the developing country itself, as long as it boosted their local production. Though Pronk was not successful with fully 'untying' aid,[24] he successfully gained more control over the development budget by moving the financial aid from the Ministry of Economic Affairs to that of Development Cooperation. Overall, the position of the Minister for DC was strengthened during his term.[25] He also introduced new criteria for selection of 'concentration countries' – countries that Dutch aid would predominantly focus on. The first two criteria were a country's poverty level and its actual need for aid. A third criterion, controversial for some, was "the extent to which the prevailing socio-political structure allows the adaptation of policy truly aimed at improving the situation in the country and

[21] "Pronk made an enormous impact on Dutch development thinking and practice, although some maintain that the influence of Pronk's policy was more limited than generally assumed" (Brinkman & Hoek 2010: 98).

[22] Prof. Jan Tinbergen was an economist who suggested introducing trade policies that would be favourable to developing countries in order to close the gap between rich and poor countries.

[23] In 1975, Suriname became independent from the Netherlands. The Netherlands provided a very generous financial development aid to the new republic (3.5 billion NLG) and left its door open for the Surinamese who wished to migrate to the Netherlands. Mass emigration left Suriname with only 350,000 inhabitants, which, in combination with the high level of development funds received, "made it one of the leading recipients of aid per capita" at that time (Nekkers & Malcontent 2000: 34).

[24] In 1977, as a result of increased state shares in FMO (see footnote 16), it was possible to partially untie financial aid, meaning that the funds had to be spent either in the Netherlands or in the developing countries themselves (Baneke & Jepma 2000).

[25] In addition to responsibility for the disbursement of financial assistance taken over from the Ministry of Economic Affairs, the Minister for DC together with the Minister of Finance was responsible for relations with the World Bank and development banks, and primarily responsible for policy consortia and aid groups. Jointly with the Ministry of Economic Affairs, he would share responsibility for UNCTAD policies. While on paper BEB was still part of official disbursement missions, in practice Pronk kept BEB influence to minimum (Nekkers & Malcontent 2000).

ensure that aid benefits society as a whole; in this connection, particular attention shall be paid to human rights policy" (Nekkers & Malcontent 2000: 33). The 'third criterion' politicised development cooperation, opening the Netherlands up to influencing target countries' internal policies; as well as opening up for some 'controversial' countries, such as communist Cuba with Castro's 'socially just' policies, among others. Overall, Sub-Saharan Africa became a more important recipient of Dutch development aid as well as a partner in trade (see also Annex 3). Lastly, Pronk set up the Operations Review Unit (IOV) (later to become Policy and Operations Evaluation Department – IOB) with an objective to provide the Minister for DC with timely and reliable information on the quality of Dutch development assistance (Spitz, Muskens & Ewijk 2013; Hoebink 2006b; Hoebink & Schulpen 1998; IOB 2014; Nekkers & Malcontent 2000).

During Pronk's years as the Minster for DC, there was an increased focus on civil society channels, which allowed NGOs to develop close networks of civil partner organisations in developing countries and paved the route for an increased co-financing budget in the years to come (Spitz, Muskens & Ewijk 2013). A part of development funds channelled via NGOs constituted roughly 15% of the total development funds. With the new approach, most of the NGO projects were distributed in the poorest and most peripheral areas of the (recipient) country with a high prevalence of poverty. It was mostly focused on poverty reduction through 'integrated rural development' and provision of basic needs[26] programmes (Dietz & Koninx 1984). The new policies led, however, to substantial tension between the government and the private sector. Pronk believed that market forces would not result in an optimal international distribution of labour and suggested closing down and moving certain sectors' operations of the Dutch economy to developing countries. Already in 1974, the government stated that trade and aid should be dealt with simultaneously ('the integral structural approach'), meaning a coordinated approach towards policy coherence on the transfer of financial flows, debt, raw materials, trade, industrialisation and agriculture. Though the focus was less on internal and development cooperation policies, "the relative growth of wealth in the Third World got larger emphasis" among different foreign policies[27] (Hoebink 2013: 184). Consequently, in collaboration with the Ministry of Economic Affairs, a special Reconstructing Programme was launched in 1975. Despite tensions, Pronk felt that it was important to sustain the dialogue with the private sector and tried to persuade them "to have regard for the interests of the developing country in question" while planning their international activities (Baneke & Jepma 2000: 254). The Minister envisioned a twofold task for the private sector in development cooperation: to carry out aid projects set up by the government and international organisations; and to become a partner in the industrialisation processes of developing countries. Consequently, the Netherlands provided substantial assistance to the Dutch private sector to work (mostly) in the field of infrastructure and material supplies. Similar to the NGOs, the companies were encouraged to work in the countries' peripheries: constructing new key roads, engage in rural and agricultural development and water management[28] (Dietz & Koninx 1984). Although Pronk's ideological ('moral') policies seemed to restrict the influence of firms

[26] For example, such effort was made in Kenya – one of the most important partner country for the Netherlands (Dietz & Koninx 1984).

[27] Through the 1970s, the Netherlands supported developing countries via support for NIEO and a number of trading practices. The Netherlands was in favour of creating a Common Fund enabling developing countries to be compensated for losses cause by declining prices of raw materials and was prepared to give balance of payments support or programme aid to countries affected by decline of oil and raw material prices. At the same time, the Netherlands was seen as one of the most protectionist European government and locked in European points of view with rather defensive attitude (Hoebink 2013a).

[28] See an example of Kenya (Dietz & Koninx 1984).

in development projects in theory, in practice it was otherwise.[29] As the pool of funds available for development projects grew, officials were increasingly keen on funding projects proposed by the private sector (often via COL). Consequently, it led to a greater involvement of the Dutch private sector in developing countries during Pronk's first term in office and built up substantial expertise on rural development and peripheral water management. They also (indirectly) created employment (Baneke & Jepma 2000).

Jan de Koning – a human geographer – took over from Pronk in 1977. De Koning kept the poverty alleviation policy introduced by Pronk as one of the priorities of the Dutch development aid but added to it the 'promotion of political and economic emancipation' of nations. This led to the so-called "two-track policy" in which "an improvement on the position of the poor was coupled with the economic self-reliance of Third World countries" (Hoebink & Schulpen 1998: 14). De Koning toned down Pronk's 'third criterion' and reduced the number of recipient countries. He also partly untied aid. He highlighted the role of trade and industry, therefore the role of Dutch firms in development cooperation should have been increased while the role of the state should have been limited to purely regulative functions. The minister felt that the government's role is to create a framework for trade stimulation and provide credit guarantees, and thus an economic environment that enables the private sector – the most important link with development countries[30] – to engage in activities beneficial for (in particular) the Dutch economy and employment.

In 1978, De Koning launched the Netherlands Management Cooperation Programme (PUM) – which aimed at posting senior Dutch private sector managers to firms in developing countries for a short period of time. The programme's objective was to share the knowledge of Dutch senior (often world-class) experts with entrepreneurs in developing countries to help them improve their business performance and create jobs locally. This knowledge should be further shared on the local or national level facilitating growth for the industry and community. The programme was partly financed by the Netherlands Christian Employers' Union (NCW). PUM proved to be very popular in the coming years and was evaluated positively by DGIS (in 1991) "to make a positive contribution to employment creation and to the development of human resources as well as to the quality of management in the recipient countries" (Hilhorst & Sideri 1995: 10). In order to further encourage Dutch export and involve the private sector in economic activities in developing countries, in 1979, De Koning, in collaboration with the Ministry of Economic Affairs, launched a 'mixed-credit programme' – a programme financing Dutch development-oriented exports to developing countries. It was also a response to the growing need for a new policy instrument that would increase the competiveness of national exports and development countries' imports as well as support private sector autonomy. Moreover, the programme was a synergy with the matchmaking facility of the Ministry of Economic Affairs (Spitz, Muskens & 2013; Hoebink 2006b; Hoebink & Schulpen 1998; IOB 2014; Nekkers & Malcontent 2000).

[29] For example, in Indonesia it is claimed that the actual beneficiaries of the Dutch development aid was Dutch businesses (Dietz, Koekebakker & Utrecht 1978). Moreover, the general evaluation of Dutch bilateral development co-operation prior to 1980 concluded that 5% of all development projects were 'very satisfactory'; 35% 'fairly satisfactory'; 19% 'satisfactory to a limited extent'; 20% 'fairly unsatisfactory'; and 8% 'very unsatisfactory'. A general conclusion of the report was that Dutch aid had supported heavily the economic autonomy of countries as a whole, instead of poverty reduction in certain sections of their populations (Beurden & Gewald 2004: 45).

[30] "The only direct action taken autonomously by the government in relation to dealings with developing countries will be the provision of aid" (Baneke & Jepma 2000: 255).

From its start, the mixed-credit programme was faced with criticism about how to reconcile economic (Dutch) interests with development objectives. In response, the Dutch Tweede Kamer (House of Commons) demanded that DGIS strengthen the 'criterion of development' within the programme, i.e. to check whether the funded projects are "financially or economically viable; whether they generated exports or substituted imports; whether they would create employment opportunities and take account of the level of technological knowledge required for proper use of the capital goods for which support was requested" (IOB 1999: 11). Within the subsequent decade, over 1 billion of Dutch guilders (NLG)[31] were spent on this regulation, leading to an export of goods worth 3 billion NLG. In 1987, mixed-credits were replaced by a programme of Less Concessional Loans (LCLs), which not only provided concessional loans for exports of capital goods but also included service contracts that were linked to civil engineering projects or institution-building in developing countries (IOB 1999). In the 1990s, the programme lost its importance as a result of an increased international pressure on export subsidies. Over the years, the programme proved to be extremely successful in promoting Dutch exports while being less successful at assuring the development-relevance of these transactions, such as financial and economic sustainability, technological integration and minimal employment creation. Moreover, the projects were, on the whole, not concentrated in the poorest countries (Beurden & Gewald 2004; Hoebink 2013a).

The involvement of the Dutch private sector was limited. In 1981, the Centre for Research on Multinational Corporations (SOMO) published a report on the involvement of the Dutch private sector in development cooperation, concluding that "Dutch firms have used development funds and the spending conditions imposed by the Dutch government to turn the growth of certain developing countries to their own advantage. […]. Development aid would appear to be an ideal instrument for promoting the interests of large firms[32] and for forcing developing countries to undertake the process of international restructuring advocated by these firms" (Baneke & Jepma 2000: 255). It shows that, despite all the efforts, Minister De Koning failed to encourage the private sector to be more active in developing cooperation. Following his time in office, he expressed his regret regarding the passive attitude of the Dutch private sector in exploring the new developing markets (Spitz, Muskens & Ewijk 2013; Hoebink 2006b; Hoebink & Schulpen 1998; IOB 2014; Nekkers & Malcontent 2000).

The rapid increase in aid under Pronk, with very little expansion of the staff responsible for supervising and monitoring development projects in developing countries, generated organisational problems. De Koning decided to reorganise DGIS. The existing structure, consisting of a division into a department for technical aid and a department for financial aid, was replaced by regional directorates with country offices and a department for sectorial specialisation. The role of country offices was to coordinate aid targeted to a given country as well as preparation of country documents enhancing the quality of future development projects and policy planning. At the same time, development expertise began to be built up at Dutch embassies in developing countries.[33] Finally, more personnel were hired within DGIS itself (Nekkers & Malcontent 2000; Hoebink &

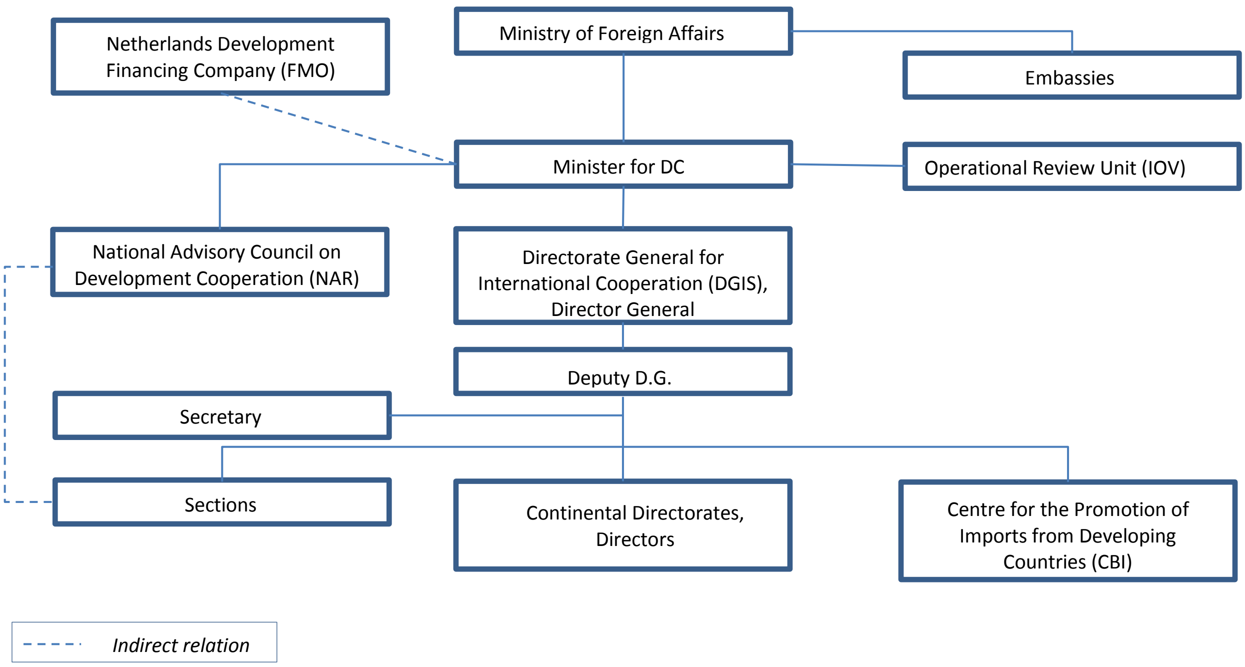
[31] €1 would be 2.20371 NLG. (http://ec.europa.eu/economy_finance/euro/countries/netherlands_en.htm access on 28.07.2015).

[32] For example AKZO in Indonesia (Dietz 1979: 163).

[33] Over a period of three years, about fifty officials were posted to various embassies for this purpose (Nekkers & Malcontent 2000: 42).

Schulpen 1998). Figure 1 below illustrates the institutional structure of the Dutch Ministry of DC for the years 1965-1989.

Figure 1. The institutional structure of the Dutch Ministry of DC for years 1965-1989.



Source: (Postrach 2009).

In September 1981, Kees van Dijk – an economist by training – took over as Minister for DC. Though he did not have enough time to prove himself as a Minister (the government fell after fourteen months), he did manage to bring order to development cooperation finances. He also intensified collaboration with the private sector, claiming that more attention should be given to the link between aid and employment. In order to further strengthen the cooperation with the private sector, to disseminate information and act as an intermediary between the government and the private sector to disseminate information, Van Dijk appointed a Private-Sector Coordinator at the ministry. At that time, however, most Dutch development aid was directed to poor and least developed countries, which the Dutch private sector partly considered as less attractive places to invest in (Nekkers & Malcontent 2000; Baneke & Jepma 2000). Therefore, similar to De Koning, "he [Van Dijk] too was left mainly with criticism of the business community for not taking a more active role in relations with the Third World" (Hoebink & Schulpen 1998: 14).

The period between 1973-1981 brought a number of changes but also new solutions for Dutch development assistance in terms of (productive) employment promotion. Pronk's more ideological vision of development cooperation and greater focus on poverty reduction led to the increased budget for those NGOs serving peripheral and the poorest regions in the concentration countries. In parallel, Pronk sustained his dialogue with the private sector and Dutch businesses remained a recipient of development aid funds. This led to greater involvement of the Dutch private sector development in developing countries' peripheries, especially in the infrastructure, material supplies, rural and agricultural development, and water management. De Koning continued Pronk's 'moral' philosophy, yet he highlighted further the role of the private sector in development and in employment creation (particularly in the Netherlands). Launching programmes such as PUM, mixed-credit or Less Concessional Loans, the Netherlands contributed to some (productive) employment creation (especially via PUM) but more predominantly promoted national exports and the interests of its large MNCs in developing countries (such as AKZO in Indonesia). As the list of partner countries contained a number of least-developed and poor countries, Dutch (small and medium) investors were discouraged from being more proactive. Both De Koning and later Van Dijk criticised the private sector for its passive role at this time in relation to developing countries and its rather limited contribution to employment creation in developing countries.

<u>1982-1989: The main years of structural adjustment programmes and balance of payments support</u>

During the 1980s, trade with developing countries stagnated (see Annex 3) partly as a result of on-going world economic crises and partly because of demanding Structural Adjustment Programmes (SAPs) introduced by the World Bank (WB) and the International Monetary Fund (IMF). In the Netherlands, there was an increased pressure on development cooperation to boost the Dutch economy and create employment in the country (even though the aid was already partly untied). Eegje Schoo – an educationalist and the first liberal Minister for DC – was the first to break a taboo by stating publicly that “Dutch interests are not necessarily incompatible with the interests of development policy” (Baneke & Jepma 2000: 258). She recognised the crucial role of the private sector, but criticised the fragmentation of development cooperation[34] that had happened during previous years. In the key policy documents, she emphasised “effectiveness and sustainability of aid projects, with profitability and productive employment as key criteria” (Baneke & Jepma 2000: 258). Consequently, in order to increase effectiveness of aid, the number of concentration countries, now called programme countries, was cut to ten. She also put more emphasis on equal opportunities for women. The ‘two-tracked policy’ was replaced by ‘structural poverty alleviation’ with a presumption that poverty can only be successfully reduced in a growing economy. A proposal was introduced to enhance greater involvement of the private sector, stimulate national exports and create employment (mostly in the Netherlands) by combining a large number of bilateral activities into two sectorial programmes: rural development and industrial development. As the private sector was mostly interested in the latter, new instruments (on top of already existing ones) were brought forward, such as: facilities for occupational training, feasibility studies and temporary management support. During Schoo’s years in office, 24 per cent of bilateral aid was spent on industrial development. Over half of these funds was spent on physical infrastructure, 40 per cent on industrial activities in the narrow sense and the remaining amount was dedicated to other activities, such as institutional facilities. DGIS was not, however, free from criticism. The Dutch private sector’s main complaint regarding DGIS was its lack of efficiency in providing information, being not business-oriented and favouring big companies over small firms (Hoebink & Schulpen 1998; Baneke & Jepma 2000; Nekkers & Malcontent, 2000).

Schoo was a well-known opponent of tied aid. During the Dutch EU presidency in 1986, she put forward a proposal to the European Commission to untie aid. It would mean that all EU member states would have to abolish the practice of tied aid simultaneously. As there was not enough

[34] At that point, the Netherlands was financing activities in over 110 countries (Nekkers & Malcontent 2000: 46).

support for her proposal behind the scenes, she decided to withdraw the proposal at the last possible moment (Baneke & Jepma 2000; Nekkers & Malcontent 2000).

It should not be forgotten that Dutch development aid was not limited to bilateral assistance during this period. In the 1980s, the Netherlands supported Structural Adjustment Programmes (SAPs), especially through co-financing by the World Bank. Additionally, the Netherlands provided import support and balance of payment support, which was mainly tied to imports from the Netherlands (IOB 2014).

Piet Bukman took over the office in 1986. Bukman, a social geographer by training, continued the policies started by Schoo and emphasised the role of the private sector (and NGOs) in development cooperation. He established a government sub-committee chaired by the Prime Minister and coordinated by the Minister for DC. It served as a forum for discussion of development issues between the Dutch private sector and the government. Bukman also launched a number of consultations with the private sector (DGIS, COL and FMO) on improving collaboration between the public and private sectors for the benefit of developing countries. As a result, a report suggesting amendments and new instruments for private sector development was published and presented to the Lower House by Bukman. During his term, the relations between private and public sector were described by some authors as “excellent” (Baneke & Jepma 2000; Nekkers & Malcontent 2000).

One of the main criticisms of Bukman’s ‘self-interest’ policies was that they focused too much on attracting Dutch investments and operations in developing countries, while they actually failed to sufficiently address the actual needs of developing countries, such as balance-of-payment support. The quality, effectiveness and limited impact of Dutch aid on poverty alleviation were fiercely debated in the media. The critical voices did not, however, have any major impact on policies.

In 1989, a political and economic revolution was taking place in the Eastern Bloc countries following the fall of the Berlin Wall, which also had implications for some of the third world countries which were operating under state-run planned economies (Baneke & Jepma 2000; Nekkers & Malcontent 2000).

The years 1982-1989 in Dutch development politics were characterised by a strong promotion of the Dutch private sector development in developing countries and promotion of national interests and employment. The Ministry assumed that the development policy emphasising Dutch self-interest would have a positive impact on developing countries, as it would stimulate the economy, which would lead to poverty alleviation. Productive employment creation (mostly in the Netherlands but also in the recipient country), effectiveness and sustainability of development projects should be the key criterion for obtaining governmental funding. New instruments focusing on occupational training or management support were introduced to facilitate employment creation. The private sector was consulted on a regular basis. Yet again, the Ministry’s inefficiency led to favouring big MNCs over small companies in development projects distribution. The ‘problem’ with the Dutch self-interest policy in that period was that it pushed mainly for Dutch investments and operations in a country while neglecting the local needs. Moreover, the quality and effectiveness of aid sparked a national discussion on its impact in terms of poverty alleviation.

1990-1998: Aid as a catalyst for development

Jan Pronk became a Minister for DC for the second time towards the end of 1989. In September 1990, with the presentation of his report 'A World of Difference', he established a new course for Dutch development cooperation. Pronk reduced the role of the private sector in development and prioritised 'sustainable poverty alleviation'. Poverty alleviation in Pronk's opinion depended on three factors: 1. investment in people and their productive potential; 2. provision of basic needs; and 3. increasing poor people's participation in political decision-making. Such sustainable development was also operationalised into three elements: 1. growth of production; 2. equitable distribution; and 3. maintenance of the 'environmental utilisation space'. Ownership and bottom-up approaches became key elements of Dutch development policy. As a result, good governance, gender, institutional development and environment were introduced as new imperatives for Dutch ODA. Faced with a number of violent conflicts throughout the world (Yugoslavia, Angola, Somalia among others), Pronk adjusted his first report in 1993 in a document 'A World in Dispute', in which he highlighted the importance of peace-making and peacekeeping (as a prerequisite for poverty alleviation) and the importance of 'good governance' in the process (existence of reliable administration and effective economic policies). Pronk saw development aid as a political instrument to encourage change in developing countries and less a mechanism for promoting Dutch self-interest. After a reorganisation of MFA in 1995 and replacing country programming with thematic programming, Dutch assistance was focused on eight major themes (in addition to multilateral cooperation[35] and assistance to Suriname, The Netherlands Antilles and Aruba): 1. economy and employment; 2. agriculture and regional development; 3. environment; 4. social development; 5. education, research and culture; 6. human rights, conflict prevention, democratisation and good governance; 7. humanitarian aid; 8. macroeconomics support and debt relief. In 1996, Pronk also abolished the 'country list', which led to an increased number of recipient countries, with priorities given to low- and middle-income countries, and consequently to a greater budget fragmentation (Hoebink & Schulpen 1998; Baneke & Jepma 2000; Brinkman & Hoek 2010; Hilhorst & Sideri 1995; IOB 2014; IOB 2008; Van Dam & Van Dis 2014; OECD 1997).

During Pronk' s second term in the office, relations with the private sector deteriorated.[36] Pronk was indeed critical towards aid funds used by Dutch firms in developing countries, particularly the lack of transparency involved. Regardless of the tension, Pronk was still in favour of a collaboration with the private sector to a certain degree, stating that "[a]fter all, it is business enterprise, driven by the market, which forms the prime source of economic activity. Productive employment cannot be

[35] Trade-Related Technical Assistance (TRTA) was supported through Dutch multilateral channels. TRTA provides a different type of technical assistance which would strengthen the trade-related negotiating capacity, national trade policy and/or capacity to trade of developing countries (and Least Developed Countries in particular). The core agencies of this programme were WTO, ITC, UNCTAD, UNDP, IMF, WB. Evaluation of TRTA for years 1992-2002 revealed very poor effectiveness and efficiency of this programme, lack of transparency, weak country ownership and poor communication among donors (especially within LDCs at Embassy-level). Due to low impact, the recommendations call for either a fundamental review of the programme or its withdrawal (IOB 2005). The programme was ultimately reviewed and adjusted for a greater effectiveness. In 2001, a Technical Cooperation Audit Unit was created in the Secretariat in order to assure more optimal use of funds (WTO 2015).

[36] In 1993, the Netherlands' main employers' association – VNO – published a document "Development cooperation: Policies for the next government" expressing the private sector's critical attitude towards Pronk's policy. The document claimed that the new policy placed too much emphasis on the role of the government and had reduced the potential contribution of Dutch firms in development cooperation (Baneke & Jepma 2000: 267).

promoted without encouraging private-sector initiatives"[37] (Baneke & Jepma 2000: 268). In 1991, OECD approved the so-called 'Helsinki Package' – a regulation forbidding (with some exceptions) the provision of tied aid credits for commercially viable projects (unless very small or under 'soft' conditions) to prevent the use of development aid as export promoter. Pronk supported the idea of untying aid, which became yet another reason for a chill in his relations with Dutch companies. In response to the 'Helsinki Package', the Dutch mixed-credit programme had to be adjusted and was transformed into ORET (Development-related Export Transactions programme[38]). ORET was implemented by FMO[39] and the Ministry of Development Cooperation. The main objective of the ORET programme was "to enable developing countries to procure goods and services in the Netherlands which will enhance employment opportunities in the recipient country" (IOB 1999: 17). The Dutch government provided part of the procurement costs as a grant to the recipient government or company, which should guarantee the funding of any remaining procurement costs under the following conditions:

- The transaction should be relevant to the development of the recipient country: create or maintain employment with no adverse effects for the poor, women or the environment, directly or indirectly, or improve the conditions for economic development in the expectation that this will enhance employment opportunities;
- The transaction should be relevant to the Dutch economy; the transaction should comprise at least of 60 per cent Dutch products;
- The transaction should not be financially, technically and managerially viable (IOB 1999).

Because ORET allowed less room for manoeuvre in comparison to the mixed-credit programme, it met with some criticism from the private sector. Among the main pitfalls mentioned were complicated administrative procedures, lack of continuity and too many criteria to fulfil.

As a result of the fall of the Berlin Wall in 1989, a PSO programme was set up to focus on cooperation with Eastern Europe. The private sector had a lot of expectations of this programme. With growing pressure, PSO was expanded into PSOM – Emerging Markets Cooperation Programme. PSOM aimed at cooperation with emerging markets, such as China, India, Egypt, Cote d' Ivoire, Ghana, South Africa, Zimbabwe and Brazil. Programme aid also included balance-of-payment support, sectoral budget support, debt relief, and programmes to reinforce the institutional capacity of the recipient countries. A project approach was replaced by a sector-wide approach[40] (SWAp) and new, long-term

[37] Despite this opinion, private-sector development, the financial sector and productive employment were not regarded as priority areas for Dutch development policy (Baneke & Jepma 2000: 268).

[38] Ontwikkelingsrelevatie Export Transacties. In 1993 a similar programme was established, but specifically geared to environmental improvements in the recipient country MILIEV (Milieu en Economische Verzelfstandiging). In 1998 the ORET and MILIEV programme funds were joined into ORET/MILIEV (or: 'ORMIL') (IOB 1999).

[39] The Netherlands Economic Institute evaluated FMO's performance between 1985 and 1996 very positively. "Every guilder which the FMO invested in a company generated over eight guilders of productive investments. Over 140.000 new, long-term jobs had been created." Firms receiving the FMO's financial support "generated a positive financial and economic yield, had growth potential and made a significant contribution to the transfer of technological expertise and the enhancement of staff skills […], competition had increased and infrastructural facilities had been created. […] Working conditions, terms of employment and environmental protection were all found to be in order" (Baneke & Jepma 2000: 264).

[40] The idea behind SWAp was that the embassies had to identify a few specific sectors per country which would further inform the aid programmes in this target country. Such an approach was supposed to strengthen the consistency and coherence of development policies, facilitate budget distribution and support local ownership, as, per definition, the SWAp was to be directed to the poorest segments of the society and the lowest level of local governments (which in practice was much more difficult to apply) (Lindert & Verkoren 2003).

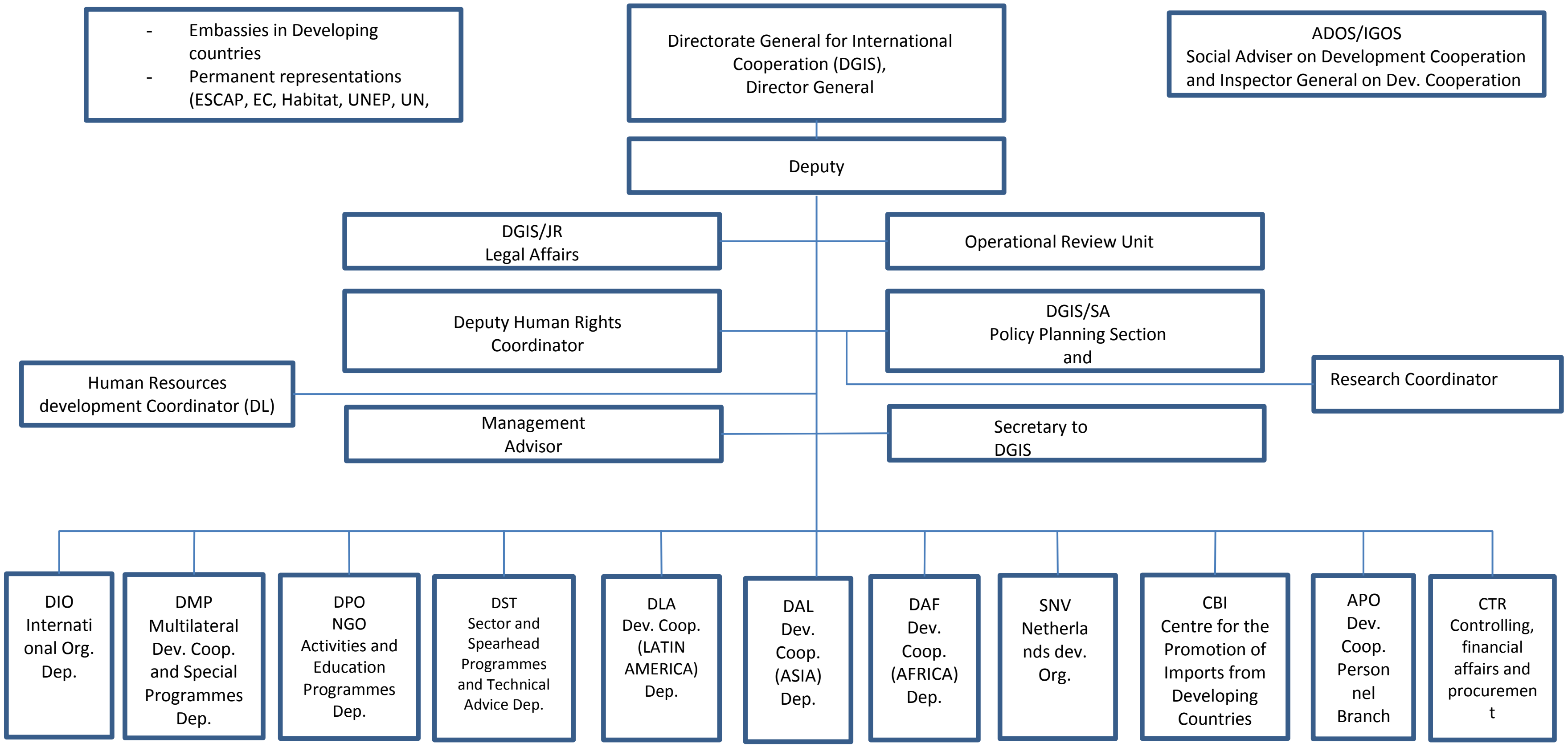
forms of financing the programmes were introduced for specific organisations. Moreover, a number of so-called 'Sustainable Development Treaties' promoting sustainable development in the Netherlands, partner countries and globally, were signed with a number of countries[41] (Baneke & Jepma 2000; Hoebink & Schulpen 1998).

Pronk stressed the importance of policy coherence. A large-scale reorganisation of the Ministry of Foreign Affairs was one of the steps towards increased policy coherence. 'Decompartmentalisation', as it is often referred to, was necessary in response to the changing nature of the world, increased interconnectedness of problems and therefore the necessity to merge different policies (Hoebink 2013a). The change in 1995 was part of an overall review of foreign policy that involved the Ministries of Foreign Affairs, Development Cooperation, Defence, and Economic Affairs. The review introduced a number of changes in "decision-making process, cooperation among ministries, the organisation of the foreign ministry and the development cooperation, the deployment of staff and the role of Dutch embassies" (IOB 2008: 22). Decompartmentalisation also allowed Pronk to intervene officially in foreign policy. Prior to the change, DGIS was organised along an extended matrix structure of regional and thematic issues (Figure 2). Since 1996, DGIS has been responsible for several themes of Dutch cooperation and assisting the Directorate General for Bilateral Relations (DGRB) to prepare the medium-term regional programmes on the basis of thematic policies (Figure 3). As part of the review process, the Homogenous Group of International Cooperation (HGIS) was created (1997) with the objective of bringing together all foreign affairs expenses of the various ministries in one budget overview. The role of Dutch embassies increased. Embassies became responsible for planning, selection, assessment, monitoring and evaluation of the various aid programmes while receiving only general policy guidelines from HQ. Conducting a permanent policy dialogue with host country authorities was now also in the broader range of Embassies' responsibilities. Decentralisation was an important step towards (what should be) a real partnership between the Netherlands and a host country. Increased and regular dialogue between Embassies and host governments was to assure local ownership in the development process, only supported by the Dutch government (Hoebink & Schulpen 1998; Baneke & Jepma 2000; Brinkman & Hoek 2010; Hilhorst & Sideri 1995; IOB 2014; IOB 2008; Van Dam & Van Dis 2014; OECD 1997).

During Pronk's second term in office, more emphasis was given to productive employment creation, for the first time with an emphasis on productive employment creation in developing countries (via the ORET and PSOM programme). Faced with a number of violent conflicts that spread through the world in the early 1990s, issues of security gained prominence. Officially, Dutch self-interest and the role of the private sector in development diminished, yet Pronk acknowledged that productive employment could not be promoted without encouraging private-sector initiatives. With abolition of the 'country list', aid became fragmented. Another important step was a large-scale reorganisation of the Ministry of Foreign Affairs and increased competences of Dutch embassies to interact more effectively with the host governments.

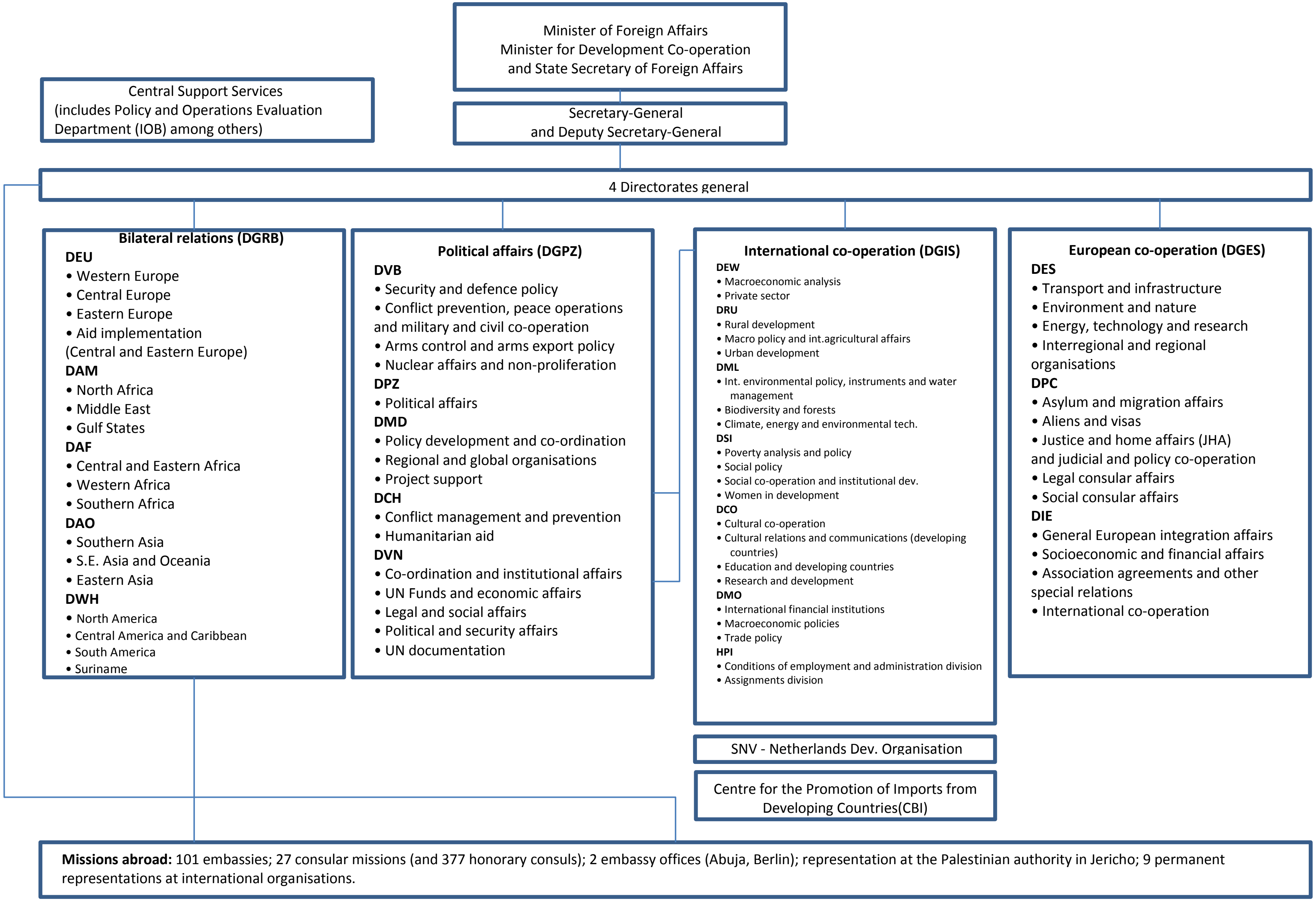
[41] They were signed with Costa Rica, Benin and Bhutan.

Figure 2. Organisation chart of DGIS in 1991.



Source: (Hilhorst & Sideri 1995).

Figure 3. Organisation chart of the Ministry of Foreign Affairs in 1997.



Source: (OECD 1997).

1999-2009: The main years of the sector-wide approach (SWAp) and budget support, with a strong focus on the MDGs

Eveline Herfkens, trained as a lawyer, took over the office in 1998. To some extent she continued Pronk's policies by keeping issues of poverty alleviation, good governance, human rights, environment, gender and peace and security high on the development agenda. She also highlighted the theme of 'local ownership' and importance of aid effectiveness. She was, however, rather sceptical regarding the role of NGOs and expatriate technical assistance, claiming that developing countries should take things into their own hands, with only limited (field mission) support from Dutch aid workers. Since 2000, Dutch development policies have been realigned with the eight Millennium Development Goals (MDGs). Herfkens also introduced general budget support and was supporting the sector-wide approach (SWAp) (introduced by Pronk), which aimed at increased coherence and integration of the entire development sector. By creating the Policy Coherence for Development (PCD) unit within DGIS, she put more emphasis on this issue. PCD means that "the objectives and results of a government's development policies are not undermined by other policies of that government, which impact on developing countries, and that these other policies support development objectives, where feasible" (MFA 2006: 3). It also means that the activities of different ministries (for example, Ministry of Economic Affairs and/or Ministry of Defence) become more intertwined.

An important step in the new cabinet was to limit the number of countries with whom the Netherlands maintained structural bilateral aid[42] (from >60) to 17 partnership countries and 29 thematic cooperation countries. The selection criteria included the degree of poverty and the recipient government's commitment to good policies and good governance; the themes available were environment, human rights, peace building and good governance, and business and industry. It was also decided that as much as 50 per cent of Dutch bilateral aid was to go to the African continent. In contrast to Pronk, Herfkens focused much more on the importance of trade and involvement of the private sector. She believed that the "sustainable poverty reduction works best against the background of an expanding private sector that is strong, stable and productive" (OECD, 2006: 38). Together with the State Secretary of Economic Affairs she co-authored a paper entitled 'In business against poverty', which addresses the private sector more comprehensively. The paper focused on three levels: 1. international environment (trade, FDI, debt, commodities); 2. enabling environment (macroeconomics, political stability, good governance, market functioning, infrastructure, protection of the people and the environment); and 3. specific needs and shortcomings of the private sector (such as knowledge gap, insufficient return of investment, high risks[43]) (OECD, 2006: 38). The paper also highlighted the importance of Corporate Social Responsibility (Baneke & Jepma 2000; Brinkman & Hoek 2010; Hoebink 2006a; IOB 2014; Nekkers & Malcontent 2000; OECD 2001; Spitz, Muskens & Ewijk 2013; Van Lindert & Verkoren 2003). In the

[42] This move was in line with recommendations prepared earlier by the Social-Economic Council (SER). SER concluded that focus on a smaller number of countries and topics will put more emphasis on aid effectiveness and coordinate the untying of aid. SER also advised to reserve more space for the Dutch private sector in development assistance, as well as provide more financial resources to do so (Baneke & Jepma 2000).

[43] In many cases, the private sector in developing countries was underdeveloped and in practice most of the Dutch investors would not have a direct interest in entering the market. Therefore, the policy should have encouraged the Dutch companies to enter into capacity building relationships with the local private sectors. Moreover, protection of the infant industry in the poor countries would be also necessary but not for the multinational companies investing in these countries, but for national entrepreneurs (Advisory Council on International Affairs 2005).

spring of 2001, the OECD finalised its work on improved aid effectiveness of its members and decided that tied bilateral aid to the least developed countries (LDCs) would no longer be allowed as of 1 January 2002. As a strong supporter of untying aid, Herfkens welcomed the decision. As a result, the ORET programme – a fully tied-aid programme – was closed for Least Developed Countries (LDCs) in October 2001. In the subsequent period, at the suggestion of FMO/NIO, the then administrating authority for ORET, an alternative was established in the form of an untied LDC Infrastructure Fund (MOL Fonds)[44] to co-finance infrastructural investments in LDCs, with loans or equity instruments (IOB 2009; IOB 2012). In 2001, the Trade Union Co-financing Programme (VMP, Vakbondsmede-financieringsprogramma) was funded. Through VMP, the Dutch Ministry of Foreign Affairs grants funding to the Dutch trade union federations FNV and CNV to promote labour and union rights in developing countries and to contribute to sustainable poverty reduction. In developing countries, trade unions were believed to play an important role in promoting civil society and entrepreneurship, as well as contributing substantially to the development of a good economic climate and equitable social relations[45] (CDP 2012; Koenders 2008).

Herfkens' successor, Agnes van Ardenne – trained as a pharmacist assistant – initially acted as State Secretary due to discontinuation of the Ministry post and, as of 2003, as Minister for DC without portfolio. She continued the previous policy in terms of improved coherence,[46] the implementation of the sectoral approach[47] and general budget support[48] to selected partner countries, although she did further limit the number of themes and countries (to 36). Dutch aid became strongly connected with the MDGs (with an emphasis on education, public health and water provisioning), as well as with the recipient countries' own poverty reduction strategies (PRSPs). The main themes, on top of

[44] According to the IOB evaluation of the fund for the years 2002-2007, the LDC Infrastructure Fund adds value to the FMO product range and was especially relevant for infrastructure investments in the least developed countries in the reporting period. Moreover, most of the projects to which the LDC Infrastructure Fund contributed have an important effect on the infrastructure. These projects had a large development impact. Nevertheless, these effects cannot always be attributed solely to the involvement of the LDC Infrastructure Fund (IOB 2009).

[45] IOB expressed its criticism of the VMP first policy frameworks (2001-2008). They were too broadly formulated and insufficiently clear about priorities and intended results, also with regard to their selection of countries and partners (Koenders 2008).

[46] Based on two case studies – the cut-flower industry in Southern and East Africa and the cotton industry in West Africa – the IOB (2008) concludes that the coherence policy has made a considerable contribution to improving market access for African flower and cotton producers. No new jobs were created in the years under review, but the fact that jobs were preserved is considered by IOB to be a contribution to poverty reduction. Dutch efforts – including those of the embassy – to improve the export position of West African cotton producers were highly appreciated by the West African countries, and by many developed countries and development organisations. However, due to the rigidity of US trade policy and only gradual changes in the EU position, Dutch pressure within the World Trade Organization and the European Union did not prove strong enough to achieve the desired fairer trade conditions on the international cotton markets. Moreover, the IOB was highly critical about the implementation of the Dutch debt relief policy (Lammers 2008).

[47] The IOB report evaluating Dutch Africa Policy for 1998-2006 (IOB 2008) finds that the Dutch sectoral approach indeed contributed to improved donor coordination. Donors, however, often lacked the political will to rearrange their aid in accordance with the countries' poverty reduction strategies (PRSPs). Sector support had some positive results. Many Africans benefited from increased access to and improved public services, especially education. However, because most sector funds are channelled through national governments, the political will and the capacity of those governments determined whether poverty reduction was given priority. Attention to rural poverty declined. Like many other donors, the Dutch favoured social sectors (education, health) and neglected support to productive sectors. Very little attention was given to increasing incomes in agriculture and in the informal sector (Lammers 2008).

[48] The IOB concludes (IOB 2008) that general budget support was used as a de facto political instrument. It also criticises the fact that the conditions and procedures involved in the use of the track record are not shared with either other donors or the recipient countries. The IOB also expresses its concern that general budget support may lead to increased donor dependency. On a positive note, the general budget support did promote donor harmonisation. Moreover, the Dutch government signed various multi-donor agreements (Lammers 2008).

MDGs, were good governance, respect for human rights and capacity enhancement. In response to 9/11 and increased Dutch military presence in conflict countries, more emphasis was put on fragile states and relationships between defence, diplomacy and development (the so-called 3D approach[49]). The Minister attached greater importance to accountability in the use of Dutch aid, which resulted in establishing new instruments for measuring and reporting results, such as the 'results reports'[50] (2004). Van Ardenne continued her predecessor's emphasis on the role of trade, investments and socially responsible enterprises in accelerating economic progress and development with greater focus on bilateral aid and a more regional approach. She did put less emphasis on CSR in comparison to Herfkens, rather highlighting economic development (which was applauded by the private sector). The Minister increased funds for the PSOM and PUM programmes. There was also a number of other 'private sector development in developing countries' instruments available via FMO, such as:

- Investment Promotion and Technical Assistance Programme[51] (IPTA) - programme aimed at improving the knowledge base of small- and medium enterprises (SMEs) in developing countries. Technical assistance activities include: temporary management; short term advice; local training; job related training; education; branch training and service centres.
- The MASSIF Financial Sector Fund - MASSIF provides loans, equity, mezzanine and guarantees to local banks in developing countries. The fund focuses on the bottom of the market in four regions: Balkans, Central America, Mekong and Western Africa.
- Netherlands Investment Matching Fund (NIMF) - through NIMF, FMO provides long-term risk capital and specific sector expertise. NIMF enables FMO to match corporate investments made by international companies and thus acts as a catalyst for foreign direct investment (FDI). NIMF applies to investments in lower and lower-middle income countries.
- Infrastructure Fund for the Least Developed Countries - provides long-term untied financing for projects in energy, telecom, transportation, environmental and/or social infrastructure. The fund may also participate in international or multilateral funds that facilitate infrastructure projects.
- Netherlands Platform for Micro-financing (NPM) – Dutch organisations that support microfinance in developing countries have joined forces in NPM to coordinate and work together on micro-finance activities. They provide support in the form of loans, guarantees and participations, and subsidies.
- Netherlands Financial Sector Platform (NFX) – a public-private partnership between the government (Ministries of Foreign Affairs, Economic Affairs and Finance), leading Dutch banks and FMO. The objective is to build local financial sector know-how in developing countries through capacity development, training and research (OECD, 2006: 89-90).

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[49] The '3D' comprehensive approach combines defence, diplomacy and development to tackle security, governance and development in target areas. The approach assumes that security is complex and needs multidimensional answers, yet separate actors working in fragile states or conflict areas (can) aim for the same goals. These typically include the security, governance, development and political dimensions (Van der Lijn 2011).

[50] In the result reports "staff were required to distinguish between results achieved through Dutch efforts alone, and those achieved in collaboration with other parties, and to state their contributions to the MDGs" (Lammers 2008).

[51] The programme was closed in March 2006 and is succeeded by FMO's Capacity Development Programme, which focuses on improving the quality of the financial sector in developing countries (OECD 2006).

Minister van Ardenne also pledged for the liberalisation of trade policy and, more specifically, possibilities for developing countries to export goods. She supported the creation of Public-Private Partnerships[52] (PPPs) and decided to increase spending through NGOs.[53] Under Minister van Ardenne, the focus on Africa was much stronger than it had been during the previous years. The spending for aid to Africa (50 per cent of total bilateral aid) remained unchanged and Van Ardenne produced the first detailed Netherlands' policy for Sub-Saharan Africa – 'Strong People, Weak States'.[54] The memorandum stressed the importance of donor harmonisation in combination with capacity building and institutional strengthening in the recipient countries, and of linking aid more strongly to the MDGs and to PRSPs (Brinkman & Hoek 2010; IOB 2014; OECD 2001; Spitz, Muskens & Ewijk 2013; Nekkers & Malcontent 2000; Baneke & Jepma 2000; Hoebink 2006a).

A new Minister for DC, Bert Koenders, who studied political science and international relations, took office in 2007. His term coincided with the start of the economic crisis, decreasing public support for development cooperation and a decreased trust[55] in the development sector. He did, however, follow the footsteps of his predecessor with poverty reduction via MDGs as the main priority of development cooperation but with four new main themes: security and development, growth and equity, gender and sexual and reproductive health and rights, and sustainability, climate and energy. These were the areas in which Dutch businesses, civil society organisations, and knowledge institutions could offer expertise and add special value. He also put more emphasis on fragile states. The Minister reduced the number of partner countries to 33 and divided them into three groups: 1. MDG countries (non-fragile low-income countries with government structures that offer enough

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[52] According to IOB (2008), with regard to the programme to encourage public-private partnerships (PPPs), which was intended to involve the Dutch private sector, progress has been disappointing. The IOB concludes that PPPs are mainly determined by the availability of donor funding (Lammers 2008).

[53] Dutch NGOs gradually increased their share in the public aid budget from 14 per cent in 2001 to almost 25 per cent in 2004 (Ruben & Schulpen 2008). Van Ardenne replaced the co-financing programme with a tendering system open to all Dutch development organisations (Spitz, Muskens & Ewijk 2013). Traditionally, the Dutch Ministry for Development Cooperation took charge of the individual assessment of NGO project-funding proposals, but the large number of new projects required a shift towards a more global appraisal of regionally oriented and multi-period aid programmes. There are 'roughly' five different stages of the Dutch co-financing:

1. Initial stage (1965-2002) with gradual recognition of a selective number of large NGOs as privileged co-funding agencies, alongside a large number of more specialised NGOs that received individual project funding;
2. Expansion stage (2002-2007) with the co-existence of two large co-funding schemes: one broad framework for core funding support (MFP) and another fund for specialised thematic (inter)national agencies (TMF);
3. Consolidation stage (2007-2010) with large programme grants to Dutch-based NGOs (Medefinancieringsstelsel [MFS I] or co-financing system) and a separate programme of Strategic Alliances with International NGOs (SALIN) for a selective group of preferred non-Dutch partners.
4. MFS II (2011-2015) provided grants to Dutch-based NGOs that would enter into a strategic partnership with a Southern partner in order to contribute towards achieving the Millennium Development Goals, strengthening international civil society, setting the international agenda and changing decision-makers' policy and practice, with the ultimate goal of reducing structural poverty;
5. Dialogue and Dissent programme (started in 2015) aims to strengthen civil society in low- and middle-income countries. The programme will be carried out by means of strategic partnerships between the organisations selected and the Ministry of Foreign Affairs. (Van der Gaag, Gunning & Rongen 2015; MFA 2015a; MFA 2015b; Spitz et al. 2013; Ruben & Schulpen 2008).

[54] As a follow-up to 'Strong People, Weak States', the Foreign Ministry produced separate memoranda on the Great Lakes region and the Horn of Africa, which set out a regional approach to peace and security that integrated development cooperation with political instruments (IOB, 2008: 28).

[55] Development aid had been a recurrent subject of discussion in the media in the years proceeding Koenders' appointment. TV interviews, newspaper articles and books on the negative effect of the development aid have been published worldwide. Sachs' 'The End of Poverty' (2005), 'The Bottom Billion' (2007) by Paul Collier or 'The White Man's Burden' (2006) by William Easterly criticised the fragmented aid architecture and suboptimal use of aid funds, which led to a global and national debates about the effectiveness and the future of aid (Van Lieshout, Went & Kremer 2010).

potential for collaboration); 2. fragile states; 3. a few emerging middle-income countries with whom the Netherlands maintained 'broad relations' (OECD 2011; DCED 2010). 'International Cooperation 2.0' (MFA 2008) – as he referred to his policy framework, focused more on economic and less on social development and put 'effectiveness' in its core. The Netherlands was to improve synergies between its main aid delivery channels and align them with the new policy framework stipulated in the policy paper 'Our Common Concern'. The Minster also improved his consultation with Dutch civil society organisations. He envisioned a need for an effective multi-stakeholder collaboration between aid industry, businesses, unions, and academic and research institutions. Moreover, the development organisations themselves were expected to cooperate more closely, modernise and increase their effectiveness (MFA 2008). Koenders was also working towards application of the principles of the Paris Declaration on Aid Effectiveness[56] (2005) and called for increased accountability of the partner countries (MFA, 2007: 14).

Koenders was in favour of increased involvement of the private sector in development cooperation. He saw the private sector as "the engine in creating jobs" (MFA, 2007: 27) and "full, productive employment and effective services [as] a key factor in sustainable poverty reduction" (MFA, 2007: 5). CSR became a prerequisite for firms' involvement in developing projects. He put more emphasis on Dutch small- and medium enterprises (SMEs) and encouraged development of more PPPs.[57] The aim of PPPs was to work together towards joint development goals and to improve aid effectiveness.[58] Therefore, the Netherlands established and supports many partnership mechanisms (DCED 2010).

One of the most substantial policy changes regarding the role of business in development cooperation was the re-introduction of the ORET programme for LDCs. ORET policy changes adopted in the periods 1997-2006 and 2007-2012 have led to several adjustments in the programme objectives, rules and procedures.[59] The aim of the 'new' ORET was to facilitate infrastructure investments that should contribute to sustainable economic development and a sound business climate (IOB, 2012). The programme objectives lost the emphasis on promoting employment and Dutch export[60] in the recipient country (Berenschot, SEOR & Ecolas 2006; IOB 2015). Moreover, the re-opened ORET programme for LDCs became formally untied.[61] ORET also included a special facility for projects in the drinking water and sanitation sector in developing countries, known as the ORET Water Facility (ORET WF) (ORET 2006). Evaluation of the ORET programme prior to 2002 indicated that it did create (some) employment in the recipient countries (Berenschot, SEOR & Ecolas 2006; IOB 1999), though the cost of creating these jobs was very high (Janssen 2009). Evaluation of the programme for 2007-2012 reiterated its (moderate but positive) contribution to employment creation. Moreover, the majority of funded projects were executed by a limited group of (large) Dutch companies (IOB 2015). Despite being one of the largest Dutch programmes within the Dutch private sector development policy, ORET transactions played a limited role in poverty reduction, facilitating market access for Dutch exporters and complementing Dutch economic diplomacy efforts

[56] By 2008, the Netherlands had met only four out of eight targets for the Paris Declaration indicators (OECD 2011).
[57] The Ministry also facilitated pro-poor investments in conflict-affected countries through some Dutch companies.
[58] Though some scholars argued that PPPs were "threatening to become the new umbrellas under which the aid continues to be tied" (Hoebink, 2009a: 204).
[59] Though ORET was a grant programme initiated by the Directorate-General for International Cooperation at the Ministry of Foreign Affairs, since 2007 a consortium of PricewaterhouseCoopers and Ecorys, called Oret.nl, has been authorised to administer the programme in consultation with the Ministry of Economic Affairs (ORET 2006).
[60] Although Dutch export promotion was implicitly retained as ORET objective (IOB 2015).
[61] "This was done by including in the ORET-regulations the OECD/DAC prescribed tendering procedures in the case of aid to the LDCs, such as mandatory international competitive bidding and ex ante notification of applications to the OECD" (IOB, 2012: 8).

to strengthen bilateral economic ties. (IOB 2015)

In response to a need for increased growth-sustaining infrastructure, in 2009, alongside ORET, ORIO (Development-Related Infrastructure Facility[62]) was introduced. ORIO was also a grant aimed at (untied) financing public infrastructure investments in developing countries (both LDCs and non-LDCs) but strengthened its development relevance by offering the option of financial and technical support throughout the lifetime of the transaction as a means of promoting sustainability. The funded projects had to have a potential impact on both growth and poverty reduction (growth and distribution).[63] The number of eligible countries and sectors were limited; at the same time, funded projects were attempting to enhance the linkages with bilateral country programmes of the Netherlands (Koenders 2009; IOB 2012).

Additional adjustment was made to the PSOM programme (Programme for Cooperation with Emerging Markets), which, as of 2008, was replaced by the Private Sector Investment programme (PSI). PSI was a subsidy programme to promote sustainable economic development by boosting investment in significantly innovative projects in the private sector in developing countries. It aimed to make a relevant, positive contribution to self-reliance and poverty reduction in developing countries by creating economic activity, jobs and raising income levels. The list of countries where projects may be founded was aligned with the partner countries for Development Cooperation in combination with different emerging markets (RVO.nl 2015).

The Sustainable Trade Initiative (IDH) was funded during a public event at Schokland in 2007 where businesses, trade unions, NGOs, the knowledge sector and the Ministries for Development Cooperation, Economic Affairs and Agriculture, Nature and Food Quality acknowledged the necessity of joining forces in stimulating sustainable trade. The IDH objective was (and has been) to bundle the forces of these stakeholders to tackle key sustainability bottlenecks in international commodity chains and catalyse sustainable trade. IDH “accelerates and up-scales sustainable trade by building impact oriented coalitions of front running companies, civil society organisations, governments and other stakeholders that will deliver impact on the Millennium Development Goals 1 (poverty reduction), 7 (safeguarding the environment) and 8 (fair and transparent trade)” (IDH 2015). Since its formation, IDH has aimed to adhere to high standards of good practices and transparency in governance and reporting, as well as fully include Southern partners in their programmes (Weyzig 2008; IDH 2015; IDH 2008).

In addition to the already existing ORET/ORIO, PUM and PSOM/PSI instruments, Koenders also facilitated the establishment of the Currency Exchange (TCX), a joint venture of the Netherlands Development Finance Company (FMO), African Development Bank (AfDB), Development Bank of South Africa, ABN AMRO, Oikocredit, Cardano Risk management, and the Ministry of Foreign Affairs. The TCX objective was to mitigate foreign exchange risks for entrepreneurs in developing countries, who were forced to borrow or settle accounts in a foreign currency, by diversifying and covering these risks (Weyzig 2008: 224). Additionally, the Matchmaking Facility (MMF) was established. MMF seeks companies from developing countries who are interested in having a Dutch business partner and who support the ‘People, Planet, Profit’ principles. For companies from developing countries,

[62] Ontwikkelingsrelevante Infrastructuur Ontwikkeling.

[63] For example, a road-building project is graded higher if it not only leads to more economic activity but also gives farmers and entrepreneurs access to new markets (IOB 2012).

MMF is a transit point on the way to Dutch industry (NL Agency 2011). Finally, in 2010, the NL Agency was founded, as a merger of three agencies of the Ministry of Economic Affairs (EVD, Netherlands Patent Office and SenterNovem). The NL Agency offered entrepreneurs, research institutions and governments information, financing, networking and implementation of laws and regulations in areas of sustainability, innovation and international business[64] (Garritsen 2013: 591). Through the years, the Ministry for DC and the Ministry of Economic Affaires increasingly tightened their links. Consequently, NL Agency became responsible for management of most of the private sector development instruments.

The push towards responsible business and importance of MDGs promoted by the Ministry for DC contributed to the fact that "many large companies have embraced the trend of focusing on MGDs"[65] (Weyzig 2008: 222). On various occasions the Minister highlighted the importance of promoting decent work and labour rights in developing countries and the role of Dutch companies in assuring these standards. Dutch companies were to act more responsibly by gradually adopting some of the international CSR principles (OECD guidelines, ILO Better Work programme, UN Global Compact and/or other recognised standards), but only a small group of leading companies adopted a proactive approach. Mostly, big multinational companies (MNCs) promoted their positive contributions to achieving MDGs and to society. In some cases, however, it was just a cover for their negative impacts on the environment or their violation of human rights in a host country. Therefore, the Ministry decided to strengthen its international diplomacy efforts on corporate (social) responsibility through IDH and other multi-stakeholder initiatives to mainstream CSR in supply chains as well. Compliance with the OECD Guidelines for Multinational Enterprises was and remains the main requirement for obtaining governmental funding. Moreover, compliance with the international standards was strengthened by establishing the Dutch National Contact Point (NCP) for the OECD Guidelines and by following recommendations of OECD Watch more closely. Business contribution to the MDGs and sustainable development was also a mission of the Netherlands Network of the UN Global Compact, which stimulated and encouraged companies to become signatories of the UN Global Compact.[66] Some studies on development-oriented initiatives by Dutch multinational companies (such as poverty reduction at the micro and macro level through direct employment, supply and distribution chains) concluded that their contribution to MDGs is positive yet often unrelated to their core business (Clay 2005; DSR 2006). What was also revealed was that MNCs often disregard issues of tax payments in their host countries. Various MNCs have their ultimate headquarters in the Netherlands[67] for fiscal reasons, as Dutch tax regulations facilitate tax avoidance in other countries. The report estimated that as a consequence of the tax haven features of the Netherlands, developing countries were missing between € 100 million to € 1 billion in tax revenues each year (Weyzig & Van Dijk 2007). Dutch tax policy is also problematic for its government's efforts to enhance policy coherence with its development policy. The Netherlands has typically been

[64] Netherlands Enterprise Agency is part of the Ministry of Economic Affairs. The organisation was established in 2014 as a result of a merger between NL Agency and the Dienst Regelingen – the executive agency of the Ministry of Economic Affairs (RVO.nl 2013b).

[65] Before, the CSR activities of Dutch companies operating abroad were not a formal and obligatory requirement to obtain governmental funding.

[66] UN Global Compact has a set of core values of its own in the areas of human rights, labour standards, environment, and anticorruption.

[67] Though the 'nationality' of multinationals is very difficult to determine as investment structures do not always coincide with their operational structures (Weyzig 2008).

concerned about the Dutch investment climate and has been actively attracting large multinationals. However, enabling multinational corporations to avoid taxes in developing countries, which lowers government revenues in these countries is inconsistent with high levels of Dutch ODA. Tax issues have also been related to achieving MDG 8 - Develop a global partnership for development and Targets 12 and 15, respectively, regarding development of an open trading and financial system and dealing comprehensively with developing countries' debt problems respectively. The fact that the Netherlands is a tax haven for multinationals has important negative consequences for developing countries and raised the question of whether Dutch tax policy is coherent with Dutch policy on development cooperation.[68] Since 2007, the Ministry has been paying increased attention to the coherence between tax and development policies. International Tax Compact (ITC) was launched to strengthen international cooperation with developing countries to combat tax evasion and avoidance; furthermore, the Ministry joined the Task Force of Financial Integrity and Economic Development, which advocates transparency of tax-relevant information in the global financial system (Dijk, Weyzig & Murphy 2006; Weyzig & Van Dijk 2007; Weyzig 2008; Weyzig & Van Dijk 2009).

The first decade of the new millennium brought renewed focus on the private sector and trade to the Dutch political scene, continuing with the dominant national self-interest trend in development cooperation. More attention, however, was given to job creation in developing countries (despite the fact that one of the flagship funding instruments ORET replaced one of its main objectives of job creation with contributing to sustainable economic development and a sound business climate) – other programmes like PSI or Trade Union Co-financing contributed to job creation and promotion of labour rights in recipient countries. Dutch companies active in developing countries were increasingly forced by government funding instruments to act and behave responsibly by adhering to international CSR standards. Despite great progress in this area, many big MNCs have been criticised for engaging in tax avoidance behaviours in developing countries by using the Netherlands as a tax heaven. Such possibilities substantially affect the credibility of the Netherlands as a major international donor and the effectiveness of the Policy Coherence for Development initiative.

Throughout the decade, the organisation of the DGIS was operating according to the changes introduced by Pronk in 1995. A few internal changes were introduced in 2000. Within the wider Ministry, the Directorate General for International Co-operation (DGIS) remained the organisational heart of the Dutch development co-operation with parts of other directorates, Ministries and embassies involved in the management of ODA. Primary actors with responsibility for ODA can be located in Figure 4, including: bilateral 'delegated' funds (embassy); bilateral 'macro' funds (DVF), World Bank and UN funds (DVF+Ministry of Finance); European Union funds (DGES/DIE); NGO funds (DSI); humanitarian assistance (DMV); private sector funds (DOB + Ministry of Economy) (OECD 2006; OECD 2001).

A number of the DGIS thematic departments have undergone internal reorganisations since 2001. DOB and DRU departments responsible for Private Sector and Rural and Urban Development, respectively, were merged under the new DDE unit responsible for Sustainable Economic

[68] It should of course be pointed out that tax avoidance is an international problem. If the Netherlands eliminated opportunities for harmful tax avoidance while other countries, like Luxembourg and Switzerland, continue to offer this type of construction, a large part of the missed tax revenues would not be recovered (Weyzig 2008).

Development. DML, the Environment and Development unit was transformed into DMW, Development and Water. The main substantive change to the overall organisational structure, however, was the creation of the new Effectiveness and Quality Department (DEK) in 2005 (see Figure 5). DEK has a broad mandate to oversee effectiveness and quality within the MFA, collect and record data, makes policy recommendations, and develop and maintain instruments for implementing policy on cross-theme and cross-country issues. Its objectives are:

- To strengthen the learning capacity of DGIS by linking data management and information to policy analysis and implementation.
- To conduct policy analyses on cross-cutting themes.
- To support and advise the embassies on cross-cutting themes (OECD 2006).

Reforms introduced in 1996 led to major increases in delegation of management responsibilities to the field and, since then, embassies have been responsible for local policy, implementation and financial management. The ambassador, supported by a Head of Development Cooperation, provides leadership at the embassy level. Country Teams, composed of representatives from across DGIS's thematic departments, have a key role to play in ensuring smooth communications between headquarters and embassies. The Netherlands also makes relatively extensive use of locally hired staff[69] who perform various policy and programme management functions. Since 2001, a major new system of Multi-Annual Strategic Plans (MASPs) has been introduced across the 36 development co-operation partner countries. The four-year MASPs enable more explicit links between the country context and the Netherlands' central policy framework. Setting up the four-year strategic vision in close agreement with headquarters was intended to improve operational aspects of the annual planning processes delegated to the embassy. The embassy's reporting obligations were therefore combined into one Annual Report/Plan, with the focus on reporting results and lessons learned from the previous year rather than on planning for the coming year (OECD 2006; OECD 2001).

Since 2004, the Track Record Annual Assessment Framework has been used to assist in the overall choice of aid modality (project, programme or budget support) most appropriate for the partner country. The Track Record details and analyses partner country progress in four cluster areas:

- The PRSP and the commitment to poverty reduction, assessed with a PRSP Review Framework.
- The macroeconomic policy and business climate, assessed with a Business Climate Scan.
- Good governance, including Public Finance Management, assessed with a PFM Review Framework.
- Dialogue and harmonisation, analysed using the explanatory notes on quality of policy dialogue.

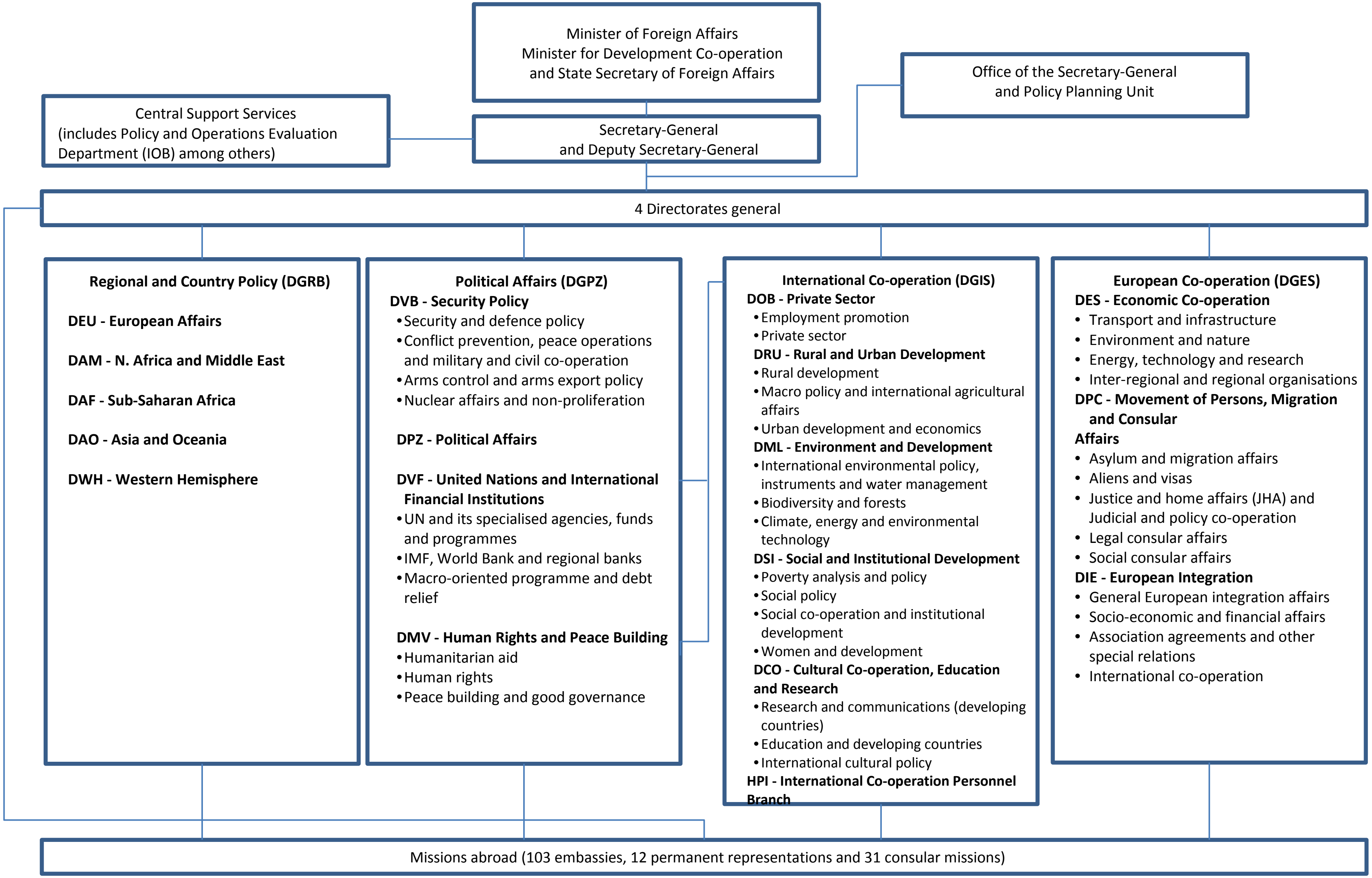
The Track Record does not prescribe which aid modality to choose, but indicates the available scope and the preferred aid modalities within that scope. Its recommendations may, however, be overruled by political factors. Once the aid modality has been selected, an Activity Appraisal Document is prepared, which describes the assessment process, justifies the decisions and details the results to

[69] Although the local staff is not often hired with long-term career perspectives and tend to move after a few years of service, both embassies and local employees seem to be making good use of their specific comparative advantage (e.g. local experience and ability to understand local complex situations). (OECD 2006).

be achieved. The Track Record was primarily a planning and analysis instrument, but successive track records would monitor the long-term development in a country (OECD 2006).

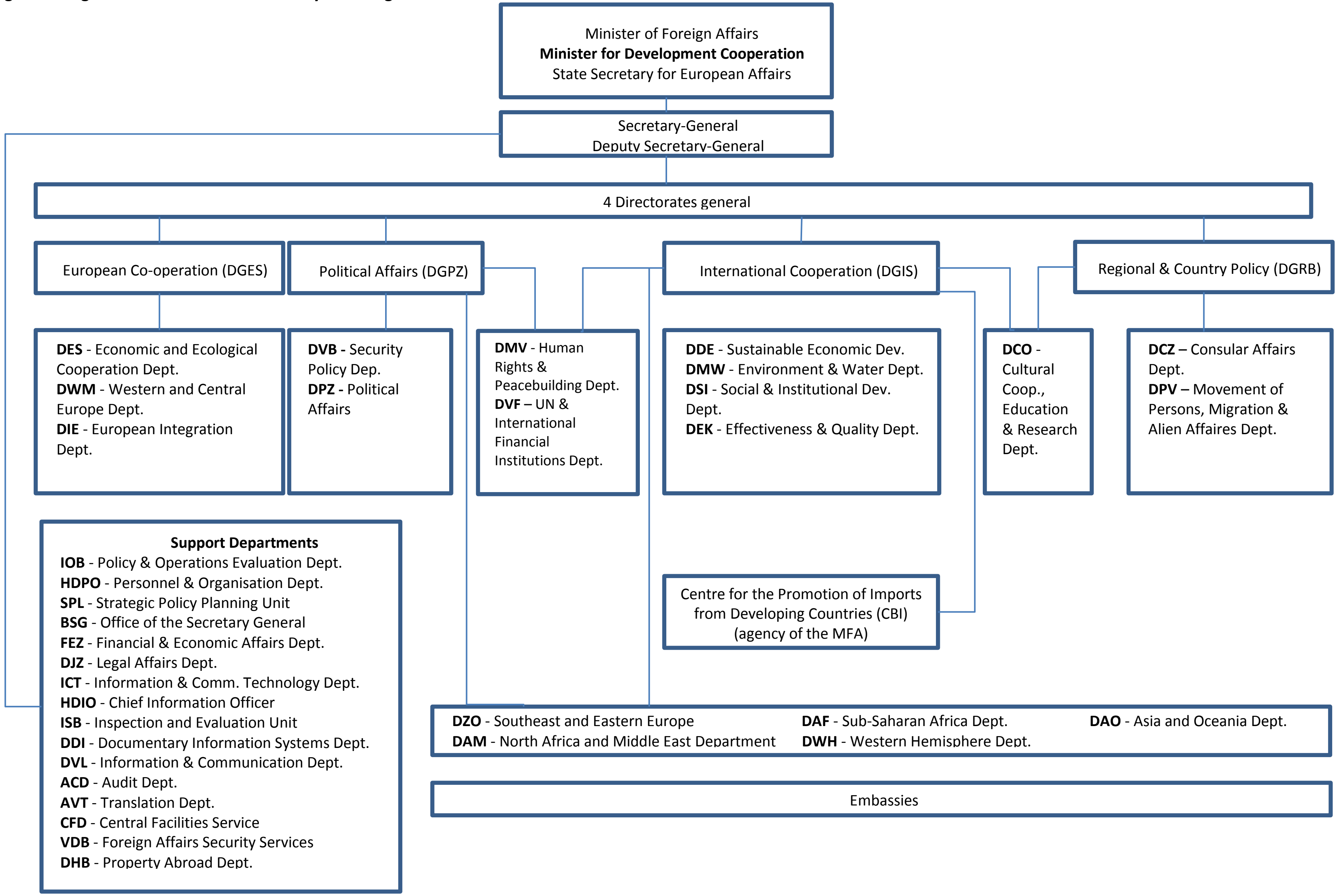
In 2010, the Minister of Foreign Affairs – a historian, Maxime Verhagen – briefly took over the title of the Minister for DC. From October 2010, the office of the Minster for DC was discontinued and replaced by the position of State Secretary of DC under the MFA.

Figure 4. Organisation chart of the Ministry of Foreign Affairs in 2001.



Source: (OECD 2001).

Figure 5. Organisation chart of the Ministry of Foreign Affairs in 2006.



Source: (OECD 2006).

2010-to date: Budget cuts and a greater role for Dutch business.

In 2010, the Dutch Scientific Council for Government Policies (WRR) published its influential report 'Less Pretension, More Ambition: Development aid that makes a difference' (Van Lieshout, Went & Kremer 2010). The report builds on the previously published book on the subject of Dutch development policy in the WRR Investigations series (Kremer, Van Lieshout & Went 2009), field visits and around 500 interviews. The Council concluded that Dutch development organisations have held a number of pretensions, but that aid was not able to solve all the world's problems. National development cooperation should, however, become more ambitious, more development-oriented and sharpen its focus on a number of global problems. "After sixty years of generalising it has become apparent that specificity is required because it is impossible to be able to say generally what works best and why" (WRR 2010: 260). The biggest challenge ahead is for Sub-Saharan Africa, which should seek its own, regional path for development. The report was a plea for a fundamental change in the course of the Dutch development cooperation, away from poverty reduction as its main objective and to prioritise economic growth instead. Funds for health care, education and NGOs should be cut, together with the number of partner countries (to ten). Instead, Dutch expertise and interest should be further promoted (OECD 2011; Breman 2011; Spitz, Muskens & Ewijk 2013; Hoebink 2009b; Van Lieshout, Went & Kremer 2010). The report was fiercely debated in academic and professional circles[70] but it was well received in the political arena (MFA 2015:5).

Ben Knapen – a historian and a journalist – became the State Secretary for DC in 2010 and partly implemented the WRR's recommendations during his term.[71] The major changes included a shift in focus from social to economic development, stronger alignment of Dutch development priorities with Dutch expertise and self-interest, and a cut of the development budget from 0.8 to 0.7 per cent of national income. Poverty reduction remained high on the agenda but the aim was to alleviate it via four priority areas: security and the legal order, food security, water, and sexual and reproductive health and rights (SRHR). Another change was a reduction of partner countries from 33 to 15 (also as a contribution to the process of donor harmonisation launched under the Paris Declaration and the Accra Agenda for Action). Consequently, multilateral channels gained prominence as a more important supplement to bilateral policy. The reduction of partner countries and budget led to closure of several embassies. The partner countries remained divided into three categories: MDG countries, fragile states and emerging economies. Sub-Saharan Africa has again been given a higher profile within the new polices where ten out of fifteen partner countries were from this region. In making its country selections the Netherlands took into account the following considerations:

- The Netherlands' adds value as a donor and to Dutch interests in the concerned country;
- The country's income, poverty level and development needs;
- Opportunities for pursuing the Netherlands' four thematic priorities;
- The extent to which the country has good governance or opportunities to promote this;
- How re-shaping the development programme would impact on the proposed plans to cut back on the network of Dutch embassies.

[70] A very lively debate took place in The Broker, (see The Broker 2010; Box 2010; Dietz 2010a; Meertens 2010; Dietz 2010b); and Worldconnectors, (Worldconnectors 2010).
[71] Knapen was a member of the WRR at the time the report was drafted (Van Lieshout, Went & Kremer 2010).

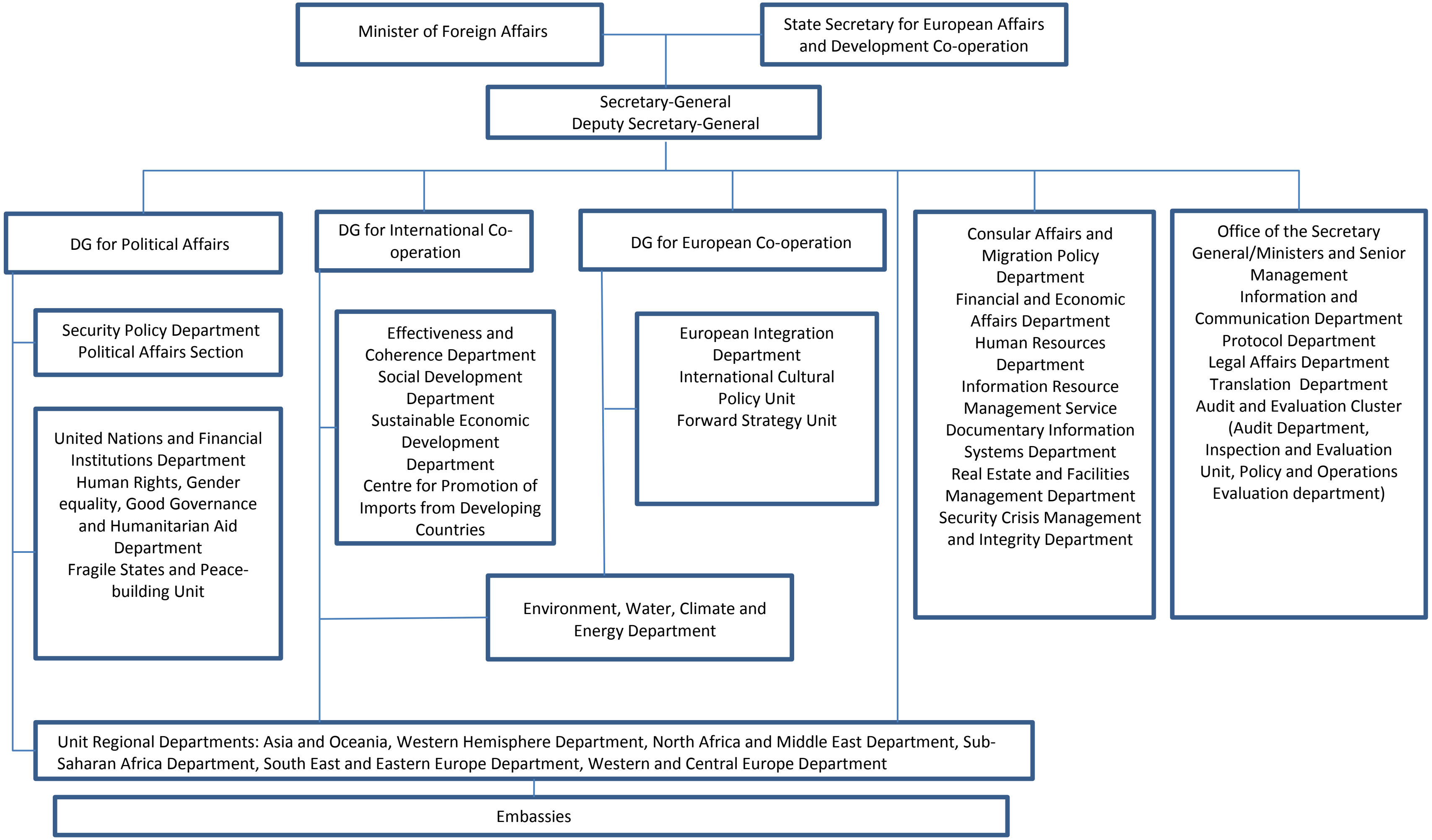
The State Secretary also phased out support to the social sector (mainly education and health), focusing instead on the private sector – the so-called 'top sectors approach'. Development aid was yet again seen through a private sector lens (MFA 2010; MFA 2011; Spitz, Muskens & 2013; OECD 2011).

The government itself underwent organisational changes in a context of further strengthening policy coherence, reforms and administrative cuts across government. A new Ministry for Economics, Agriculture and Innovation[72] was created to promote high-growth sectors in the Dutch context, such as water, food, horticulture, and energy among others; as well as to support Dutch businesses abroad through economic diplomacy (via embassies and consulates). These are also sectors that the Netherlands thinks it is good at and therefore such expertise could be further promoted internationally through Dutch development activities. As for MFA, a major change was made to the leadership of Development Cooperation. The number of people in charge was reduced from three to two and the Ministry no longer had a cabinet level Minister wholly focused on development. The development portfolio was held by a non-cabinet level Minister (called State Secretary) also responsible for European affairs.[73] The Director General for International Cooperation remained overall responsible for Dutch aid and many development themed departments reported to DGIS (though some thematic departments also reported to other directors general). Another change included merging different departments – such as those responsible for aid effectiveness and policy coherence (see Figure 6). Another reorganisation took place in 2012, which created a post of Minster for Development Cooperation and Foreign Trade in parallel to the post of the Minister of Foreign Affairs (see Figure 7).

The Ministry decentralised its staff and further delegated a significant part of its authority to its embassies. The Ministry estimated that around 40 per cent of its development-related staff was located in headquarters and 60 per cent in the field (including locally-recruited staff).[74] Embassies had full responsibility for their programmes, accounting for around one-third of the Netherlands' bilateral aid. The embassies were working on themes, such as diplomacy, development and other types of cooperation. Regional departments and embassies reported to the whole senior management team at HQ (three director generals, a secretary general and a deputy secretary general). Embassy teams have the authority to agree on financial disbursements to partners based on strategic four-year plans (the MASPs) and annual plans agreed with HQ. Although such decentralisation has been applauded for its flexibility and responsiveness, it was advised that the links and internal communication with the HQ be strengthened (OECD 2011).

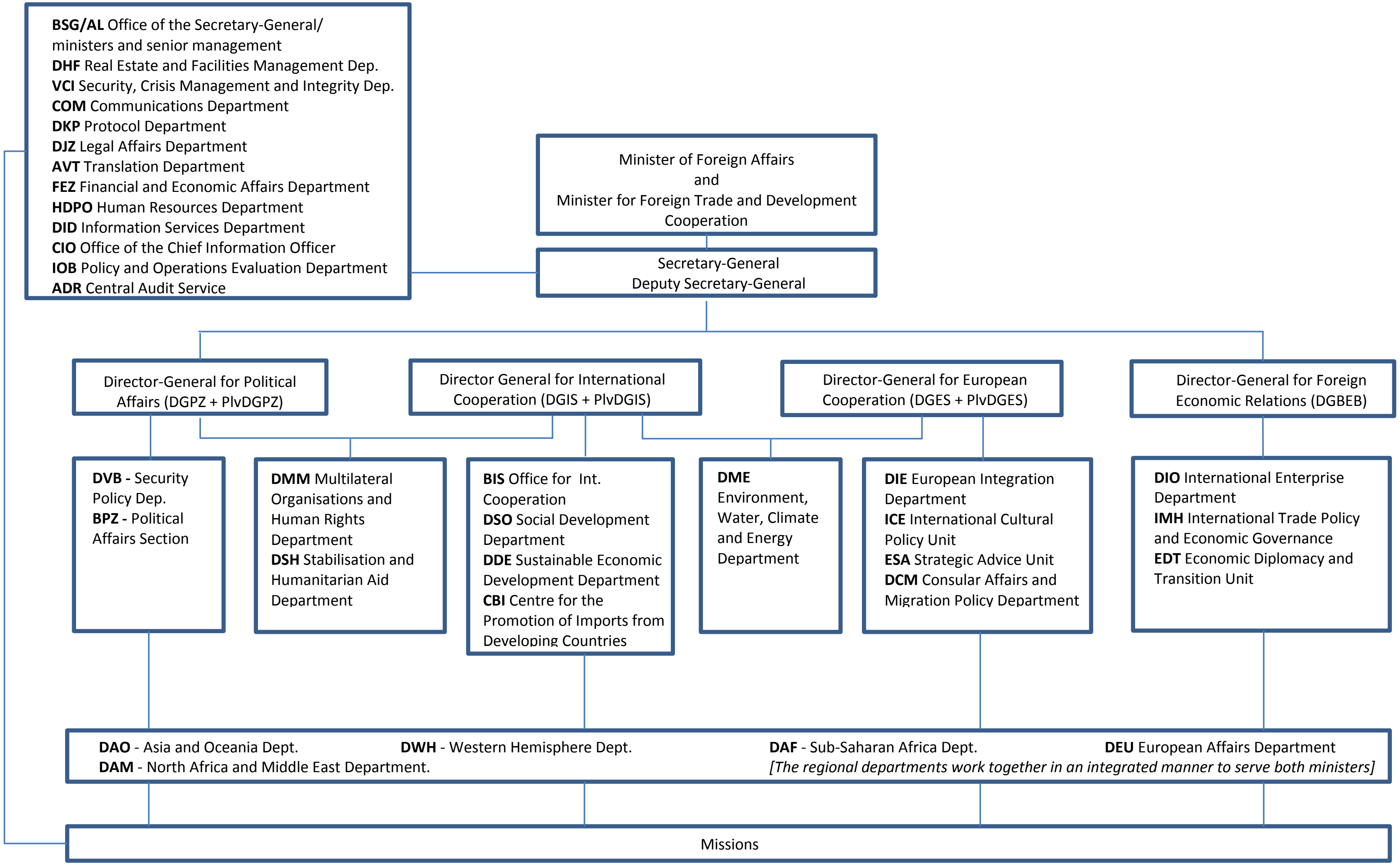
[72] The Ministry was renamed back to Ministry of Economic Affairs in 2012.
[73] Ben Knapen continued to be in charge of portfolios of Development Assistance and European issues, but had to dedicate a lot of his time to the latter.
[74] It is estimated that 600 staff work at the HQ in The Hague, 300 field expatriates and 600 field local staff (OECD 2009: 40).

Figure 6. Organisation chart of the Ministry of Foreign Affairs in 2011.



Source: (OECD 2011).

Figure 7. Organisation chart of the Ministry of Foreign Affairs in 2012.



Source: (MFA 2013a).

The reforms and cuts were continued with the new (and current) administration. Lilianne Ploumen – trained as a social historian – took office in 2012 as the Minster for Development Cooperation and Foreign Trade. She introduced severe cuts to the development budget from 0.7 to 0.59 per cent of the national income (for the first time in the Dutch history, Dutch ODA fell below the internationally agreed 0.7 per cent threshold). The creation of the joint post for development cooperation and foreign trade confirmed the importance of cohesion between these two policy areas. The Dutch Government acknowledged that its influence on the world stage is decreasing due to the emergence of new global actors (such as China, India and Brazil). Its relations with low- and middle-income countries are on a more equal footing now and they increasingly become the trading partners (in addition to being recipients of aid). This and a perceived decrease in world poverty has necessitated a call for a new aid, trade and investment agenda (Magnetti 2013). Some scholars, however, criticised this move, claiming that the new Minister was an instrument of the Ministry of Economic Affairs within MFA structures and her role would be to promote Dutch export and protect Dutch private sector in developing countries – a combination which may be 'toxic' (Hoebink 2013b) and overrule other development objectives. Regardless, the Netherlands increasingly sees its role as an investor rather than a donor. Therefore, the development programme continued investing public funds with the aim of leveraging private investments (OECD 2011; Spitz, Muskens & Ewijk 2013; IOB 2014).

According to Ploumen's key policy framework, entitled 'A World to Gain', the Minister put Dutch self-interest and the combination of trade and development cooperation at the core of national development cooperation policy. Poverty reduction remains a key priority area, together with (added) promotion of inclusive growth[75] and promotion of Dutch firms on international markets. The role of trade and Dutch companies was to act as a main catalyst for enhanced production and employment (both in the Netherlands and in the partner countries). The main themes of Dutch development cooperation policy aligned with the added value that the Netherlands can provide with its expertise and experience remained unchanged in comparison to the previous administration. These are: 1. security and the rule of law[76]; 2. water management; 3. food security; and 4. sexual and reproductive health and rights. In each of these four themes, issues such as poverty reduction, gender equality, the environment and climate, and inclusive growth play an important role. The Netherlands also highlighted the importance of International Public Goods[77] (IPGs) and greater regional approach (MFA 2013b; Van Dam & Van Dis 2014).

What matters the most to Dutch development cooperation policy is to add value to both the Netherlands and the partner country by combining aid and trade, and eventually replacing aid with trade.[78] The intention was not to substitute aid for trade or vice versa but, depending on development relationships with a given country, choose the most optimal combination of both. For that reason, the Netherlands maintained three types of relationship with partner and focus countries: 1. aid relationships ('fragile states' affected by war, weak governance, and major ethnic and political tensions); 2. transitional relationships (low- and middle-income countries with the aim

[75] The economic growth from which the poor also benefit.
[76] Through the New Deal for Engaging in Fragile States, which adapts the 3D approach (MFA 2013a).
[77] IPGs are international issues or goods that affect everyone, or goods that should be available to all (i.e. clean air).
[78] A policy transition from aid to trade means that the embassies eventually will phase out their current development programmes in the partner countries. Subsequently, the development programmes will be replaced with a sustainable and inclusive trade relationship between the partner country and the Netherlands. In preparation for the switch, Dutch embassies focus on economic development by trying to combine trade and development (Leenstra 2015).

to reduce poverty and boost economic growth); 3. trade relationships (established economies with activities that primarily benefit the Dutch economy and employment. Ploumen has also encouraged the creation of Public-Private Partnerships (PPPs) (MFA 2013b).

As sustainable private sector development has been one of the core businesses of Dutch development policy, the knowledge and skills of the Dutch 'top sectors' must be put to optimal use. Entrepreneurship and optimal procedures are essential for creation of employment opportunities in developing countries. The Netherlands therefore focuses on the following conditions for sustainable business:

- Increasing access to markets;
- Good legislation;
- Reliable official bodies and other organisations;
- Good infrastructure;
- Access to financial services (MFA 2013b).

To link trade and development cooperation, Dutch companies[79] and the Dutch embassies in low- and middle-income countries now have an extensive package of instruments at their disposal:

- The Centre for the Promotion of Imports from Developing Countries (CBI) helps entrepreneurs from developing countries to gain access to national, regional and international markets. It also helps them integrate into production and value chains and assure quality standards for products that may be sold on the European market.[80]
- The Netherlands Senior Experts Programme (PUM) continues its operation by ensuring transfer of knowledge and expertise to local entrepreneurs through Dutch experts' advice and exchange. The Netherlands also supports food standards agencies, trade unions and employers' and producers' organisations efforts in assuring for good working conditions[81] through, for example, the Dutch Employers Cooperation Programme (DECP).[82]
- Infrastructure was and still is essential to ensure a good business climate in developing countries. The Private Infrastructure Development Group (PIDG) and the Infrastructure Development Fund (IDF) are programmes that develop both public and private infrastructure in low- and middle-income countries. The largest programme targeting investment in infrastructure has been the Infrastructure Development Facility (ORIO). In 2014, the Minister for Foreign Trade & Development Cooperation decided to stop the ORIO programme[83] and replace it with a new programme for public infrastructure launched under the name DRIVE

[79] The Netherlands also supports developing countries in building their knowledge about trade. An example is the establishment of the Advisory Centre on WTO Law, which gives developing countries legal advice in the event of trade conflicts (MFA 2013b).

[80] For example: to promote East African exports and regional trade, the Netherlands is working through TradeMark East Africa towards clear customs regulations and compliance with them (MFA 2013b).

[81] Through, for example, supporting ILO Better Work Programme (MFA 2014b).

[82] The foundation Dutch Employers' Cooperation Programme (DECP) is a public-private partnership established by Dutch employers and the Ministry of Foreign Affairs with the aim of strengthening the position of employer organisations in developing countries. Via DECP, Dutch employer organisations offer professional expertise to employer organisations in developing countries. In implementing its programme DECP works closely with several international organisations including the ILO (in Geneva), the International Training Centre of the ILO (in Turin) and the International Organisation of Employers (IDE) in Geneva. DECP also cooperates with fellow agencies in the Netherlands, such as the PUM Netherlands Senior Experts programme and the Centre for the Promotion of Imports from developing countries (CBI) (DECP 2013).

[83] The adjustment was a result of an IOB evaluation, which concluded that Dutch efforts in the field of infrastructure development could be more relevant to development (MFA 2014c).

(Developmentally Relevant Infrastructure Investment Vehicle). Key elements of DRIVE are development relevance through focus and coherence, flexibility in the project cycle and concessional financing for the total costs of projects. A major objective is to actively involve the Dutch business community.

- The TCX Fund remains operational and helps to mitigate the risks of doing business internationally, for example by mitigating the exchange rate risks.
- The Health Insurance Fund (HIF) strengthens the insurance sector in low- and middle-income countries. The Dutch NGO PharmAccess International is responsible for administering this fund. The HIF, which is financed from public funds, has led to a private investment fund, such as the Investment Fund for Health in Africa (IFHA).
- The Dutch Good Growth Fund (DGGF) promotes development-related investment in and trade with developing countries among (primarily) small- and medium-sized enterprises (SMEs). The aim of the DGGF is to combine long-term profit and viability with lasting economic and social benefits. To achieve this ambition both the Dutch and the local entrepreneurs must adhere to international corporate social responsibility standards (ICSR).[84] A second key principle is that a project must provide opportunities for improvement.[85] Until 2017, the government will invest a total of €700 million in DGGF. SMEs may also receive loans, which must be paid back. These loans must contribute to employment, increase the strength of local manufacturing and promote knowledge transfer in developing countries and emerging markets. The fund was first managed by NL Agency and later by the Netherlands Enterprise Agency (RVO) (RVO.nl 2013a; MFA 2013b; Action Aid, Both Ends & SOMO 2013; Rahman 2014).
- Support for NGOs in developing countries through a new Dialogue and Dissent programme.

The Netherlands is also committed to contributing to a post-2015 global development agenda and other multilateral initiatives that are aligned with new Dutch principles. The Dutch government supports low- and middle-income countries in improving their institutions, and law and regulations, such as building a strong tax administration[86] and simplify registration procedures for companies. Moreover, the Ministry (together with the G20) promotes an inclusive finance agenda, which may boost the business climate in said countries (MFA 2013b). Additionally, Ploumen supported the WTO Doha round of negotiations (aimed at removing trade barriers and opening up international agricultural and industrial markets) and welcomed the ‘Bali Agreement’ in which WTO countries agreed on trade facilitation, some agricultural issues, and selected development-focused provisions[87] (MFA 2013d; Bellmann 2014).

A strong emphasis was put on the Corporate Social Responsibility (CSR) of Dutch companies and CSR became one of the major conditions to participate in any of the funding instruments. One of the

[84] The main ICSR principle for the DGGF is that entrepreneurs bear their responsibility for their actions in accordance with the OECD Guidelines (MFA 2013b).

[85] One of the main criticism of the programme is lack of transparency and solid definition of 'development relevance', as well as the fact the DGGF is perceived as a new way to tie aid (Action Aid, Both Ends & SOMO 2013).

[86] Through, for example, the IMF’s technical assistance programmes (MFA 2013d).

[87] “After five years of impasse in the moribund Doha Round of trade negotiations, the so-called “Bali package” was enthusiastically welcomed by the world’s governments and international press alike as a critical step towards restoring the credibility of the WTO as a negotiating forum. The centrepiece of the package is without doubt a new agreement on trade facilitation aimed at reducing red tape, and facilitating customs procedures in an effort to cut down the cost of doing business. Other — less far reaching — aspects of the deal focused on food security and a set of issues of particular interest to least developed countries including trade preferences or cotton subsidies” (Bellmann 2014).

issues in the implementation of CSR is a fair tax system. It is also important for increased policy coherence. The development funds will simply not be released to companies that engage in tax avoidance practices. The Minister for Development and Trade has been collaborating with the Ministry of Finance to review several existing tax treaties with developing countries and assess what impact they have on the tax revenues in developing countries (MFA 2014a; MFA 2012; MFA 2013b; Action Aid, Both Ends & SOMO 2013). Moreover, in 2013, the Netherlands made a step towards increased coherence between tax and development policy. The tax loopholes that allow multinationals to reduce their tax bills by using Netherlands-based 'letter box' companies were closed. Since then, companies are welcome to operate in the Netherlands but they need to prove their activities in the country. Therefore, profits made in the Netherlands should be taxed in the Netherlands, and other profits should be taxed where they are made. It has been an insufficient[88] yet an important step towards a more fair tax system. What is still needed, however, is a more holistic national and global tax regulation that would make it impossible for MNCs to avoid paying their share of tax (Accountancy Live 2013; Financial Times 2013; The Independent 2015).

'A World to Gain', introduced by Ploumen, had a mixed reception. On the one hand, it did address all pending and timely issues, such as inclusive development, poverty reduction, security, CSR and public goods. Moreover, adaptation of a regional approach (rather than a national approach) in some developing countries is also considered as a step in the right direction. Among the partner countries, a new category for 'trade relationships' emerged. This category was created based on Dutch economic self-interest and focused mostly on foreign trade with established economies that contribute to growth of the Dutch economy and Dutch employment. Regarding promotion of private sector development, Ploumen spoke of win-win situations in which the Dutch economic interests and those of developing countries coincide. A number of new actors, such as businesses, banks, NGOs and recipient governments should be involved to create such win-win situations. On the other hand, in its approach and ideas the 'new agenda for action' is not really 'new', but rather perpetuates the policy pursued in recent years. The choice of main themes and partner countries continues in the same vein as her predecessors (except for the new partner country's category mentioned earlier). Focus on economic development, trade and the active involvement of the business community is also not new, but has been high on the Dutch development agenda since its inception in the 1960s (even when pushed to the 'peripheries' during Pronk's years it was still strong). To some, such an approach is considered 'new colonialism' and a new way to 'tie aid'. Furthermore, there have been very limited possibilities to evaluate the quality and sustainability of Dutch development instruments for promoting private sector development and their long-term impact on job creation.[89]

Ploumen was accused of lacking concrete vision and profound analysis of underlying causes and the scope of the problems. For example, Ploumen is repeatedly calling for inclusive growth (a guiding principles of her policy), but without providing a working definition of the concept.[90] Moreover, she calls for increased involvement and collaboration of multiple stakeholders, but does not answer the

[88] Despite the effort, it is still relatively easy to overcome the new law in practice.

[89] Recent initiative of The Centre for the Promotion of Imports from Developing Countries (CBI), the Foundation Netherlands Senior Experts (PUM), the Agricultural Economics Research Institute (LEI Wageningen UR) and the Erasmus School of Economics (ESE) – PRIME Research Partnership – aimed at developing a joint programme to pioneer impact evaluation methods of interventions of PUM and CBI (http://www.primepartnership.nl access on 6.08.2015).

[90] Although, in September 2015, Minister Ploumen sent a policy letter 'Inclusive development in the Dutch programmes for Foreign Trade and Development Cooperation' ('Inclusieve ontwikkeling in de Nederlandse programma's voor Buitenlandse Handel en Ontwikkelingssamenwerking') to the Parliament. The letter identified five priority strategies on how to make Dutch development more inclusive, with productive employment creation being the top priority (MFA 2015c).

questions on how to do that or whether all these actors have the same goals in mind. Even her flagship instrument, DGGF, lacks clarity where the money will actually be allocated: to Dutch or Southern SMEs (with the Dutch Minister for Economic Affairs pushing for the former solution). In addition, studies on a regional concentration of Dutch aid in developing countries are scarce and there is insufficient evidence to conclude that the Dutch private sector is indeed working on country peripheries/poorest regions, hence contributing to inclusive development. According to critics, the new agenda fails to address critical issues, such as inequality within countries, and it does not sufficiently encourage productive investment and job creation in developing countries. Moreover, it should stimulate social dialogue, cooperation between people with similar professions from different cultures, the building of knowledge centres (in the Netherlands and partner countries) and trade union activities in order to promote human rights and good working conditions (Bieckmann 2013; Leenstra 2015).

In the coming years, the funds dedicated to ODA will be cut. In time, development aid as such will also be phased out. With an increasing number of middle-income countries, it can be assumed that, eventually, they will take on the responsibility for the internal poverty reduction. Their national income should grow as a result of expanding middle classes, influx of remittances and national taxation. Yet, this will not be the case for post-conflict and fragile states (mostly concentrated in Sub-Saharan Africa), where an estimated 75 per cent of the global poor will live by 2025. Such countries will remain in profound need of external development aid. Consequently, 'traditional' Dutch development aid will be phased out and replaced with a direct financial aid to post-conflict and fragile states mixed with an innovative development/economic cooperation approach. The approach that (in different forms) has been promoted by the Netherlands for decades (Ruben 2015).

Conclusions

Dutch development cooperation is more than sixty years old. Since the beginning, Dutch government has strongly supported policies and initiatives stimulating private sector and economic development in the Netherlands and in developing countries. Dutch development cooperation aimed to eradicate poverty and promote social inclusion by supporting economic development and creating enabling business environment in recipient countries. The Netherlands also promoted global security, good governance, encouraged business partnerships and collaboration as well as PPPs; provided training, infrastructure, support to trade unions and civil society. The main motive behind the Dutch involvement in development cooperation, however, was Dutch self-interest, as better business environments in recipient countries would allow Dutch companies to find new markets to export their products and create jobs (predominantly for Dutch experts).

Embassies have been playing an increasingly important role in this process. Available instruments, such as ORET, PSI and DGGF, required Dutch companies to create employment but there has only been a greater emphasis on employment creation in developing countries in the last two decades. Moreover, the jobs that are created now should be fair and productive and all Dutch companies must adhere to international CSR principles. The Dutch expertise within its 'top sectors' is being put to use in developing countries, which theoretically should generate a win-win solution for both the Netherlands and the recipient country. However, issues of tax avoidance by MNCs, a limited focus on supply chains, insufficient knowledge infrastructure and a continued lack of a broadly accepted evaluation framework for business' impact on development hamper the assessment of the role of government funding and instruments for private sector development and the quality of employment created. This puts the transition from aid to trade into question.

For the Netherlands, poverty alleviation, private sector development and security were among three dominant focus areas through the years. PSD in particular played the central role, as it was assumed that poverty could only be alleviated when the economy of a country is stimulated. This paper shows continuity in the Dutch approach towards development policies as a way to promote Dutch businesses and export in developing countries. However, faced with the decreasing influence of the 'Western world', emerging economies, and increased trading relations with low- and middle-income countries, the Netherlands is faced with a need for a new development agenda. There is a general agreement among various stakeholders that development cooperation should support economic opportunities in developing countries, as long as it is done in a responsible way. Theoretically, the history of Dutch development policy provides a number of interesting solutions in terms of how to use a country's knowledge and skills to work in favour of less developed nations in mutually beneficial arrangements. The question of how this can be translated into practice remains harder to answer (Bieckmann 2013). The Ministry must make more effort to: develop ways of assessing the impact of their PSD instruments; "reinvigorate and modernize the knowledge infrastructure with smart and visionary public funding and focus on developing and maintaining such knowledge and skills" (Leenstra 2015); and study the regional concentration of the Dutch businesses in developing countries to better target underserved areas. It should also explore new macroeconomic directions at international level, while working towards improved financial and economic conditions on the national level.

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Annex 1. Summary of the Dutch development cooperation's history

Year	Min of Dev.	Partner countries	% of GNI	Key Policy Note	Highlights
1950	Joseph Luns (Minister of Foreign Affairs)	Suriname, Indonesia, the Netherlands Antilles, New Guinea.		Policy on the Dutch contribution to the program of the United Nations for technical assistance to economically under-developed countries [Nota betreffende de Nederlandse bijdrage aan het programma der Verenigde Naties voor technische hulp aan economisch laag-ontwikkelde landen]	Development help in the form of technical assistance channelled via UN. The responsibility of the Western world to support less-developed countries.
1962			0.25%	Policy Document on Aid to Less-Developed Countries [Nota inzake de hulpverlening aan minder ontwikkelde gebieden]	
1964	Isaac Diepenhorst (State Secretary) (1.4.1964-14.4.1965)			-	Establishing the National Advisory Council for Aid to Less Developed Countries (NAR) (1964).
1966	Theo Bot (14.4.1965-5.4.1967)			Aid to less-developed countries [Nota hulpverlening aan minder-ontwikkelde landen] (not put in practice due to government fall)	A minister without portfolio, without a department, without a budget and fully dependent of the MFA. Emphasising the need to stabilize prices of raw materials and increase opportunities for industrial exports.
1968	Berend-Jan Udink (5.4.1967-6.7.1971)	Concentration countries: Indonesia, India, Pakistan, Sudan, Tanzania, Kenya, Uganda, Nigeria, Tunisia, Colombia, Peru, Suriname and the Netherlands Antilles.	0.50%	Four-year plan (1968-71)	Encouraging the involvement of the private sector in development cooperation. Introduced term "development cooperation"; implemented bilateral policies of "tied aid" focused on "concentration countries". Development aid as a motor for creating jobs in the Dutch economy. Establishing Development Countries Committee (COL) by Dutch employers organisations. Founding of the Dutch Development Finance Company (FMO) (1970) and the Centre for the Promotion of Imports from Developing Countries (CBI) (1971).

Year	Min of Dev.	Partner countries	% of GNI	Key Policy Note	Highlights
	Kees Boertien (6.7-1971-11.5-1973)			-	Obtained a temporary increase of his powers to represent the Netherlands at the UNCTAD talks in 1972.
1976	Jan Pronk (11.5.1973-19.12.1977)	Concentration countries: Upper Volta, Bangladesh, North Yemen, Tanzania, Sudan, Sri Lanka, India, Pakistan, Kenya, Egypt, Indonesia, Zambia, Colombia, Tunisia, Cuba, Peru, Jamaica and Suriname.	0.7%	White paper on Bilateral Aid [Nota Bilaterale Ontwikkelingssamenwerking]	Allocation of 0.7% of national income to ODA; Policy towards economic development of recipient regions - "debt of honour"; pro-poor focus. Shift from technical assistance to programme and project aid. Encouraging private sector in development cooperation and focus on "concentration countries". Towards New International Economic Order; against "tied aid". Introduce "reconstructing programme" to enhance Dutch companies to move their locations to developing countries. Preference towards large-scale projects, often proposed by Dutch companies themselves.
1979	Jan de Koning (19.12.1977-11.9.1981)	Concentration countries: Bangladesh, Colombia, Egypt, India, Indonesia, Kenya, Pakistan, Sri Lanka, Sudan, Tanzania, Upper Volta and Zambia.	0.7%	Development Cooperation from a global economic perspective [Ontwikkelingssamenwerking in wereldeconomisch perspectief] Policy on the improvement of the quality of bilateral aid [Nota verbetering van de kwaliteit van de bilaterale hulp]	Important role of Dutch firms in development assistance; started the Netherlands Management Cooperation Programme (PUM) - a programme for which Dutch senior managers were sent to development countries for a year; start of a mixed-credit programme and or Less Concessional Loans (LCLs) aimed at stimulating Dutch export related to development cooperation; fails to encourage private sector to engage in developing countries; "two-track policy": pro-poor and stimulating economic development; reorganisation of DGIS.
1981	Kees van Dijk (11.9.1981-4.11-1982)		1.0%		Intensified collaboration with the private sector; "more attention to be given between aid and employment"; appointing Private-Sector Coordinator at the ministry.
1984	Eegje Schoo (4.11.1982-14.7.1986)	Programme countries: Bangladesh, Egypt, India, Indonesia, Kenya, North Yemen, Pakistan, Sudan, Sri Lanka and Tanzania.	0.7%	Policy Review of Bilateral Aid [Nota Herijking Bilateraal Beleid]; Development and Employment [Ontwikkelingssamenwerking en Werkgelegenheid]	Development aid as means to pursue Dutch interest => concept of tied aid and attempt to abolish it. Promote sectorial programmes for rural development and industrial development. Dutch policies to stimulate export to developing countries and create employment.

Year	Min of Dev.	Partner countries	% of GNI	Key Policy Note	Highlights
1989	Piet Bukman (14.7.1986-7.11-1989)		0.8%	Memorandum to Lower House with a number of proposals how to improve relations between private and public sector for benefit of development countries. Based on consultations with the private sector [Nota kwaliteit: een voorzet voor de Jaren '90]	Importance of Dutch private sector in development; establishing a government sub-committee. Excellent relations between private and public sector.
1990	Jan Pronk (7.11.1989-3.8.1998)	Egypt, Sudan, Ethiopia, Yemen, Kenya, Tanzania, Uganda, Rwanda, Angola, Botswana, Lesotho, Malawi, Swaziland, Mozambique, Zambia, Zimbabwe, Namibia, Burkina Faso, Mali, Gambia, Guinea Bissau, Cape Verde, Mauritania, Niger, Senegal, Chad, Benin, Ghana, Cameroon, India, Pakistan, Bangladesh, Thailand, Cambodia, Vietnam, Laos, Myanmar, Sri Lanka, Nepal, Philippines, China, Suriname, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Jamaica, Bolivia, Colombia, Ecuador, Peru and Chile.	0.7%	A World of Difference: A New Frame for Development Cooperation [Een wereld van verschil – nieuwe kaders voor ontwikkelingssamenwerking in de jaren negentig]	Critical towards involvement of Dutch private sector in development cooperation; untied aid; introduction of development cooperation instruments: POPM scheme (guarantees for losses on investments in SMEs in developing countries), ORET (adjusted mixed credit programme); expansion of the PSO programme (cooperation with Eastern Europe) and PSOM (with focus on emerging markets); 'stimulation of investments'; humanitarian aid between conflict and development; new topics emerged: environment, sustainability and human security.
1993				A World in Dispute [Een Wereld in Geschil–de grenzen van ontwikkelings-samenwerking]	
1997				Advice. The private sector in international development [Advies. De particuliere sector in internationaal samenwerking]	
1995			0.8%	The Foreign Policy of the Netherlands: A Review; Aid in Progress: Development Cooperation and the Review of the Dutch Foreign Policy; Netherlands Development Cooperation: Budget 1996 and Review of Foreign Policy	
2000	Eveline Herfkens (3.8.1998-22.7.2002)	**Partnership countries:** Bangladesh, Bolivia, Burkina Faso, Egypt, Eritrea, Ethiopia, Ghana, India, Indonesia, Macedonia, Mali,	0.8%	In Doing business against poverty: The Private Sector and Pro-poor Growth [Ondernemen tegen armoede: Notitie over economie en ontwikkeling]	Reduction of the number of countries which receive aid from the Netherlands; untied aid and CSR promotion in development; closed ORET for projects in Least

Year	Min of Dev.	Partner countries	% of GNI	Key Policy Note	Highlights
2001		Mozambique, Nicaragua, the Palestinian Territories, South Africa, Sri Lanka, Tanzania, Uganda, Vietnam, Yemen and Zambia. **Thematic countries:** Good Governance, Human Rights and Peace-Building: Albania, Armenia, Bosnia and Herzegovina, Cambodia, China, Colombia, El Salvador, Georgia, Guatemala, Guinea-Bissau, Honduras, Kenya, Moldova, Namibia, Nepal and Rwanda. Environment: Brazil, Cape Verde, China, Colombia, Ecuador, Guatemala, Mongolia, Nepal, Pakistan, Peru, Philippines and Senegal. Private Sector: Armenia, Bosnia, Cap Verde, China, Columbia, Cote d'Ivoire, Cuba, Ecuador, El Salvador, Georgia, Guatemala, Moldova, Nigeria, Peru, Philippines and Thailand		Addition to Policy Note 'Doing business against poverty' [Ondernemen tegen armoede. Brief van de minister voor ontwikkelingssamenwerking aan de Tweede Kamer 27 467]	Developed Countries and replaced it with LDC Infrastructure Fund (MOL Fonds). Co-authored "In business against poverty" - with State Secretary of Economic Affairs – better involvement of the Dutch private sector in development cooperation; "local ownership". Created a policy Coherence for Development Unit within DGIS.
2003	Agnes van Ardenne (State Secretary) (22.7-2002-27.5-.2003)	Afghanistan, Albania, Armenia, Bangladesh, Benin, Bolivia, Bosnia and Herzegovina, Burkina Faso, Colombia, Egypt, Eritrea, Ethiopia, Georgia, Ghana, Guatemala, Indonesia, Yemen, Cape Verde, Kenya, Macedonia, Mali, Moldova, Mongolia, Mozambique, Nicaragua, Pakistan, the Palestinian Territories, Rwanda, Senegal, Sri Lanka, Suriname, Tanzania, Uganda, Vietnam, Zambia and South Africa.	0.8%	Mutual Interest, Mutual Responsibilities - Dutch Development cooperation en route to 2015 [Aan Elkaar Verplicht - Ontwikkelingssamenwerkingsbeleid voor de komende jaren]; Strong People, Weak States (The Africa Memorandum)	Discontinuity of the Ministry for DC. The administration lasted for only 86 days.
2005	Agnes van Ardenne (27.5.2003-22.02.2007)			Public Contract Procurement Procedures Decreet [Besluit Aanbestedingsregels voor Overheidsopdrachten (BAO)]; Special Sectors Tendering Decreet [Besluit Aanbestedingen Speciale Sectoren (BASS)]; Results in Development report	A minister without portfolio. Less emphasis on CSR and more on economic development and PPPs. Funds for PSOM and PUM increased; introduction of the "Dutch Approach: 3D (defence, diplomacy and development)". Co-financing changed into a tendering system.

Year	Min of Dev.	Partner countries	% of GNI	Key Policy Note	Highlights
2007	Bert Koenders (22.2.2007-23.2.2010)	**MDG countries:** Benin, Ethiopia, Bangladesh, Bolivia, Burkina Faso, Ghana, Yemen, Kenya, Mali, Mongolia, Mozambique, Nicaragua, Rwanda, Senegal, Tanzania, Uganda and Zambia. **Fragile states:** Afghanistan, Burundi, Colombia, Congo (DRC), Guatemala, Kosovo, Pakistan, the Palestinian Territories and Sudan. **Emerging countries:** Egypt, Georgia, Indonesia, Moldova, Vietnam, South Africa and Suriname.	0.8%	Our common concern: Investing in a changing world [Een zaak van iedereen - Investeren in ontwikkeling in een veranderende wereld]; Inspiring, innovating, integrating - government view Corporate Responsibility 2008–2011 [Kabinetsvisie MVO 2008–2011: Inspireren, innoveren, integreren]	A minister without portfolio. Increased focus on fragile states. Emphasis on SMEs. Renew ORET, PSOM changed into PSI, introduced ORIO, IDH, TCX and MMF. Founding of NL Agency (in Ministry of Economic Affairs). CSR as prerequisite for firms involvement in development project; stimulated PPPs. Focus more on economics and less on social development.
2008				SER Advice: Sustainable globalisation: A world to win [SER Advies: Duurzame Globalisering: een wereld te winnen]; Policy brief International Enterprise [Beleidsbrief Internationaal Ondernemen Kamerstukken II,26485, nr. 53]	
2009				Investing in Global Citizenship; Civil Society Organisations: Joining Forces for a tailored approach and added value; Cabinet Vision Non Trade concerns [Kabinetsvisie Non Trade Concerns];	
2010	Maxime Verhagen (03.2010-10.2010)			CSR Progress Report [MVO voortgangsrapportag]; Advice: More attention to sustainable growth [Advies Meer werken aan duurzame groei]	Minister of Foreign Affairs takes briefly over the title of Minister for DC. WRR publishes its influential report with recommendations how to improve Dutch development cooperation entitled 'Less Pretension, More Ambition. Development policy in times of globalization' (Van Lieshout, Went & Kremer 2010).
2010	Ben Knapen (State Secretary) (14.10.2010-2.11.2012)	**MDG countries:** Benin, Ethiopia, Mali, Mozambique, Uganda and Rwanda.	0.7%	Basic letter on development aid cooperation [Basisbrief ontwikkelingssamenwerking]	Thematic focus on fewer countries; self-interest and economic-diplomacy; cuts in development budget from 0.8% to 0.7%; introducing 'top sector approach' which prioritises the role of the Dutch private sector in development cooperation.
2011				Focus letter development aid cooperation [Focusbrief ontwikkelingssamenwerking]	

Year	Min of Dev.	Partner countries	% of GNI	Key Policy Note	Highlights
		Fragile states: Afghanistan, Burundi, Yemen, the Palestinian Territories and Sudan. **Emerging countries:** Bangladesh, Ghana, Indonesia and Kenya.		Second progress report international CSR [Tweede Voortgangsrapportage IMVO]; Communication from the Commission to the EP, EC, EU. Economic and Social Committee and Committee of the Regions: A renewed EU-strategy 2011-2014 for CSR.	
2012				Letter to the EC concerning the contribution by the government of NL to the renewed EU-strategy for CSR [Brief aan EC over NL beleid onder de hernieuwde EU-strategie voor maatschappelijk verantwoord Ondernemen]	
2013	Lilianne Ploumen (5.11.2012-now)	**Aid relation:** Afghanistan, Burundi, Mali, Yemen, Rwanda, South Sudan, and Palestinian Territories. **Transition countries:** Bangladesh, Benin, Ethiopia, Ghana, Indonesia, Kenya, Mozambique and Uganda. **Trade countries:** Australia, Belgium, Brazil, Canada, China, Colombia, France, Germany, the Gulf States, India, Iraq, Japan, Malaysia, Mexico, Nigeria, Poland, Romania, Russia, Singapore, South Africa, South Korea, Turkey, the UK, Ukraine, the US and Vietnam.	0.59%	A World to Gain: A New Agenda for Aid, Trade and Investment [Wat de Wereld Verdient: Een nieuwe agenda voor hulp, handel en investeringen]; Letter: Business for Development [Ondernemen voor ontwikkeling]	New appointment for a joint office of the Minister of Development Cooperation and Foreign Trade. Budget cuts to 0.59%; policy coherence; importance of trade and private sector development. Cancel ORIO and replace it with DRIVE. Launch Dutch Good Growth Fund (DGGF). Importance of CSR and fair tax system.

Source: Own elaboration based on (Hoebink 2006b; IOB 2014; Nekkers and Malcontent 2000; Spitz, Muskens, and Ewijk 2013; MFA 2013b and http://www.parlement.com/)

Annex 2. Institutional framework for the Netherlands policy, law making and law execution process.

The Kingdom of the Netherlands is a parliamentary constitutional monarchy.

The executive

There are thirteen ministries, each headed by a minister (sometimes two), supported by one of more state secretaries. Ministers cannot simultaneously be members of the parliament. The civil service is politically neutral. Each ministry is headed by a civil servant secretary general. Policy must be adopted collectively. Policymaking is based on a network of ministerial committees, ultimately reporting to the cabinet, which meets weekly. Policy and legislative proposals go to the relevant ministerial committees, after discussions at official level.

The legislature

The Dutch parliament has two chambers. The House of Representatives is responsible for enacting all new legislation and for approving amendments to existing legislation. The Senate also scrutinises legislation but can only accept or reject draft legislation in its entirety. The legislative process can be protracted, and it can take five or six years for a bill to become law. Bills are often amended in their passage through the parliament. There is a structure of standing, general and theme committees. Elections are based on a system of proportional representation, under which each party is allocated a number of seats in the parliament corresponding to the proportion of the overall vote won by that party. Because of the large number of political parties resulting from this system, the country is always governed by coalitions.

Coalition agreements

Each government works on the basis of coalition agreements (coalitieakkoord) which set the policy framework for the four years of the electoral cycle, and annual budget plans. Together these generate proposals for policy/legislation.

The judiciary

The Dutch judicial system is based on the traditions of continental Europe, with a codified law and a written Constitution. The Council of State is a form of constitutional court, advising the government on all draft bills and orders in council. The court system consists of courts, courts of appeal, and a Supreme Court. Administrative appeals are heard by the administrative branch of the courts. The judiciary can and does interpret the law in its rulings, but cannot challenge it.

Regulatory agencies

There are broadly three types of regulatory agency, generally linked to a parent ministry: enforcement inspectorates; autonomous administrative bodies whose tasks generally require the strict and independent application of regulations in individual cases; and agencies for industry and the professions, with statutory powers over their members, the employer/employee Social and Economic Council being the most important.

Local levels of government

The Netherlands is a decentralised unitary state with three tiers of government. It is divided into twelve provinces and 443 municipalities. Each province and municipality has its own council, elected by popular vote. Their executives are chaired by provincial governors (King's commissioners) and mayors, who are appointed by the central government, and who also chair their council. Provincial and municipal authorities have important implementation and enforcement (including inspection) functions, especially in physical and environmental planning, and in licensing, based on regulations laid down by central government. They have limited powers to make their own regulations (by-laws) on matters that directly affect them, but they may also make additional regulations within the framework of national regulations.

Source: (OECD 2009)

Annex 3. Dutch Bilateral aid, exports to and imports from low- and middle-income countries 1962-2012 (EUR billion; constant prices 2010).

	1962-72			1973-81			1982-89			1990-98			1999-2009			2010-2012		
	Total (11 years)	%	p.y.	Total (9 years)	%	p.y.	Total (8 years)	%	p.y.	Total (9 years)	%	p.y.	Total (11 years)	%	p.y.	Total (3 years)	%	p.y.
Bilateral Aid																		
SSA	0,4	10%	0,04	3,2	29%	0,36	5,4	42%	0,68	6	45%	0,67	10,2	55%	0,93	1,9	61%	0,63
Total LMIC	4,1		0,37	11		1,22	12,8		1,60	13,4		1,49	18,4		1,67	3,1		1,03
Export to LMIC																		
SSA	23,1	31%	2,10	22,5	33%	2,50	18,9	29%	2,36	18,2	21%	2,02	46,7	20%	4,25	29,1	24%	9,70
Total LMIC	74,6		6,78	68,3		7,59	65,3		8,16	87,5		9,72	228,8		20,80	120,3		40,10
Import from LMIC																		
SSA	22,8	25%	2,07	44,7	34%	4,97	26,9	22%	3,36	21,4	14%	2,38	43,5	9%	3,95	23,4	10%	7,80
Total LMIC	91,8		8,35	130,4		14,49	123		15,38	149,9		16,66	508,4		46,22	234,7		78,23

LMIC include Lower income, Lower middle income and Upper middle income countries.

Source: Own calculations based on (IOB 2014).

Annex 4. Time line

Dutch historical events and politics
International political events
EU political events
Historical events

Year	Event
1945	Start of the UN
1945-48	Dutch war against Indonesia
1948	PM Willem Drees (PvdA) (1948-58)
	47 UN Conference on Trade and Employment - establishment of Trade Union Advisory Committee to the OECD (TUAC)
	General Agreement on Tariffs and Trade (GATT)
	Beginning of The Marshall Plan
1949	Indonesia declares its independence
	Four Point's programme by Truman (US)
	Formal start of Dutch development aid: primarily sending experts to dev. countries through UN
1953	International Sugar Agreement
	US The Mutual Security Act
	North Sea flood
1955	Queen Juliana endorses dev. aid as a humanitarian duty of the Western World
1956	Dutch citizens and companies have to leave Indonesia
	Founding of Novib
1957	Abolition of Forced Labour Convention
	Rome Treaty
1958	PM Louis Beel (KVP) (1958-59)
1959	Division into Stichting Afrika-Studiecentrum and NABC
	PM Jan de Quay (KVP) (1959-63)
1961	The Foreign Assistance Act and Creation of USAID
1962	Handing over of Netherlands New Guinea to Indonesia
	Policy document on Aid to Less- developed Countries
	Rostow publishes his Theory of stages of growth
	First UN Development Decade; an encyclical from the Pope, a series of decisions by the World Council of Churches
1963	PM Victor Marijnen (KVP) (1963-65)
	Isaac Diepenhorst (State Secretary for Dev. Aid)
	Founding of DGIS
1964	Founding of ICCO
1965	Theo Bot (1965-67)
	Founding of SNV
	United Nations Conference on Trade and Development (UNCTAD)
	International Centre for Settlement of Investment Disputes
	PM Jo Cals (KVP) (1965-66)
1966	PM Jelle Zijlstra (ARP) (1966-67)
1967	PM Piet de Jong (KVP) (1967-71)
	Berend-Jan Udink (1967-71)
1968	Founding of HIVOS
1969	Founding of Cebemo (later Cordaid)
1971	PM Barend Biesheuvel (ARP) (1971-73)
	Kees Boertien (1971-73)
1973	PM Joop den Uyl (PvdA) (1973-77)
	Jan Pronk (1973-77)
	UN Charter of Economic Rights and Duties of States
	Oil crisis
1974	New International Economic Order UN Resolution
1975	Independence of Suriname
1976	OECD Declaration on International Investment and Multinational Enterprises
1977	ILO Tripartite Declaration on Multinational Enterprises
	PM Dries van Agt (KVP/CDA) (1977-82)
	Jan de Koning (1977-81)
	Signing BIT Netherlands-Kenya
	Kees van Dijk (1981-82)
1982	PM Ruud Lubbers (CDA) (1982-94)
	Eegje Schoo (1982-86)
	Debt crisis in Latin American countries
1983	UN Code of Conduct on Transnational Corporations
1986	NL to chair EU
	Piet Bukman (1986-89)

1989	Fall of the Berlin Wall
	Intro of Washington Consensus
	Jan Pronk (1989-98)
1991	Demise of the Soviet Union
1992	Helsinki Package (tied aid partly forbidden)
	WB Guidelines on the Treatment of Foreign Direct Investment
	Treaty of Maastricht
1994	Agreement on Trade-Related Investment Measures (TRIMs)
	PM Wim Kok (PvdA) (1994-2002)
1995	General Agreement on Trade in Services (GATS)
1997	Treaty of Amsterdam
1998	Eveline Herfkens (1998-2002)
2000	Millennium Development Goals
	ILO Tripartite Declaration on Multinational Enterprises
	OECD Guidelines for Multinational Enterprises
	Cotonou Agreement
2001	Treaty of Nice
	Doha Declaration
	9/11
2002	PM Jan Peter Balkenende (CDA 2002-10)
	Agnes van Ardenne (as State Secretary)
2003	Agnes van Ardenne (2003-2007)
2005	Paris Declaration
	1st revision of Cotonou Agreement; European Consensus
2006	ILO Tripartite Declaration on Multinational Enterprises
	OECD The Policy Framework for Investment (PFI)
2007	EU Code of Conduct
	EU Africa strategy
	Lisbon Treaty
	Bert Koenders (2007-2010)
2008	Accra Agenda for Action
	Economic crisis
2009	Policy coherence for development EU approach
	Council guidelines for Accra of 2008
2010	03.2010-10.2010 Maxime Verhagen (Minister of Foreign Affairs take over briefly the title of Minister for DC)
	PM Mark Rutte (VVD) (2010-now)
	State Secretary for DC: Ben Knapen (2010-2012)
	Publishing of WRR report
	Cotonou Agreement revised 2nd time
2011	High Level Meeting Bussan
	UN Guiding Principles on Business and Human Rights
	Agenda for Change
	The future approach to EU budget support to third countries
2012	Multi Annual Strategic Plan for Kenya 2012-2015
	Lilianne Ploumen (2012-now) - Minister of Development Cooperation and Foreign Trade
2013	Updated OECD Guidelines for Multinational Enterprises
2014	Multi Annual Strategic Plan for Kenya 2014-2017
2021	End of Dutch bilateral development cooperation programme in some partner countries

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