



Ministry of Foreign Affairs

Zero Hunger, Zero Malnutrition

nutrition | Zero Hunger, Zero Malnutrition | Zero Hunger, Zero Malnutrition | Zero Hunger, Zero Malnutrition | Zero Hunger, Zero Malnutrition | Zero Hunger, Zero Malnutrition | Zero

*New Inroads towards
Food and Nutrition Security*





Contents

The Dutch approach towards global food & nutrition security	4
1. Partnering with business for nutrition	6
2. All commodity chains sustainable	8
3. Removing barriers to trade	10
4. Potatoes seed progress	12
5. Scaling up from thousands to millions	14
6. Who owns the land?	16
7. Bringing the factory to the farmers	18
8. Cooperatives and cow-communities	20
9. Lending a helping hand to business in agriculture	22
10. A kick start for satellite farming	24
11. Banking without thresholds	26



The Dutch approach towards global food & nutrition security

In this booklet we demonstrate a selection of the large number of projects and initiatives supported by the Dutch government in the area of food and nutrition security. The projects represent different stages of the supply chain in different countries. The main focus is on the multi-stakeholder approach, also known as the Dutch Diamond.

Food and nutrition security is achieved if adequate food (quantity, quality, safety, socio-cultural acceptability) is available and accessible for and satisfactorily utilized by all individuals at all times to live a healthy and happy life. Improving food and nutrition security is an extremely complex task. Today 900 million people are hungry and 2 billion people suffer from the effects of hidden hunger. The Netherlands is determined to contribute to global food and nutrition security. It spends around 350 million Euro annually for this goal. With a modern agricultural sector and some of the world's leading food companies, a strong civil society and world class food and agricultural scientists, it is well positioned to do so with the so-called Dutch Diamond approach, i.e.

by combining the strengths of all these different stakeholders. An important priority is to close the yield gap in a sustainable way. For instance by improving the access to high quality seeds and farm inputs and by using best practices in farming. Increasingly, farmers will experience the impact of climate change. Adapting to drought and unpredictable weather conditions is crucial. Besides the produced quantity of food, the diversity and quality of the production is important for nutrition security. Making nutritious food accessible, aspirational, available and affordable, as stated by the Amsterdam Initiative against Malnutrition (AIM).

However, food and nutrition security is about much more than food alone. It is about people being able to earn an income, buy foodstuffs on the market, start a business and add to a vibrant rural economy. Therefore, the Dutch approach considers private sector development as an integral part of food and nutrition security. Not only local entrepreneurs in developing countries, but also Dutch food and agricultural companies are encouraged to contribute. Together great ideas can be made reality.

151

Empowering women

A topic related to food and nutrition security is the empowerment of women, which is an important objective for the Dutch Ministry of Foreign Affairs. Women play an important role in improving agricultural production in developing countries and securing a healthy diet for their children. Recent research suggests that the first daughter in a household is able to convince and teach her family about improved farming practices and better nutrition. In doing so she is way more effective than any teacher from outside the family. Unfortunately, women do not have the same access to resources and the same legal rights as men, limiting their possibilities. Therefore the Ministry supports several programs to strengthen the position of women worldwide.

1. Partnering with business for nutrition

The Amsterdam Initiative against Malnutrition (AIM) combines the know-how of major Dutch players in the food and nutrition industry and translates it into practical interventions to improve nutrition. The Dutch Ministry of Foreign Affairs, SPAR retail, Rabobank Foundation, BoPInc, GAIN, Unilever, DSM, AkzoNobel, Wageningen University, ICCO, Rijk Zwaan, SNV and Hivos are strongly committed to decreasing malnutrition worldwide. These Dutch organizations work with local private partners who take the lead in developing their businesses.

Creating an enabling environment

AIM uses a market-based approach and develops innovative social business models, which helps to ensure long term financial sustainability with nutritional impact. The key to the success of the projects is understanding what motivates consumers and drives behavioral change. This understanding helps the project partners create new products, brands and distribution channels which are more easily accepted by the low-income consumer. As financial sustainability is of major importance for a successful take-off of projects, special attention is given to improving the access to finance for local

entrepreneurs. Furthermore, AIM helps companies and entrepreneurs to comply with the complex body of regulations on hygiene, safety and quality, making sure safe and trustworthy products enter the market. At last, AIM tries to inspire both governments and organizations to create an environment which favours nutrition security.

From vegetables to health outlets

At the moment 10 projects have been initiated, in different sectors and in different stages of the value chain. Amongst them a project to improve the production and marketing of local vegetables, the introduction of water & health kiosks, the establishment of local retail hubs and the sales of a nutrition supplement for pregnant women. Ideally, a consumer would obtain water and hygienic products from the SmartLife kiosk, add a micronutrient supplement to his/her porridge and buy a reliable and trustworthy milk brand. When this has turned into practice, AIM can be called an enormous success.

For more detailed information on AIM, the ten projects and the local partners involved, please read the brochure and watch the video clip about AIM on the GAIN website www.gainhealth.org.





16 sectors
in
50 countries

2. All commodity chains sustainable

The Sustainable Trade Initiative (IDH) aims at transforming the global supply chains of 16 sectors in 50 countries. Thanks to a 105 million euro match funding grant from the Dutch Ministry of Foreign Affairs, the public-private partnership IDH is able to implement market transformation programs all over the world. Transformation starts with cooperation, which is why IDH brings front running companies, civil society and governments together. These partners, all with their own expertise, are passionate about transferring global supply chains into sustainable chains. It doesn't matter whether it is soy, cacao, timber or natural stone.

Transforming the soy chain

The approach of IDH is best explained by an example: the transformation of the soy chain. Since 2005, soy producers, traders, processors, brand manufacturers and non-governmental organizations have developed standards for responsible soy production in the Round Table on Responsible Soy (RTRS). The role of IDH is to increase the number of companies that use RTRS soy, create awareness for the initiative and facilitate the transformation process.

Soy farmers have to adapt their farming practices to the RTRS standard in order to

comply with this standards. This process can be quite complicated and costly. That is why companies at the end of the chain are stimulated to help the farmers at the beginning of the chain.

A special fund, the Soy Fast Track Fund, has been set up to match the investments of soy buying companies in good farmer practices. Solidaridad is project manager of the fund. This organization has a vast amount of experience in this field and helps to define relevant projects. Solidaridad is also closely involved in the Soy Producer Support Initiative, an initiative assisting small farmers in improving production and preparing for certification. IDH also aligned with international and local banks and local producer organizations to create more incentives for soy producers to produce RTRS soy.

The outcome

In 2015 all soy imported in the Netherlands will be RTRS soy. Transforming an international supply chain takes time and cannot be done overnight, but the companies involved are determined to reach this goal.

For more information visit:

www.idhsustainabletrade.com

3. Removing barriers to trade

Cross-border trade in East Africa takes a tremendous amount of time and money. It is not uncommon that lorries have to wait for days in the hot sun at the border. The negative impact of these delays is considerable. Farmers receive less for their export products like coffee and tea and their imported fertilizer is very expensive. In order to improve international trade it would be beneficial when traders do not face all kind of hidden barriers that may lead to spoiled milk and rotten vegetables sales.

Efficient border transactions

The multi-donor program TradeMark East Africa (TMEA) aims at improving this situation. The program promotes cross-border trade in East Africa and aims at improving the ability of East Africa to trade with the rest of the world. The countries in the East African Community are Burundi, Kenya, Rwanda, Tanzania and Uganda, with South Sudan as aspiring member. TMEA has been set up by the United Kingdom, but now also receives support from the Netherlands, Belgium, Denmark and Sweden. The Netherlands Embassy in Kampala monitors closely how TMEA contributes to connecting to the inland and coastal countries with each other and with the rest of the world.

TMEA is modernizing the border posts between the countries. This means ensuring that all border transactions are handled efficiently, thereby stimulating that two neighboring countries work together and exchange data electronically. TMEA also improves the computer systems of the customs authorities, thereby ensuring that the business community pays the necessary tariffs in an efficient way. As such, it is reducing tax evasions and ensuring that the state mobilizes more revenues which they need as donor aid is phased down rapidly. TMEA also supports the local private sector in their advocacy for easier cross-border trade in the region.

Expected results

By 2016 the following goals should be achieved:

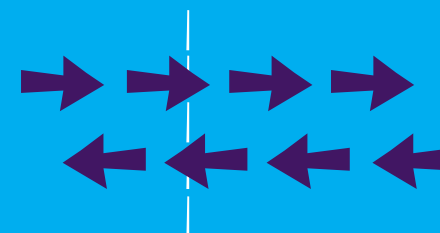
- 10% increase in the total value of exports from the East African region
- 15% reduction in average time to import or export a container from Mombasa or Dar es Salaam to Burundi and Rwanda
- 30% decrease in the average time a truck takes to cross selected borders

For more information please visit:

www.trademarkea.com



30%
faster





4. Potatoes seed progress

Potato can be found in many local Kenyan dishes. Nevertheless declining productivity and crop diseases are continuously threatening the Kenyan potato production. It is a common practice in Kenya to take the best potatoes of the previous harvest as a start for the new season. Import of seed potatoes has long been forbidden. Whilst the potato yield per hectare per year in Kenya is 5 tons, countries like Brazil, Egypt and South Africa experienced that the use of Dutch seed potatoes leads to significantly improved productivity. Therefore, the Dutch Ministry of Foreign Affairs finances the project 'Potato platform Kenya' to improve the cooperation between Kenya and the Netherlands in potato growing.

Kenya Plant Health Inspectorate Service (KEPHIS) plays an important role. In collaboration with its Dutch counterpart, KEPHIS checks new varieties for their suitability in Kenya and authorizes the import. In the end better seeds, together with improved farmer practices, will help farmers to be more food secure, earn an income and invest money in their business.

The future of Kenya's potato production

The program has just started but the expected outcomes are ambitious:

- Kenyan smallholders have improved their production by access to certified seed potatoes of different, superior varieties.
- The food security of participating farmers has increased.
- The income and employment of the farmers involved in the project have increased significantly.
- The knowledge of market imperfections in the Kenyan potato sector has improved and there is a problem solving platform to deal with those imperfections.
- Linkages between Dutch input and technology providers and the Kenyan private potato sector are strengthened.

Potatoes for food security

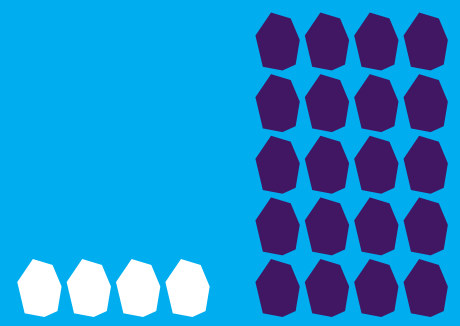
Potato platform Kenya is a true multi-stakeholder program. Scientific institutes, the public and private sector collaborate to make the new potato varieties available for farmers. The Kenyan farmer is the centre of attention and the platform puts a lot of energy into the dissemination of knowledge and information about better growing techniques, crop rotation and advanced fertilizers. One of the reasons that farmers do not use fresh seeds is the fear of contamination. That is why the

For more information check: www.potatoplatformkenya.com



50
ton/ha

5
ton/ha



Kenya

Netherlands

5. Scaling up from thousands to millions

There are many best practices in the field, however scaling them up is often quite hard. The goal of zSCALE is to improve rural livelihoods and food security in 9 countries in sub-Saharan Africa through the upscaling of development of competitive agro-food industries. The basic idea is to scale up good agricultural practices and link agribusiness clusters to processors and food companies.

and value chains in Mali, Benin, Nigeria, Ghana, Kenya, Ethiopia, Uganda, South Sudan and Mozambique, supplying food to regional, national and local markets.

New vegetables varieties for smallholder farmers

A practical example is East-West Seed International (EWIT), a 30-year-old vegetable seed company which is market leader in Asia. EWIT is interested in partnering with zSCALE to offer African vegetable farmers access to quality tropical seeds and technical training and advice, which at the same time allows the company to better respond to local market requirements and improve food nutrition and security.

Ambitious results

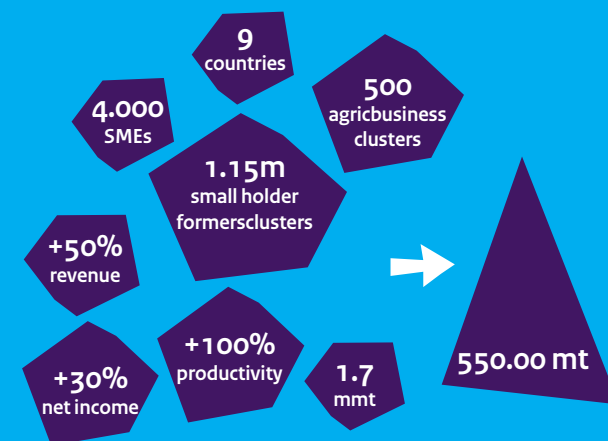
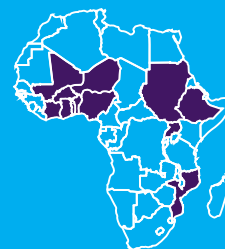
By the end of the project in 2017, 1.15 million smallholder families in the 9 countries will have increased their productivity by 100 % and their net incomes by 30 %, while 4.000 small and medium enterprises will have increased their sales volume by 50 %. zSCALE will increase agricultural productivity generating a marketable surplus of 1.7 million tons of cereals, one third of which will be channeled to Base of the Pyramid markets. Follow the initiative on:

www.bopinc.org/en/projects-initiatives/zscale



| 14 | Improving food security

zSCALE is funded by the Dutch Ministry of Foreign Affairs and started in July 2012. The International Fertilizer Development Center (IFDC), the International Centre for development oriented Research in Agriculture (ICRA) and Base of the Pyramid Innovation Center (BoPInc) combine their forces. The private sector contributes up to 40 million euro. In a preceding program agricultural clusters for specific commodities have been set up. The zSCALE program aims at connecting those agricultural clusters to a broader network of companies: farm input suppliers, traders and processing industry. zSCALE targets over a million farmers, thousands of small and medium-sized enterprises and hundreds of entrepreneurs in the agriculture and food industries. The strategic objective is to develop a portfolio of 500 agribusiness clusters





6. Who owns the land?

According to the Peruvian economist Hernando de Soto, no nation can have a strong market economy without an information framework that records ownership of property. The registration and protection of land ownership can therefore be a crucial precondition for agricultural development. The Dutch Ministry of Foreign Affairs co-finances two complementary programs headed towards the improvement of the registration of land rights in Rwanda. When farmers have a secure right of land ownership, they are more likely to invest in soil quality and improved productivity, which eventually will contribute to their food security.

Post conflict tenure security

After a long time of conflict, Rwanda has, with an impressive economic growth, emerged as an example for other African nations. Whilst diversifying the economy is one of the main goals of the national government, agriculture remains the main source of living for 90% of the country's population. The pressure on land is however very high and the average land size just about half a hectare. Tenure security is important to prevent disputes over land and stimulates land owners to invest in their land.

The tenure regularization program

The Land Tenure Regularization Program in Rwanda is one of the largest, most ambitious land reform programs in Africa which entails the government planning to document around 11 million plots. Several donors have already supported the Program, providing for instance technical assistance. Before the actual registration system and administrative procedures were developed, an intensive stakeholder consultation took place. This whole process was monitored by a local NGO, the Rwanda Initiative for Sustainable Development, which received support of the Dutch ministry. This NGO focuses especially on the social aspects of secure land rights and functions as a watchdog during the registration process and stakeholder consultation. They identified and analyzed conflicted land claims in 10 Rwandan districts and discussed with the authorities how to deal with such conflicting claims.

Results

Research of the Land Tenure Regularization Program indicates that participation of the rural people, men and women, has been highly effective. More than 10 million plots are measured. Over 3 million land ownership rights are handed over of which 29% to women, 16% to men and 55% to couples.



11
million

Plots registered

7. Bringing the factory to the farmers

Why import an expensive ingredient to make food or beer if you can use a local product that works as well? In Africa, cassava is an example of such a local crop with a great potential to be used in several everyday foodstuffs. In 2010 the Dutch Ministry of Foreign Affairs, IFDC, an international organization for agricultural development and the Dutch Agricultural Development & Trading Company (DADTCO) launched the Cassava Plus public-private partnership. The main objectives of Cassava Plus are to reduce hunger and poverty and promote economic development through the creation of a cassava value chain.

From a subsistence crop to a cash crop

Although cassava has the properties of a cash crop, it is generally grown as a subsistence crop in many African countries such as Mozambique. This is because once cassava is harvested the crop spoils within a few days. In addition, only a few processing facilities exist and transportation from field to processing facilities is inadequate. DADTCO has developed mobile processing units that can solve all three problems. IFDC helps farmers in Mozambique to improve their cassava production in a sustainable way – for example through crop rotation

and by improving soil fertility. IFDC also helps farmers to organize themselves in clusters so that they are able to jointly supply enough cassava for the mobile processing unit. DADTCO processes the cassava on site into cassava cake. This can be kept for a long period of time and can be used by the brewing industry or processed in cassava flour. The project opens an untapped market for value-added raw materials that can compete with costly imports such as starch, wheat flour and glucose.

Improved farmer skills, an improved income

The yields of the cassava farmers in the program increased from 13 to 23 metric tons per hectare. This increased productivity resulted in a 62 % rise in household income. The improved farming skills also help the farmer to increase the production of other staples. In total, household incomes more than doubled because of these improved practices! DADTCO plans to have 4 mobile processing units which can reach 12.000 to 15.000 farmers in the next few years.

For more information check:
www.ifdc.org/Projects/Current/Cassava_Plus



15.000

farmers will benefit from mobile
cassava processing units



8. Cooperatives and cow-communities

What happens when the largest dairy company of the Netherlands joins forces with a successful agency for farmer organization and cooperative development in developing countries? An award winning partnership arises supporting dairy farmers in Asia and Africa to improve their production, to realize new investments and to boost their sales through a micro-franchise concept. This is what happened when the director of Agriterra and the corporate director sustainability of FrieslandCampina signed an agreement in August 2012 to formalize their cooperation in Southeast Asia and East Africa.

Joining forces in Vietnam

In the Dairy Development Program a group of 15 dairy farmers, all FrieslandCampina members, are selected, trained and deployed by Agriterra for short term assignments to Asia. The farmers transfer their knowledge on dairy farming to local farmers. Farmer-to-farmer advice and practical on-the-farm trainings, that's the basic idea! Vietnam, Indonesia, Thailand and Malaysia are targeted. Furthermore FrieslandCampina has an internal consultancy pool for employees volunteering to support dairy cooperative clients of Agriterra. Some examples of topics FrieslandCampina employees

cover are: the improvement of supply chain management, a marketing strategy, cooperative governance and business planning.

70.000 smallholder farmers benefit

Only in Kenya in 2012 – 2013 the partnership reached over 35.000 dairy farmers with tailored peer2peer advisory support to cooperative companies. Through business development support to farmer-led dairy companies (most of them cooperatives) over 70.000 smallholder farmers are benefitting from the Agriterra – FrieslandCampina partnership.

Mukurwe-ini Wakulina Dairy Ltd is one of them. The company is owned by more than 5.900 smallholder dairy farmers with an average farm size of 3 cows. Agriterra brought in FrieslandCampina expertise for the development of a business development strategy as well as for design of the new factory. An extension program to increase productivity has been developed and implemented. With the business plan the company managed to get a term loan from Kenya Stanbic Bank as well as additional finance from a group of Dutch farmer impact investors. The business plan is based on investment in pasteurization of all milk collected and sold in their own milk shops by the company.



35.000

dairy farmers are included

9. Lending a helping hand to business in agriculture

Many farmers, especially in developing countries, face liquidity challenges. Investments in for example seeds and equipment must be made several months before harvest can be sold. In many developing countries smallholders or cooperatives do not have access to finance to overcome this gap between income and costs. The Root Capital facility within the Global Agriculture and Food Security Program (GAFSP) tries to overcome this barrier. The Netherlands is one of the main funders of this global fund that is established to create food security by improving access to finance for the 'unbanked'.

Serving the missing middle

Root Capital is a social lender that lends to the "missing middle". Missing middle refers to a group of borrowers that is too large for microfinance and too small for banks. Root Capital's clients are farmer associations and private businesses that help build sustainable livelihoods by aggregating hundreds, or even thousands of rural producers in Africa and Latin America. The International Finance Corporation (the World Bank branch that focuses on the business sector in developing

countries) is Root Capital's main investor. Together with GAFSP it provided a 10 million dollar loan package to support Root Capital. By reaching scale, this lending business will be able to operate and financially sustain itself while continuing to serve a market segment of farmers who have extremely limited access to finance.

Experiences from Rwanda

One of Root Capital's clients is Maraba, a Fair Trade Certified coffee cooperative located in southern Rwanda's Butare province. Initially established as a trade association in 1999 with just 70 smallholder producers, Maraba now has more than 1.300 registered members. Root Capital disbursed its first loan to Maraba in 2005, which enabled the cooperative to pay farmers competitive prices for their coffee. "Before we didn't have a market for the coffee and our coffee wasn't valuable. But now, thanks to the financing the cooperative has been able to get, we have strengthened and unified the production and our coffee is sold at a better price," says Christian Ruzigama, a Maraba coffee producer from Rwanda.

Read more at: www.gafspfund.org



\$10
million

investment in Root Capital



10. A kick start for satellite farming

Once upon a time there was an entrepreneur who developed a system based on satellite data to navigate a car driver to his destination. The invention was received quite skeptical but the entrepreneur persisted. Today millions of people use a navigation system. Satellite data has many more potential benefits for instance in forestry, fisheries, water management and agriculture. To accelerate the development of practical satellite based tools for agriculture, the Geodata for Agriculture and Water Facility (G4AW) has been introduced by the government of the Netherlands in joint cooperation with the Netherlands Space Office.

Information for better agricultural practices

There are already companies that developed satellite based tools that provide farmers with detailed information on the current state of their crops. The farmers receive for instance a text message when the crops need irrigation, crop protection or fertilizers. Other companies use satellite data for the development of farm insurances for smallholders and again others provide information on weather conditions or early warning against disasters such as floods. Satellite data can help farmers and fishermen to improve their practices and use their resources as efficient as possible.

3 million farmers and fishermen improving their practices

The G4AW framework invites coalitions of companies, NGOs and scientists to submit their plans for the use of satellite data in agriculture. The projects should close the information chain from satellite data to farmer or fishermen. The plans need to be ambitious: improving agricultural production by at least 10%, and/or decreasing input use by 10% and/or increasing farmer's income. Each project needs to reach at least 200.000 smallholder farmers or fishermen, not necessarily in only one country. Satellite technologies need a large scale in order to be commercially viable or self-financing. Accepted projects in developed countries receive a contribution of 30% of the total costs, in developing countries this can run up to 70%. The Dutch Space Office receives all proposals and examines the quality of the cooperation. The project aims to reach 3 million farmers and fishermen. A kick start for satellite technology in agriculture!

For more information on the program, the projects that will be started and the results, go to www.spaceoffice.nl/en/G4AW%20Facility/



The project aims to reach

3
million

farmers and fishermen

11. Banking without thresholds

For most people it is self-evident that their wage is transferred to a bank account, that they can transfer money via internet and that they have access to insurances or loans. Around 2.5 billion people do not have access to such financial services. Amongst them are many smallholder farmers and owners of small and medium-sized enterprises. As a consequence, many small and medium-sized enterprises remain part of the informal sector. Including them in the formal financial system will have tremendously positive consequences for development, especially since 85% of employment in developing countries is generated by those enterprises.

The Financial Inclusion Support Framework

Today financial inclusion is a serious theme on the international development agenda. Access to financial services for all 2.5 billion people can, according to the World Bank, be realized in 10 years. Over 40 countries have committed themselves to the quantitative financial inclusion objectives. Together with the World Bank and the International Finance Corporation (IFC) the government of the Netherlands has embarked on an ambitious program for financial inclusion aiming to introduce

a Financial Inclusion Support Framework (FISF) to support those countries that are committed to make headway on financial inclusion and access to finance. The Dutch government is the lead donor with 25 million dollar. Other donors will contribute as well.

Action plans in practice

Based on their commitment and on data and analyses provided by the World Bank and the IMF, 6 countries have been selected for receiving support to execute their strategic action plan for financial inclusion. Those countries will receive technical assistance, training and financial support under the FISF. Two Dutch banks with broad experience in sustainable banking in emerging economies, Triodos Facet and Rabo Development, will complement the technical assistance and capacity building provided by the World Bank. The ambition to include all 2.5 billion deprived people in the financial system has the firm support of the G20. A truly unique program with a potential impact beyond our imagination.

For more information, visit the website of the World Bank dedicated to financial inclusion and this program: go.worldbank.org/SLUZKV170o



2.5 billion

Access to finance for all 2,5 billion people
can be realized in 10 years

Colophon

This is a publication of the Ministry of Foreign Affairs

P.O. Box 20061 | 2500 EB The Hague | The Netherlands
www.government.nl

Text and design

Schuttelaar & Partners

Photos provided by

TradeMark East Africa, IDH, IFDC, Agriterra, Potato Platform Kenya,
2 Scale / IFDC, Netherlands Space Office, Africa Interactive

© Ministry of Foreign Affairs of the Netherlands | September 2013