



This document contains an unofficial and courtesy English translation of the Dutch Policy Framework

Policy Framework for the SDG Partnership Facility (SDGP)

1. INTRODUCTION

The SDG Partnership facility (SDGP) of the Ministry of Foreign Affairs contributes to the implementation of the agenda for aid, trade and investment. The SDGP is also a vehicle for Dutch efforts to achieve several Sustainable Development Goals (SDGs): SDG 2 (ending hunger), SDG 8 (decent jobs and economic growth) and SDG 17 (partnerships for the goals). It has a secondary focus on SDG 5 (gender equality), SDG 12 (responsible consumption and production) and SDG 13 (climate action).

Problems relating to food security and private sector development are complex and often involve wide-ranging interests. As a result, solutions to these problems cannot be developed or funded by a single party. Partnerships between businesses, governments, NGOs and knowledge institutions, by drawing on their added value, can find innovative and sustainable solutions to development-related problems. The SDGP thus encourages the formation of robust public-private partnerships (PPPs) and provides opportunities for Dutch businesses to work with new partners. It provides support to such partnerships in the form of grants as well as facilitation and advice by the Netherlands Enterprise Agency (RVO).

In recent years RVO has launched and executed several PPP programmes, such as the Sustainable Enterprise and Food Security Facility (FDOV) and the Sustainable Water Fund (FDW). These programmes elicited great interest and resulted in successful collaborations and innovative projects. The SDGP builds on these experience.

Based on the lessons learned, the calls for proposals will be designed with a view to:

- Better alignment of partnerships with the local context. Cooperation with local partners (SME, NGO, government and social enterprises);
- Calls for subsidy focused on specific themes to foster the achievement of particular results;
- More flexible and customised implementation;
- Involvement of Embassies in establishing partnerships;
- Application procedures offering sufficient time and support to establish robust partnerships;
- A focus on specific groups of farmers and other producers.

2. OBJECTIVES

The SDGP aims to contribute to achieving several SDGs through the efforts of public private partnerships. The first call will aim at proposals with a focus on food security and private sector development in a range of different sectors and developing countries. Other policy areas may be added in future calls.

Proposals should contribute towards one or more of the following five general objectives in relation to the SDGs:

- Reducing malnutrition and undernourishment
- Promoting growth in the agricultural and fisheries sectors
- Creating environmentally responsible and sustainable food chains
- Improving working conditions and raising efficiency (better work, higher incomes and increased production)
- Increasing private investment

Each partnership can set its own objectives within these general objectives. SDGP projects can focus on different sectors, such as agriculture, ICT, infrastructure, energy and tourism.

3. TARGET GROUP

The policy's target group includes Dutch businesses, local SMEs, farmers, fishers and other producers, as well as vulnerable groups and ethnic minorities. Much importance is given to the involvement of local governments in developing countries.

Within these groups special attention is paid to women. Based on a gender analysis (examining the typical roles of men and women), specific activities will be developed to overcome obstacles women face. In certain sectors, for instance, women employees suffer from low wages, dangerous working conditions, and sexual or other violence at the workplace, and have limited prospects for promotion to more senior positions.

While activities in all countries on the private sector development (PSD) country list are eligible for SDGP funding, proposals targeting countries on the Inclusive Green Growth Department (IGG)/Sustainable Economic Development Department (DDE) list (published in the Government Gazette (*Staatscourant*)) will be given extra points in the assessment of applications. In every SDGP call themes will be identified. Proposals should specify which of the themes in question are addressed by the project.

4. POLICY PRINCIPLES

The SDGP is interested in innovative initiatives that make a substantial contribution to systemic change. Therefore projects should help create an 'enabling environment', with results that can be scaled up and have sector-wide impact.

In addition to the objectives listed in section 2, the SDGP focusses on three major cross-cutting themes: gender, circular economy and climate. The degree and way in which these are addressed is determined by the context in which the project is implemented. Each project will be assessed to determine whether it qualifies for an OECD-DAC climate marker.¹ Preference will be given to projects in which these objectives play a major role. The activities must be additional: in other words, the project could not be implemented without funding (grant and contracts). The extent to which a project supports the transition to a circular economy will also be taken into account.

Projects should comply with the rules for corporate social responsibility (CSR) in the country and sector concerned. This means the extent to which a project makes a positive contribution to society, the economy and the environment, will also be assessed. Companies will be asked to sign a statement affirming their compliance with the OECD Guidelines for Multinational Enterprises and the issues the Guidelines address. They must also demonstrate that they implement policies on responsible business conduct in accordance with the Guidelines. Companies will be asked to make a risk analysis of the planned activities, addressing the issues covered by the Guidelines, so that they can take measures to mitigate these risks. Partnerships should in addition have a protocol for monitoring CSR-related issues. Finally, the financing conditions will include a requirement that companies are transparent to stakeholders.

To be eligible for a grant, the lead partner must demonstrate that it and its partners endeavour to prevent serious sexual and other misconduct towards employees and other individuals during the implementation of the proposed activities, and that in the case of such incidents, they will act as promptly as possible to end misconduct and mitigate the consequences.

¹ <http://www.oecd.org/dac/stats/48785310.pdf>.

PARTNERSHIPS:

The SDGP is intended for parties seeking funding in order to establish a collaborative project aimed at one or more of the five objectives listed above (reducing malnutrition, promoting growth in agriculture, sustainable food chains, better work / higher incomes and private sector investment). Partnerships must consist of at least one Dutch partner (the lead partner), one partner from the target country, one company, one NGO and/or knowledge institution, and one public partner.

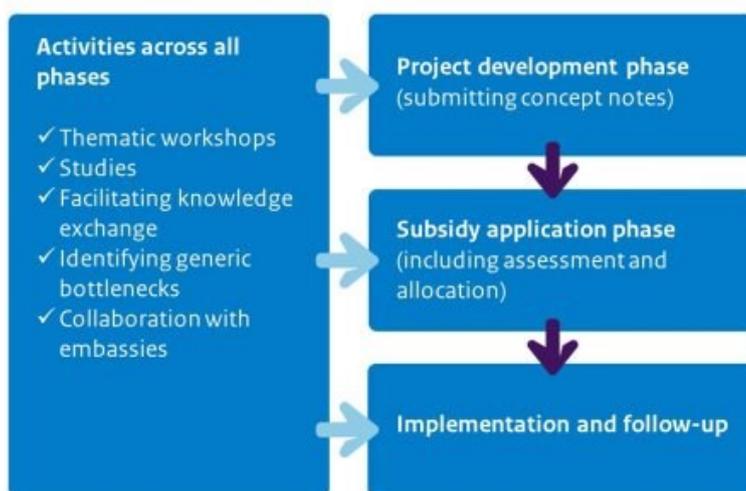
These public private partnerships are meant to achieve more in identifying opportunities and tackling problems together than an individual party could achieve on its own. The partnerships must work at the interface of the public and private domain. A substantial role for the public partner in the developing country is crucial for a project's success. In order to operate effectively, partnerships need to make clear agreements on the different tasks and responsibilities.

5. SDGP DESIGN

The SDGP takes a programme-driven approach, providing project grants as well as giving advice to and facilitating partnerships. Embassies can also support partnerships. By setting priority themes for each call for subsidy, the programme enables projects to contribute to specific policy areas.

Implementation of the SDGP has been delegated to RVO, which gives advise on various topics. For instance, it identifies opportunities for projects and partnerships, conducts analyses to ensure that projects are (financially) sustainable and access to its network. This allows resources to be used more effectively and strategically.

The SDGP programme has three stages. First the development stage, in which partnerships and project ideas are shaped before submitting full proposals. The second stage is the assessment of submitted full proposals. Projects that are awarded a grant enter the third stage: implementation and follow-up. During this stage, the partnerships carry out their project as set out in their proposal. When necessary and appropriate, RVO may procure additional products and services from third parties to increase the SDGP's impact and share knowledge.



The SDGP includes both programme-wide activities and grant provision.

1. PROJECT DEVELOPMENT STAGE

The development stage begins with a call for ideas, in which the Ministry of Foreign Affairs invites partnerships to submit 'concept notes' with project ideas that could contribute to achieving the SDGP's objectives.

A number of themes will be selected for each call.

In the first call for subsidy, €35 million will be made available, divided in four themes:

- a. Nutritional value: €5 million;
- b. Efficient value chains: €15 million;
- c. Circular economy in agriculture: €5 million;
- d. Better work and higher incomes: €10 million.

Concept notes and full proposals should specify which theme they address. Proposals will be compared with other proposals addressing the same theme. If the idea does not match, or is insufficiently developed, the applicant will be informed accordingly, i.e. RVO will give a negative recommendation on the concept note. The partnership may resubmit an improved concept note. A negative recommendation does not necessarily imply that an applicant cannot apply for a grant; however, a recommendation must accompany the application and a concept note must be submitted as part of the procedure.

RVO's recommendation concerning the project idea will be based on the concept note submitted, taking account of the following criteria:

- Contribution to the selected theme;
- Necessity of a public private partnership;
- Contribution to systemic change.

Concept notes may be submitted up to and including 1 October 2018 for the first round, and up to and including 1 October 2019 for the second round. RVO will aim to give recommendations on the concept note within four weeks.

Advice and facilitation

During the development stage, a partnership can request advice from RVO. RVO can also give the partnership access to its network, and refer the applicants to other network partners, including the Ministry of Foreign Affairs and the embassies. Such guidance enables promising ideas to be developed further. The partnership can decide to what extent they want to make use of the services offered.

RVO will actively take up the role of networking and matchmaking with existing instruments where possible.

Embassies play an active role

Embassies can play a valuable role in contributing to strong SDGP partnerships and good project ideas that are relevant to the countries concerned. An SDGP project that is firmly embedded in the local context offers more opportunities to bring about change beyond the results of the particular project, by linking the project to local networks and/or possibly to the embassies' bilateral development programmes. Embassies can choose to play an active role in the development stage by advising potential partnerships and by possibly facilitating activities.

II. GRANT APPLICATION STAGE

Partnerships wishing to apply for a grant must submit a grant application with a detailed project proposal focusing on one of the four themes of the first call. RVO will assess the project proposals in accordance with the application procedure and eligibility criteria for SDGP grants laid down in the administrative rules published in the Government Gazette (*Staatscourant*) of 13 June 2018. Projects need to meet the threshold criteria. Those that attain the minimum number of points are ranked based on the substantive criteria.

III. IMPLEMENTATION AND FOLLOW-UP STAGE

Projects that are awarded a grant go on to the implementation and follow-up stage. RVO monitors the progress of projects that have received a grant. To this end, partnerships must submit regular progress reports. RVO will offer partnerships support where possible and necessary. Monitoring and evaluation is highly important and projects need to report on the overall SDGP programme indicators.

Programme-wide activities

As part of the SDGP programme, RVO.nl can procure products or services from third parties in accordance with the customary public procurement rules. These products and services are intended to support ongoing and new projects, so as to increase the SDGP's impact (where possible and necessary) and share knowledge and innovations. The key feature of these contracts is that they serve the public interest.

Examples are:

- Supporting projects by means of 'add-ons': small additions to a project that will increase its impact. This specifically concerns activities that are not already covered by the grant. Sometimes, strengthening the public party can benefit the project. This can be done by commissioning work aimed at resolving challenges in the public domain and improving the enabling environment. RVO.nl will draw up a list of leads for these contracts, using the mission network in the country in question.
- Fostering learning: projects use impact pathways based on a theory of change. Key Performance Indicators (KPIs) and Markers for Change (M4C) allow for interim evaluation and offer scope for both learning and changing course during project implementation. RVO can deploy resources to support projects in learning from experience and incorporating lessons learned in new approaches.
- Strengthening and creating networks: by facilitating knowledge exchange among projects and with appropriate knowledge and/or policy networks.
- Deepening knowledge: carrying out brief studies or advisory activities to identify lessons learned and common problems, with a view to making recommendations and finding possible solutions that will enhance projects' impact and the process of scaling them up. The focus can be on either specific themes or specific countries.

Where possible, RVO will use existing platforms and networks, for example to promote possible cooperation and share results and lessons learned.

6. PARTIES INVOLVED

MINISTRY OF FOREIGN AFFAIRS (BZ)

As the commissioning authority, the Ministry of Foreign Affairs is responsible for policy on the SDGP programme. The programme results contribute directly to the policy objectives of the Directorate-General for International Cooperation (DGIS). The Ministry will keep a close eye on complementarity with other learning programmes concerning PPPs.

NETHERLANDS ENTERPRISE AGENCY (RVO)

The Minister for Foreign Trade and Development Cooperation has granted the Netherlands Enterprise Agency (RVO) a mandate, power of attorney and authorisation for implementing the SDG Partnership Facility from 2012 to 2027.

EMBASSIES

The Embassies of the Kingdom of the Netherlands are always asked for their opinion on concept notes and the assessment of applications, as they can properly assess whether a proposal matches the local demand and the local policy context in their host countries. They can also assess the extent to which the concept notes and project proposals complement any existing embassy programmes in the areas of food security and sustainable entrepreneurship.

Moreover, the embassy can use local networks to facilitate local actors' participation in potential partnerships. In a number of countries, links may also be established with business hubs. Where appropriate (depending on demand and needs), the embassy can also work with RVO to organise local or regional events encouraging the exchange of lessons learned and best practices. Finally, embassies can procure products and services to support partnerships.