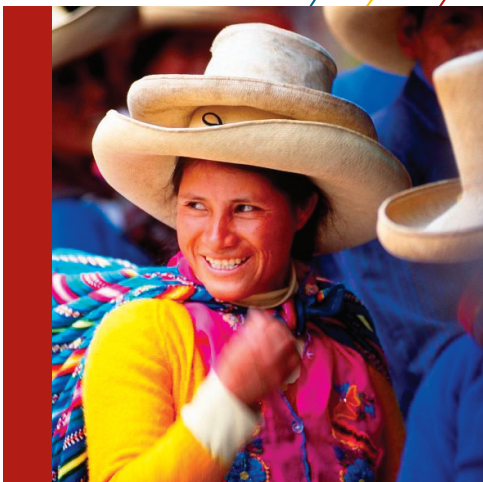


IFC and the Netherlands

Reducing Poverty Together



PARTNERSHIP OVERVIEW

The Netherlands has been a member of IFC since 1955. The Netherlands cooperates very actively with IFC's technical and advisory work to the private sector and governments in the developing world. The IFC-Dutch partnership is far-reaching, and IFC's main counterparts in the Netherlands are the Ministry of Foreign Affairs, the Ministry of Economic Affairs and its implementing agency EVD, and the Ministry of Finance.

FOR MORE INFORMATION:

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Ministry of Economic Affairs
Bezuidenhoutseweg 30
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<http://www.ez.nl/index.jsp>

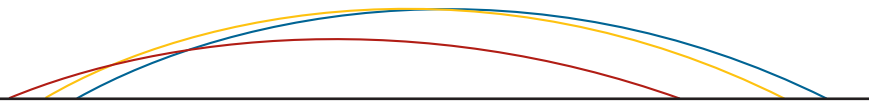
Agency for International Business
and Cooperation (EVD)
Juliana van Stolberglaan 148
2595 CL The Hague
The Netherlands
<http://www.evd.nl>

Ministry of Finance
Prinses Beatrixlaan 512
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The Netherlands
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The Netherlands and IFC cooperate in Sub-Saharan Africa; East Asia and the Pacific; South Asia; Europe and Central Asia; Latin America and the Caribbean, and the Middle East and North Africa. In Sub-Saharan Africa, this joint effort focuses on building up the capacity of the private sector, and in particular small and medium-sized enterprises, and helping African companies become more sustainable and competitive by sourcing and providing experienced managers and client-specific training to local work forces. The Netherlands also supports similar efforts in China, the Mekong region, Indonesia, and South Asia. In the countries of the former Soviet Union, the focus is on attracting private direct investment; supporting the creation and growth of the private sector; and improving the business-enabling environment. The Netherlands also partners with IFC in Southeastern Europe, where the focus is on introducing alternative dispute resolution methods. In Latin America and the Caribbean the focus is on helping the private sector develop through improving the business environment and access to finance, strengthening infrastructure and promoting sustainability. In North Africa and the Middle East the partnership between IFC and the Netherlands has a similar objective.

In addition the Netherlands is a major contributor to IFC's Technical Assistance Trust Fund, which provides funding for short-term, targeted expert interventions aimed at private sector development. The IFC-Netherlands partnership also extends to helping governments in developing countries attract and retain foreign direct investment as well as cooperating on environmental issues. The Netherlands also supports IFC's work to strengthen and expand support for grassroots business organizations in the developing world. Through its support to the Infrastructure Development Collaboration Partnership Fund, the Netherlands cooperates with IFC's infrastructure privatization advisory work.

(continued)



RECENT HIGHLIGHTS

Kilombero Business Linkages Program Improves Rural Livelihoods in Tanzania

IFC and its partners, including the Netherlands, are helping nearly 6,000 sugar cane out-growers in rural Tanzania through the Kilombero Business Linkages Program, which transformed subsistence farming into a commercially viable undertaking. The program was designed to economically link the Kilombero Sugar Company Ltd (KSCL), the largest sugar manufacturer in Tanzania, with local small scale subsistence farmers, or out-growers. It did this by improving sugar cane farming and developing small businesses, which then provide support services to the larger company. The program offered technical, agricultural and business training to the farmers and farmer groups; established three Savings and Credit Cooperatives to foster the growth of a credit culture within the Kilombero community; strengthened smaller companies supporting farmers or providing services to the sugar mill; and established the Kilombero Community Trust to continue the program after the exit of IFC and its partners. The trust also established the 1200 hectare Kilombero Community Trust Farm to provide sustainable, ongoing revenue streams for community development activities. This program more than doubled the incomes of its farmers over a three year period with a relatively small amount of funding, leveraging the resources of donors and banks. The result was a dramatic transformation for the farming and business community in Kilombero.

A Fruitful Partnership: Pineapple and Papaya from Ghana in Dutch Stores

Thanks to a fruitful partnership made possible by Dutch funding, producers of papaya and pineapple in Ghana can now sell their products to customers in several countries in Europe. These new opportunities have the potential to link Ghana's producers with buyers in high-value markets on a significant new scale. Ghana produces excellent agricultural products, such as papaya and pineapple. But in spite of this, it had trouble accessing international markets, especially for higher-value processed goods. Buyers in Europe and the United States can get good prices for comparable products in Latin America, and had little interest in Ghanaian fruit products. Tapping into export markets would do a lot to stimulate the industry's competitiveness and growth. IFC tackled this issue with \$150,000 in funding from the Netherlands' trust fund for technical assistance. First, IFC teamed up with a socially responsible company, Ahold, one of the world's largest grocery retail chains. Then it contracted a Dutch firm, which often works for suppliers and retailers in the global food industry to conduct a study on Ghanaian products that could be carried under private labels in Europe and the United States. The study identified several opportunities for traditional and "exotic" products, both through conventional and Fair Trade-certified distribution channels. Yet many gaps remained between the potential market opportunity and the Ghanaian producers' ability to meet them, especially in the areas of market knowledge, supply chain logistics, and access to finance. Based on these findings, the project team worked closely with selected producers of a few key Ghanaian exports with high potential, including papaya, pineapple and shea nut oil. With additional financing from Ahold, the producers received training in food safety standards, English skills, and technical knowledge in order for them to become more competitive and better respond to the challenges posed by the international market. Ahold also carried the new fruit products in its own stores. The resulting knowledge transfer to Ghana's agribusiness industry helped its producers to diversify and find new buyers. As a result, niche markets within the United States cosmetics industry became interested in Ghanaian shea nuts, whose oil can be used in skin and hair products.