



World Food Day 2025 Side Event: Promoting Dutch SME Involvement in African Agri-Value Chains

Together with its partners TRAIDE Foundation and the Netherlands Food Partnership (NFP), and in collaboration with the Ministries of Foreign Affairs and Agriculture, Fisheries, Food Security and Nature, foodFIRST hosted on Thursday 16 October 2025 a side event for a large audience during World Food Day on Promoting Dutch SME Involvement in African Agri-Value Chains.

The moderator, **Nicole Metz**, explained that the purpose of the event was to explore how Dutch and African small- and medium-sized enterprises (SMEs) can work together to transform Africa's agri-food systems in a way that aligns with both African and Dutch ambitions for sustainable trade and investment. It built on the event foodFIRST organized earlier this year on the African Union's new plan for transforming agri-food systems and improving local food security, known as the Comprehensive Africa Agriculture Development Programme (CAADP).

On behalf of foodFIRST, **Julia Rijssenbeek**, highlighted in her scene setting introduction that this African-led agenda sets several ambitious targets: increasing agrifood output by 45% by 2035, halving post-harvest losses, tripling intra-African trade in agrifood products, and raising the share of locally processed food to 35% of agrifood GDP. These goals underline the central role of African agrifood SMEs. According to the African Development Bank, these enterprises produce up to 80% of Africa's food, employ 70% of the formal and 90% of the informal workforce, and handle 85% of food through wholesale, logistics, processing, and retail — a segment often referred to as the "Hidden Middle."

Policy debates tend to focus on either smallholder farmers or large corporations, leaving this dynamic SME segment underrecognized. Yet, it is precisely within this "Hidden Middle" that much of the transformation in African food systems is taking place. foodFIRST advocates for a shift from policies that prioritize only the top and bottom of the "food system sandwich" toward programs that explicitly target SMEs — many of which remain excluded from donor portfolios due to perceptions that they are not bankable.

This thinking is gaining broader recognition. The World Bank recently announced that it is putting agriculture back at the center of its agenda, launching a plan to double its agribusiness investments and financing by 2030, emphasizing value chain development and smallholder farming.

Dutch SMEs can play a key role in this space. With a strong reputation for innovation, technology, and practical problem-solving, Dutch SMEs are well positioned to contribute to the transformation of African agri-food systems. Their agility, pragmatism, and hands-on approach align well with the realities of rapidly changing African markets. However, Dutch SME engagement in Africa remains

limited. The challenge, therefore, is to understand what holds them back and how to foster greater collaboration.

True Dutch involvement should aim to strengthen local entrepreneurship and address local challenges through partnerships that generate mutual value. This is no longer about traditional development aid but about sustainable, locally anchored business development that benefits both African and Dutch partners. In foodFIRST's view, if we start from Africa's own goals, and connect them with what Dutch SMEs can offer, we can create real value on both sides. This is how we build the next chapter in African Dutch collaboration.

Thijs Rutgers, country director the Netherlands, presented the work of the TRAIDE Foundation, explaining that TRAIDE evolved from earlier Dutch-supported initiatives such as ABSF, ENTAG, and TRAIDE Rwanda, which were active between 2012 and 2021. Established as an independent foundation in 2021 with ANBI status, TRAIDE is currently active in four countries and operates as a locally embedded, business- and impact-driven organization. Its mission is to address development challenges by engaging the private sector to create long-term, commercially viable solutions.

Rutgers described TRAIDE's central question: how can Dutch businesses successfully introduce innovative technologies, business models, and approaches in African "pre-competitive" markets in ways that generate shared value — for the Netherlands, for local private sector, delivering solutions to local development challenges?

Reflecting on TRAIDE's origins, he explained that the initial goal was to strengthen bilateral trade relations between the Netherlands and emerging economies through a supply-chain-driven approach focused on Dutch SMEs. The early years involved standard trade promotion activities such as market studies and matchmaking events. However, these efforts did not yield the expected results. Despite strong interest from Dutch companies, many faced high entry barriers, and generic promotion activities often failed to meet their specific needs.

Several key lessons emerged: Dutch innovation and local market demand were frequently out of sync; financing instruments were complex, time-consuming, and costly; and standard trade facilitation lacked the necessary time horizon to build sustainable partnerships. Companies entering a new market were often burdened with an 'ecosystem tax', for example when they needed to invest in capacity strengthening of employees. Moreover, the standard approaches had limited impact on sustainability. As a result, TRAIDE shifted toward building localized support structures that connect Dutch and African partners through concrete, demand-driven business cases. In an iterative process, the business cases are adapted to the local context, and the appropriate partners are approached to make the initiative stronger and to attract finance.

Rutgers illustrated this approach with two examples. The first, *Partners in Pellets*, has been catalyzing Rwanda's clean cooking ecosystem since 2021. The initiative addresses the challenge of transitioning from charcoal-based cooking to cleaner pellet solutions by building a reliable, affordable local supply chain. Dutch stove supplier Mimi Moto, Rwandan enterprise BioMassters, and Dutch B Corp FairClimateFund formed a partnership that has already reached 10.000 households and aims to reach 25.000 by 2027.

The second example, *HARVEST* (Harnessing Avocado Resources for Value Enhancement and Sustainability Transformation), focuses on improving avocado sourcing and farmer livelihoods while reducing post-harvest losses. It brings together Trade Link Global (Netherlands), One Acre Fund (Rwanda), Avocado Oil Industries (Rwanda), and Dutch company Marula Proteen, which converts avocado waste into fertilizer. The project aims to establish four avocado impact hubs in Rwanda, directly connecting 25.000 farmers to processors while providing seedlings, certification, and sustainable inputs.

Based on its experience, TRAIDE formulated several policy recommendations. Rutgers emphasized the importance of a localized support structure that can provide support to SMEs to forge partnerships. It should combine the policy agendas of various Ministries, foster local private sector development, Dutch impact goals, and earning capacity. This structure should facilitate partnerships, build viable business cases, attract finance, and integrate sustainability into business models. It should be adaptive and agile, aligned with Dutch embassy policies, and consistent with African frameworks such as CAADP and national development plans.

The presentation concluded with an interactive **panel discussion**. The panel featured Gert Jan Becx (TRAIDE), Martin de Jong (Holland Greentech), and Aart de Heer (Mimi Moto). Participants reflected on how Dutch initiatives can best contribute to local private sector development, the importance of local partnerships, and how to integrate local context into business strategies. Attendees also discussed how Dutch Ministries and support organizations could better help SMEs overcome barriers to doing business in Africa.

The panelists noted that developing effective local partnerships takes time and trust. Mimi Moto is a small company based in the Netherlands, which provides the cook stove that enables a whole business model (see example above). For that business model to work, it is essential to have a local entrepreneur with access to the pellets, which Mimi Moto now has in 20 countries. Holland Greentech, a company employing over 100 staff in 15 countries, learned how important it is to take time for the local understanding of your local partners. A conversation between the company staff and their local clients (SMEs/farmers) delivers more impact than a focus on quick money: "You should not only sell things, as that is only a cost for your clients; you should also sell profit. How can you help your farmers/SMEs to make profit with the products they buy from you?"

Access to finance was identified as a major bottleneck. International partners can play a vital role in helping to identify and secure financing opportunities. From the audience, a representative from HGT emphasized that capacity strengthening is often a critical component of successful collaboration.

Building partnerships is not a linear process. It is a lot of going back and forth, really understanding the local context. In some cases, you need to dare to take the decision to not continue. When building the partnerships, it often combines both the local demand for a solution, and the Dutch offer of technology or expertise.

Michiel van der Pompe, head Private Sector Development at the Department of Sustainable Economic Development (DDE) at the Ministry of Foreign Affairs, provided a policy perspective. He explained that the department works with a dual objective: stimulating local private sector development and generating Dutch earning capacity. New policies, new programmes, new instruments are being developed - even in this period until a new Cabinet is formed. The policy has a focus on market development, which includes the removal of barriers to investment; and the strengthening of supply chains to meet the EU standards, while leveraging Dutch expertise and capacity in the areas of food security, water management and health.

“A dual approach is being applied. In fourteen so-called ‘combination countries,’ where the Ministry aims to combine aid and trade, the Dutch earning capacity has to be demonstrated within a limited period of three years. In nine countries with “pre-competitive markets” another approach is applied; and the concept that we discussed today is very relevant for those countries. The Ministry of Foreign Affairs has asked RVO to start implementing a new facility in these countries, which provides the Embassies with additional capacity and expertise in this domain. The idea is that existing instruments (e.g. Invest NL or RVO instruments) will be used more frequently in these countries. The Ministry appreciates the input shared today and is open to continue the conversation to make this facility a success.