World Food Day 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 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 entrepreneurs 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. Moreover, these 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.

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, 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 combines the policy agendas of 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 (HGT), and Aart de Heer (Mimi Moto). Participants reflected on how Dutch initiatives can best contribute to local private sector development, the importance of local presence and 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.

Panelists noted that developing such local partnerships takes time and trust. 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.

Michiel van der Pompe, head Private Sector Development, provided a policy perspective from the Ministry of Foreign Affairs. He explained that Dutch development cooperation increasingly integrates economic interests – putting Dutch interest first is now policy –, with a focus on market development and the removal of obstacles to trade, while leveraging Dutch expertise.

A dual approach is being applied. In fourteen so-called "combination countries," where the ministry aims to combine aid and trade, with an emphasis on trade promotion for a limited period of three years.

In addition, the Ministry recently requested the Netherlands Enterprise Agency (RVO) to design a proposal for engaging with “pre-competitive markets,” following the approach advocated during this session. This proposal will help Dutch embassies in relevant countries support initiatives that foster local partnerships and value-chain development. The plan foresees the financing of a facility to operationalize this approach — not as a new financial instrument, but as an enabling mechanism. The facility is expected to become operational by mid-2026.

In her **closing remarks,** the moderator stressed that going forward the need to work from the local African context and in an adaptive programmatic approach clearly transpired through the discussion. On behalf of the partners, she thanked the ministries, speakers and the audience for their contribution to the policy debate that will be followed by concrete action on the ground via our embassies.