

AID-FOR-TRADE CASE STORY

NETHERLANDS

Sustainable Trade Initiative

A short film on the Dutch **Sustainable Trade Initiative**:

<http://www.youtube.com/watch?v=GUUCZdZRZ-Q>

The mission of the Dutch Sustainable Trade Initiative (IDH) is the acceleration and up-scaling of sustainability within mainstream commodity markets.

The focus is on mainstreaming the social and ecological sustainability of commodity supplies from emerging markets to the Netherlands and Western Europe. In this way, IDH is working on the Millennium Development Goals for poverty reduction, sustainable environment, and an open trading and financial system (MDGs 1, 7 and 8).

IDH forges enterprising coalitions between government agencies, companies, trade unions and social organisations. Sector by sector, IDH gathers forces together to jointly transform the market, and make sustainable production and trade the norm. The parties work on the entire supply chain in ambitious implementation programmes:

At the source – often in developing countries – parties work together to resolve social, ecological and economic bottlenecks. For example, by offering support in (self) organisation and training of farmers, reducing the use of pesticides, increasing yields and improving working conditions.

In the final markets – often in the West – parties work together to increase the market share of sustainable products. For example, through the introduction of sector-wide sustainability standards as a license to operate, and through the promotion and marketing of sustainable consumer labels.

Critical to our success is that from the start, forces from the private sector, government and civil society align to deliver results. Their cooperation must result in changing practices, lasting capacities and critical mass, enabling the sector to move beyond its tipping point. Once this is done, IDH can phase out of the sector.

IDH plays three major catalysing roles:

Accelerating – IDH forms result-oriented coalitions between the business sector and social organisations, bringing the various interests into line, so that competitors and critics can cooperate in a pre-competitive environment. IDH guides the coalitions in the design and implementation of ambitious implementation programmes. IDH ensures a thorough analysis of the sector and the sustainability issues, and organizes broad stakeholder consultation around this analysis. IDH finances – to a certain maximum – one Euro for each Euro contributed by the parties themselves. IDH also safeguards that results are delivered to the benefit of people and the environment; we

ensure objective monitoring, evaluation, and impact assessment.

Up-scaling – IDH promotes the success of programme stakeholders and actively reaches out to engage other stakeholders and financiers for specific commodity sector programmes. IDH promotes harmonization and alignment of agendas and funding at the European and global level. After two or three years, successful sector programmes are up scaled to achieve high impact from already realized investments in programme development and coalition building. The risks are low because the approach has been proven. Hence, we expect larger contributions from the stakeholders and third parties, aiming therefore at higher leverage ratios on our funding (between 100 and 400 percent).

Learning – IDH helps build the capacity of coalitions engaged in mainstreaming sustainability into commodities, using knowledge from other sectors. IDH organizes strategic reflection sessions, facilitates research and training, builds communities of practice, and facilitates innovation sessions and out-of-the-box thinking. IDH disseminates experiences by assembling business cases, best practices, intervention models, training modules and other knowledge products from which others can become inspired and induced to cooperate.

IDH works on ten improvement programmes: tropical timbre, soy, nature stone, cocoa, tea, tourism, aquaculture, cashew, electronics and cotton.

