Merchants of misery

How the Dutch State supports animal suffering abroad

WORLD ANIMAL PROTECTION

Cover image: Young pigs at a pig farm.
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Foreword

An important concept in sustainable development is 'leapfrogging', meaning development that skips outdated technologies and moves immediately to cleaner and efficient ones. But leapfrogging can also pertain to the morality of technologies and practices. In many places in this fast-paced world, we can skip morally inadmissible practices and directly implement decent or even good ones.

Since the Second World War, the US and Europe have seen the rise of enormous industrial livestock production systems that care little for the welfare of animals. The mass, large-scale suffering caused by these systems has become acceptable within the industry, which has made the task of introducing higher welfare farming methods very difficult.

Today, farming practices in some parts of the world are slowly improving, but it's disheartening to see industrial livestock production rapidly growing in regions like Central and South-East Asia, the Middle East, Latin America and Africa. Many upcoming economies ignore the much needed moral leapfrogging: they model their production on the low-welfare systems that Europe and North America are recently moving away from. Since investments in housing systems and farming equipment have typically a depreciation period of 20 years, these low welfare systems are likely to menace the animal kingdom for decades. This is an unfolding tragedy.

Often, the Dutch pride themselves to be world leaders in innovative agriculture. The final declaration of the Dutch 'National Food Summit 2017' states the objective to become 'the indisputable global frontrunner of safe, healthy and sustainable food and sustainable agriculture' in 5 to 10 years. However, underneath these self-congratulatory ambitions of The Netherlands lurks a more sobering and darker reality. When doing business abroad, Dutch merchants do not just bring innovation, they also contribute to misery.

This report reveals not just the complicity of Dutch supply companies in the proliferation of low welfare factory farms globally, but also the complicity of the Dutch State. Despite their lofty words, the Dutch State has continued to give support to Dutch companies involved in contributing to low welfare production units abroad, some of them not even compliant to Dutch or EU legislation. The Dutch State may well be advocating for higher animal welfare internationally, but simultaneously, behind the scenes, it continues to support the expansion of animal suffering in many countries.

My hope is that the Dutch political system will rise to the occasion, but my hope does not stop there. Whilst this report deals with the specific case of The Netherlands, the issue at hand is relevant for other countries too – notably Germany, Denmark, France, Italy, the UK.

Often the Dutch refer to The Netherlands (either affectionately or resentfully) as 'our little frog country.' That suggests an exemplary springboard for bringing the art of leapfrogging to other places. Technically and ethically.

Here's to hoping the Netherlands leads the way.

Pascal de Smit
Director World Animal Protection Netherlands

Executive summary

In its 2017 government agreement, the Dutch Government states that it strives for animal welfare improvements internationally. These improvements are urgently needed, especially for farm animals. About two thirds of the more than 70 billion land animals farmed annually for human food production are confined in industrial systems that severely restrict natural behaviours and often cause chronic stress, boredom and physical discomfort. These numbers are projected to rise even further. A key way in which the Dutch Government can exercise its leverage towards improving farm animal welfare internationally is via Dutch companies that supply goods and services abroad.

Many Dutch companies contribute to the development of industrial livestock production abroad, including in Russia, Ukraine, Kazakhstan, Turkey, Thailand, China and many more countries. They supply a range of systems for confinement, ventilation, feeding, drinking and rearing, manure belts, monitoring software, slaughter equipment, hatcheries, and even complete housing solutions. Additionally, they provide feed, veterinary products, genetics and even the animals themselves. These companies could contribute to better animal welfare, and do in some cases. But in many instances, they fail to contribute to better animal welfare or actually promote poor welfare systems – many of which are now illegal in the EU and Netherlands. In short, in these cases, Dutch companies are knowingly contributing to global animal suffering. This is not acceptable.

To make matters worse, the Dutch State is complicit in this proliferation of animal suffering. It is very active in facilitating Dutch exports and investments. There is a whole range of services provided by the Dutch state to support entrepreneurs doing business globally. These include, but are not limited to, trade missions, providing information and assistance via Embassies and Business Support Offices, providing governance and reporting guidance, sponsoring trade fairs, providing project finance and export credit insurance. All these services bring a certain level of responsibility and leverage that the Dutch State can apply to steer and employ business conduct towards higher animal welfare, both directly and indirectly (for example, as a member of the EU, IFC, OECD and UN).

To date, the Dutch State often fails to use this leverage. In all likelihood, the Dutch State has supported dozens of Dutch companies that contribute to low welfare projects, including tens of companies that supply to projects with animal welfare standards below Dutch/EU legislation in the period 2012-2017.

This report finds that:

1. Dutch supply companies play a major role in the expansion of industrial animal production, impacting on the lives of hundreds of millions of animals. Most Dutch companies that supply to industrial livestock production internationally do not have an animal welfare policy. And if they do, these are often well below Dutch and/or EU legislation, not adequate from an CSR perspective and not publicly available.

2. To date, animal welfare is not a priority and inconsistently integrated in the procedures for granting State support.

    - In some tools and programmes animal welfare is completely lacking.

    - In other programmes animal welfare is incorporated to varying degrees. If animal welfare is included in State programmes for support this is:

        - inadequate across the board to prevent support for companies that contribute to low welfare systems. Subsequently, the Dutch state supports companies that produce below Dutch and/or EU standards;

        - often inadequate to prevent support for low welfare projects and/or foreign companies that do not adhere to Dutch/EU standards. In several cases, projects included animal health aspects which were equated with animal welfare, whilst distinctive animal welfare aspects were actually lacking;

        - in some cases effective to steer projects towards higher welfare. In some other cases higher welfare was supported and therefore strengthened, which can generate positive ripple effects.

3. Animal welfare standards used are often low and sometimes inconsistent. Regarding the OECD Guidelines for Multinational Enterprises, the Dutch State fails to fully use the OECD-FAO Guidance on Responsible Agricultural Supply Chains, which are designed to help enterprises observe the OECD Guidelines within the agricultural sector.

4. Applications are primarily assessed based on information supplied by applicants and run a high risk to be biased in favour of the applicant and to the detriment of animal welfare.

5. Animal welfare monitoring is absent or not thorough. In some programmes proactive monitoring takes place, in others reactive and in some programmes none. Moreover, since it requires specialized expertise, animal welfare monitoring runs the risk of being insufficient and focussed on health aspects.

6. Though stakeholder consultation is an important ingredient of responsible business conduct, State tools and programmes are devoid of references to stakeholder consultations and engagement on animal welfare.

7. State support lacks transparency. Even with an appeal on the Freedom of Information Act, it is difficult to obtain information, let alone verify it. This lack of transparency raises questions about accountability towards Parliament.

Based on these findings, World Animal Protection recommends the following:

- **Consistently integrate animal welfare in all tools, programmes and information channels.** In most cases this can be considered as 'low hanging fruit', in other cases this will need a more concerted effort.
- **Screen and review Dutch companies stringently on animal welfare.** Especially for larger enterprises, support can be made conditional on an adequate and publicly available animal welfare policy and due diligence procedure. As a first step, this should entail that companies contributing to any projects with animal welfare standards below EU legislation should be excluded from support. But more steps are needed.
- **Let project applications be reviewed and assessed more critically and vigilantly to avoid the current applicant bias.** The discretion of the Netherlands Enterprise Agency, ADSB and FMO allow for much better animal welfare due diligence. Mobilizing internal and external expertise to identify negative impacts is key for this.
- **Monitor and evaluate animal welfare impacts robustly, for example by using the Welfare Quality® assessment protocols and the ISO Technical Specification 34700.**
- **Sanction non-compliance. Non-compliance should lead to exclusion for further applications, unless SMART and publicly available plans of action are in place to remedy the situation, companies report on its progress and this is verified by independent audits.**
- **Ensure better transparency and stakeholder engagement on animal welfare.**
- **Raise standards.** If the Dutch Government is serious about its commitment to improve animal welfare internationally and be a global frontrunner on sustainable agriculture, it must adopt higher animal welfare standards for granting State support.
- **Persuade other countries, intergovernmental bodies and international financial institutions to adopt more stringent animal welfare due diligence procedures and standards.**

Introduction

In its Government Agreement 'Confidence in the Future' (October 10th 2017), the newly formed Dutch Cabinet Rutte III makes the commitment to improve animal welfare internationally. This report argues that a key, indispensable way to achieve this, is to vigilantly steer towards responsible business conduct by Dutch enterprises that do business abroad within the industrial livestock sector.

As an international animal welfare organisation working, inter alia, on farm animal welfare, World Animal Protection frequently comes across the impacts made by Dutch companies – in China, Brazil, Colombia, Turkey, Ukraine and many other countries. Sometimes these impacts are positive, but recurrently they are adverse. According to a spokesperson of the Dutch Meat and Feed Centre in China, about 40% of farming equipment comes from the Netherlands. This may be an overstatement, but nevertheless, also in World Animal Protection's experience, the Dutch seem to be everywhere.

This report takes a closer look at the different ways the Dutch State provides support to these Dutch companies that supply 'hardware' to industrial livestock production – equipment, housing systems, 'turn key solutions'. It starts with the case for responsible animal welfare conduct, providing an overview of the problem, the international frameworks of hard and soft law, the internationally agreed principles of responsible business conduct, the role and commitments of the Dutch government and the impacts brought about by Dutch companies (Part I).

Part II consists of the result of a survey held among a large sample of Dutch supply companies that do business abroad to provide an insight about to what extent they adhere to animal welfare principles – and to what level. Next, Part III maps the different forms in which the Dutch State has helped and supported Dutch businesses in expanding their activities internationally during the rule of Rutte II (2012–2017) and reviews if and to what extent good animal welfare practices are conditional. Based on this review, this report closes with a list of policy recommendations for Cabinet Rutte III.

As such, this report is focusing on risks of adverse impacts rather than on opportunities for positive impacts. To use the terminology that gained currency in responsible business debates, the report focuses on 'do no harm' instead of 'do good'. By no means should this distract from the value of the latter. However, this emphasis is in the spirit of the OECD Guidelines and could also be understood as contributing to a better balance: both enterprises and governments generally have an inclination to showcase good practices and conceal or downplay bad practices (and have privileged opportunities to do so), thus distorting an understanding of the often grim realities on the ground.

"We are a large player on the worldwide market. About 40% of farming equipment comes from the Netherlands."
Spokesperson Dutch Meat and Feed Centre, China.

Image next page:
More than 85% of all animals farmed for food are broiler chickens

Part I

The Case for Responsible Animal Welfare Conduct

Increasing concern for animal welfare

Both corporate social responsibility and animal welfare are established values. Still, it may not always be clear what these require - both on corporate and governmental side. Key concepts, principles, frameworks and commitments are therefore clarified below. Put together, they establish a case for animal welfare due diligence and give direction as to what animal welfare requirements both supply companies and governments should reasonably aim to safeguard. In other words, they build a case for responsible animal welfare conduct.

Public interest in animal welfare is high and further on the rise in the Netherlands and globally. More and more people, companies, academics/academic institutions and governments are concerned with the wellbeing of animals, including with the welfare of animals farmed for food. This is, inter alia, reflected in the outcomes of the 2016 Eurobarometer on attitudes towards animal welfare, commissioned by the European Commission. More than nine in ten EU citizens believe it is important to protect the welfare of farmed animals (94%), whereas 82% of Europeans believe the welfare of farmed animals should be better protected than it is now. 93% of respondents also believe that the level of welfare of imported products should equate to that required within the EU.[1]

Given our advancements in scientific knowledge about the cognition, behaviour and welfare of pigs, chickens and other farmed species, this is not surprising. These animals are sentient beings, along with humans. They have their own cognitive capacities, emotions, needs and interests and these should be recognised and respected. This is acknowledged in both EU and Dutch legislation. The Treaty on the Functioning of the European Union (2012) declares that the EU and its Member States pay full regard to the welfare of animals, whilst the Dutch Animal Act (2011) acknowledges the intrinsic value of animals. From this acknowledgement follows that infringements on the integrity of animals beyond what is reasonably necessary shall be prevented. The Animal Act furthermore proclaims that appropriate care to animals must be given, including safeguarding – 'to the extent that can reasonably be expected' – the so called 'five freedoms':

- Freedom from thirst, hunger and inappropriate feed;
- Freedom from physical and physiological discomfort;
- Freedom from pain, injury and disease;
- Freedom from fear and chronic stress;
- Freedom to express natural behaviour.[2]

These principles are often at odds with the widespread, large-scale and intense exploitation of animals, especially in industrial agriculture. Globally, more than 70 billion animals are farmed for food every year. Most of these animals are chickens bred for meat (broilers): more than 60 billion. Laying hens constitute 7 billion animals and pigs 1,5 billion.[3] Up to two-thirds of these animals are raised in low welfare, intensive systems in which violations of the five freedoms are manifold and often severe. See box page 12 for examples. As such, industrial animal agriculture testifies that, in the words of Professor Mark Bekoff, the human-animal relationship 'has been, and remains, strongly asymmetrical. Human interests almost always trump animal interests.'[4]

'More than nine in ten EU citizens believe it is important to protect the welfare of farmed animals (94%).'

The above animal production figures are projected to further increase. In the case of broilers, they are set to increase to 75 billion per year by 2025.[5] For pigs, the FAO projects that the world's production will grow on average with 0,8% per annum until 2030.[6] This is primarily due to economic growth and, secondly, prompted by the further rise of the global human population. In particular, the very high number of broilers and pigs in industrial systems are expected to increase even more if current trends in production and consumption patterns do not change course. This only adds to the urgency to address animal welfare concerns comprehensively and stringently, and the export of responsible systems and support is a key part of ethical trade and development assistance.

This urgency is exacerbated by the impact of industrial animal production on the environment, society and public health, most notably in relation to climate change and antimicrobial resistance.[7] This calls into question the wisdom of investing in industrial animal production in the future.[8] In view of the vital role of smallholder food producers in achieving global food security and sustainable agriculture, The Principles for Responsible Investments in Agriculture and Food Systems by the United Nations Committee on World Food Security stress that 'responsible investment includes priority investments in, by, and with smallholders, including those that are small scale producers and processors, pastoralists, artisans, fishers, communities closely dependant on forests, indigenous peoples, and agricultural workers.'[9] This sits ill with investments in industrial systems, especially because the latter often replace smallholders – pushing them out of the market and/or disrupting local markets.[10] Companies and policy makers are much encouraged to consider these systemic issues and their ramifications for policy instruments that shape food systems, especially in light of the UN Sustainable Development Goals.[11] However, the present report focusses on animal welfare *within* industrial livestock agriculture.

'Globally, more than 70 billion animals are farmed for food every year.'

Image: This indoor pig farm in the UK has high welfare birthing pens for sows, including separate areas for the piglets only, a warm lamp, and slanted walls to protect from crushing.

Common violations of the Five Freedoms in industrial livestock production[12]

Freedom from hunger and thirst

Breeding animals (broiler breeders, sows) often suffer from chronic hunger: to prevent genetically driven fast growth from harming their reproductive function. They are put on a severely restricted daily diet and are prone to abnormal behaviours and injury as a result. It is also standard practice that broiler chicks do not get feed and water within the first 24-72 hours after hatching, causing hunger, thirst and higher mortality rates. Chicks that hatch 'too late', that is, after the moment of chick collection, are thrown away together with the empty eggshells and left to perish. Chickens and pigs, by nature curious foragers, get highly concentrated feed often only once a day. This limits their natural foraging behaviour to a bare minimum and predisposes them to abnormal behaviours and pigs to stomach ulcers. Access to drinking water and related heat stress during long distance transport is often problematic.

Freedom from discomfort

Due to genetic selection for fast growth, many animals (especially pigs and broilers) have locomotion problems and are very susceptible to heat stress. Barren housing conditions, including hard, often wet and slippery slatted floors (pigs) and wire cages (chickens), prevent animals from comfortably resting, nesting and natural exploring. High ammonia and dust levels are another common issue, causing ocular, olfactory and respiratory discomfort and disease. Thermal discomfort is also a regular issue in such farming systems, which may not necessarily be suitably designed for destination countries. Transport and slaughter pose severe additional risks.

Freedom from pain, injury and disease

Animals in industrial systems are – in part due to genetic selection for fast growth and barren housing conditions – at high risk of a range of painful disorders, including joints and skeletal disorders, lameness, pressure ulcers, heart and lung failure, footpad dermatitis, breast blisters and some fatal conditions. These issues are then compounded by poor housing systems and management. Chronic stress leads to poor immunity and routine disease in confined, overcrowded and barren production environments, which is often 'managed' by excessive and inappropriate use of antibiotics without adequate regulation. This relates to an estimated 40 to 80% of antibiotic use in developing countries, as a key risk factor for antimicrobial resistance which is a major global concern.[13] Additionally, outbreaks of infectious diseases regularly plague stocks, not seldom leading to inhumane and often excessive mass cullings. Furthermore, many animals are routinely subjected to mutilations as painful management procedures: castration, tail docking, teeth reduction, the dubbing of combs and the trimming of beaks and spurs, and without pain relief. Slaughter methods in many developing countries are often basic and fail to immediately render animals unconscious, resulting in countless animals dying in extreme pain. Adequate fire safety and disaster prevention measures are generally absent, resulting in a relatively large proportion of animals killed by fires, earthquakes, cyclones and floods.[14]

Freedom from fear and distress

Due to very limited space and barren conditions, the occurrence and duration of negative social interactions (and corresponding social stress) is much higher in intensive systems than in extensive systems and the ability of animals to escape or cope in such systems is severely challenged. This can lead to significant distress and fear towards other animals and especially towards humans, which impairs welfare and also production. Rough handling, cramped transport conditions and slaughter methods are additional sources for fear and distress. In case of the latter, a particular concern is the stunning of particularly pigs using CO_2 and the live inversion and poor use of electrical water-baths for poultry.

Freedom to express natural behaviour

Confinement, monotonous and barren housing conditions, high stocking densities, genetic selection, early weaning and unnatural lighting regimes impair natural behaviour, activity and resting patterns significantly. Foraging activity in industrial pig and poultry farming is essentially deprived, as is nesting for crated sows and caged layer hens. Mother to young interaction is severely restricted (pigs) or impossible (chickens). Abnormal behaviour – stereotypical behaviours, injurious feather pecking and tail biting, cannibalism – is prevalent. Finally, the freedom to express natural behaviour is severely limited by the short time budget animals receive: pigs are typically slaughtered at the age of 6 months, broilers are killed at the age of 39–42 days, well before reaching maturity. Of course, this issue is a rather inescapable feature of producing animals for human food. Still, non-industrial systems tend to grant substantially more time for expressing natural behaviour.[15]

EU legislation

To mitigate animal welfare problems, the EU has adopted a series of Directives which set legal minimum animal welfare standards within the EU for farm animals in general, transport and slaughter and for species such as pigs, broilers and laying hens. EU member states are obliged to transpose these standards to national legislation. In principle, they are at liberty to impose more requirements insofar as this does not contradict the provisions of the Treaty on the Functioning of the European Union. To avoid creating unfair competition impacting their farmers, few Member states go beyond the EU requirements – and if so, typically not by much. Thus, Dutch animal welfare legislation corresponds with the minimum EU standards, with only very few exceptions.

> 'Economic interests often trump animal welfare concerns.'

EU Directives typically hardly go beyond the lowest common denominator. Economic interests weighed heavily when these Directives were shaped and often trump welfare concerns. A 2017 review noted that 'a striking deficiency in EU animal welfare legislation is that some widely–kept animal species are not protected' – referring to cows, rabbits, ducks, turkeys, trout and salmon. The same report showed that scientific animal welfare advice of the European Food and Safety Authority is most often not translated into policy.[16] Moreover, enforcement remains very problematic. The reports of the Food and Veterinary Office of the European Commission show common non-compliances such as overstocking during transport, the lack of manipulable material for pigs and the lack of stunning for poultry during slaughter.[17]

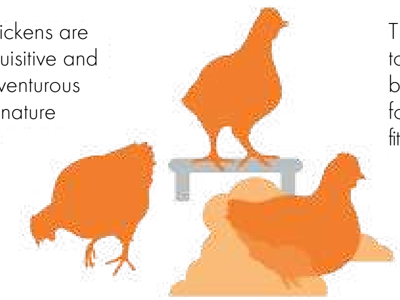
In short, relying on EU-standards for safeguarding animal welfare is problematic and from a perspective of corporate social responsibility (CSR), additional steps need to be taken.

Private standards

As a consequence, to better address animal welfare concerns, several private schemes have been set up. Some are industry led, and some are initiated by NGOs – the latter usually out of concern with the low level of protection that legislative or industry standards offer. A prime example in The Netherlands is the Better Life Trademark (Beter Leven-keurmerk), introduced in 2007. This three-tier standard varies from some basic improvements (one star) to substantial improvements (three stars), encouraging constant improvement. The trademark is available for pork, eggs, chicken meat, beef and veal. The latest initiative adhering to the three star standard is 'Kipster', a new system driven by Lidl, in which the hens produce eggs and the roosters are raised in 120 days for meat (in conventional systems one-day-old male chicks are gassed or shredded) with high welfare provision.[18]

Successful industry standards have also been established in the Dutch market regarding chicken meat. Jumbo supermarkets introduced their 'New standard chicken' in October 2014 and by April 2016 all their fresh chicken complied to this new standard, which includes slower growing breed, lower stocking density, natural light and enrichment.[19] The standard is checked by a third-party auditor (Isacert). Market leader Albert Heijn has followed with a similar, albeit weaker standard for broilers ('nieuwe AH kip').

This development of adopting private standards exceeding legislative requirements is not limited to The Netherlands, but can be observed in a number of European countries and is also quickly gaining ground in the US. Companies there like Restaurant Brands International (owner of Burger King), Sodexo, Aramark and Nestlé USA have all committed to adhere to broiler standards issued by the Global Animal Partnership by 2024. Commitments of this nature are highly likely to be announced in Europe in 2018 and beyond.



Outside the EU

The need within the EU for standards on responsible business conduct that go beyond EU legislation point to an even bigger need for such standards outside of the EU. No legally binding animal welfare standards exist globally, a notable omission in international law.[22] What does exist internationally, are basic animal welfare standards established by the OIE, the World Organisation for Animal Health, and endorsed by its 181 Member States. These standards, laid down in the *Terrestrial Animal Health Code* and *Aquatic Animal*

Responsible broiler welfare requirements

Taking into account current broiler husbandry practices, World Animal Protection calls upon enterprises in animal production value chains to adhere to the following minimum welfare requirements by 2026:

- Breeds that demonstrate higher welfare outcomes, including the following breeds: Hubbard JA757, 787, 957, or 987, Ross Ranger, Ranger Classic, Ranger Gold, and Cobb Sasso, or others that meet the criteria of the RSPCA Broiler Breed Welfare Assessment Protocol.
- Maximum stocking density of 30kg/m2 or less. Thinning is discouraged and must be limited to one thin per flock.
- Meet improved environmental standards including:
    - At least 50 lux of light, including natural light.
    - At least two metres of perches, and two pecking substrates, per 1,000 birds.
    - On air quality, the requirements of Annex 2.3 of the EU broiler directive, regardless of stocking density.
- No cages or multi-tier systems.
- Multi-phase controlled atmospheric stunning or effective electrical stunning without live inversion.

Compliance must be demonstrated with the above standards via third-party auditing and annual public reporting on progress towards this commitment. In addition, it is necessary to comply with all EU animal welfare laws and regulations, regardless of the country of production.

These requirements are aligned with international animal protection NGOs, including members of Eurogroup for Animals.[20] They are comparable with the standards set in North America by all major food catering companies and an increasing number of other food businesses, including Restaurant Brands International, owner of Burger King. Moreover, the requirements are comparable to the welfare specifications of Dutch retailers. Since the investment cycle of cage systems is likely to be well beyond 7 years, this requires stopping the sale of cages with immediate effect.[21]

Image: Dutch broiler farm producing according to the one star level of the 'Better life' scheme of the Dierenbescherming (the Dutch Society for the Protection of Animals).Credits: Rob Doolaard, Dierenbescherming

Health Code, are chapters outlining intended minimum requirements and guidance for voluntary adoption by Member States.

Without diminishing the positive contribution to animal welfare the OIE standards could provide, it is important to note that they exhibit shortcomings. Not surprisingly, the OIE operates from an animal health mandate, which limits the way animal welfare is taken into account. To quote the *Recommendations to the OIE in Developing Guidelines on Animal Welfare in Livestock Production Systems*: 'Considerations relating to affective states and animal behaviour may be relevant insofar as the scientific evidence shows that they are related to animal health.'[23]

More importantly, the standards are not binding in any way and the OIE's use of the available science tends to be conservative, their advocacy of higher welfare alternatives limited and commonly there is a lack of translation to local policy, implementation and enforcement. Member States adoption and implementation of the various standards is not yet monitored by the OIE, despite some standards existing for a decade. Besides, OIE standards do not cover some widely (industrially) kept species such as pigs, laying hens, turkeys, ducks, rabbits and calves.

An estimated 80% of the world's sows (female pigs) live in a stall so small they can't even turn around

Furthermore, the standards are carefully worded not to hinder the economic interests of the Member States. Typically, they set standards in terms of open norms and, to a lesser extent, with 'if'–provisions. For example, pre-slaughter stunning is not routinely required while the OIE prescribes that the stocking density of broilers should allow for the birds 'to move and adjust their posture normally' – but without stipulating what one should consider as 'normal' movement – nor quantify the recommended space or density. Also, to give a second example, it states that '*if cattle are branded, it should be accomplished quickly*' (italics added) – instead of avoiding the use of painful identification procedures such as burning a sign in the animal's skin. As such, the standards can easily be used for greenwashing, legitimising and condoning practices that are scientifically not recommended and should be considered unacceptable.

Something similar could be said about the Good Practice Note on Farm Animal Welfare of the International Finance Corporation (IFC), part of the World Bank Group. The document lists a series of principles which seem (and are intended) to promote good animal welfare practices, but contain many open norms – and are therefore prone to different interpretations, including justifications for business as usual. For example, they imply that gestation crates for sows are not a good practice, but they do not explicitly label them as unacceptable. And again, they are non-binding in nature and presented only as 'recommendations'.

'Enterprises pay regard to animal welfare to adhere to their ethical values and to create value for their business.'

Given these limitations, the animals' best hope would need to come from national animal welfare legislation – but in most non-EU countries animal welfare legislation is very restricted, weak or often absent. Where meaningful legislation exists on paper, enforcement in practice is routinely lacking. With such weak or absent animal welfare governance in many countries, almost all responsibility befalls on other actors, including (supply) companies in the animal production value chains.

Responsible Business Conduct

Increasingly, enterprises pay regard to animal welfare within their relevant management systems. They do this to adhere to their ethical values and to create value for their business. The latter could relate to a variety of factors, including reputational risk management, accountability towards customers, improving efficiency and the potential to produce higher quality products, to access new markets and customers, and to expand existing markets by being ahead of competitors.[24]

The top five producers of pork in the world are...

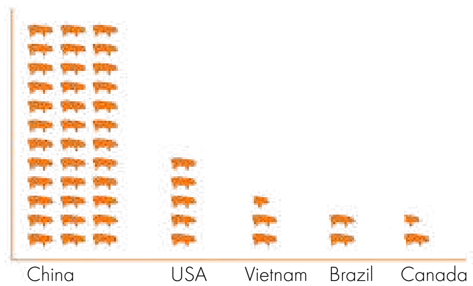


Image: Organic free range chickens farmed for meat, São Paulo State, Brazil.

Nevertheless, to behave as a good corporate citizen is not an easy task. As the OECD Guidelines for Multinational Enterprises (hereafter 'the OECD Guidelines') note, today's competitive forces are intense. Enterprises face a variety of legal, social and regulatory settings which may offer temptations 'to neglect appropriate standards and principles of conduct in an attempt to gain undue competitive advantage.'[25] Adding to the complexity in the case of animal welfare is that yesterday's standards may not be appropriate for today, let alone tomorrow. To be future-proof, companies need to be at the forefront. Ambitious but realistic steps need to be taken (see also boxes page 14 and 17).

Various challenges will influence responses, but do not diminish responsibilities. According to the OECD Guidelines, enterprises should 'carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts [...] and account for how these impacts are addressed.' This is applicable to adverse impacts a company could cause or contribute to, but also when there is no direct causation or contribution, but the impact is nevertheless 'directly linked to their operations, products or services by a business relationship.'[26] It should thereby be noted that the OECD Guidelines do not restrict their scope to a specific category of enterprises. Instead, they encourage the widest possible observance.

Since the OECD Guidelines do not mention the theme of animal welfare, doubt might be casted on the applicability of the OECD Guidelines pertaining to the issue at hand. However, in 2016, the OECD (together with FAO) issued sector specific guidance on agricultural supply chains, which is unequivocal that animal welfare is indeed one of the societal risks that should be taken into full account. Also, other internationally widely endorsed guidance on social responsibility – most notably ISO26000 – include animal welfare.[27] In the Netherlands, Parliament acknowledged in 2007 formally that animal welfare is part of corporate social responsibility.[28]

Responsible pig welfare requirements

World Animal Protection calls upon enterprises in animal production value chains to publicly commit to the following minimum welfare requirements:

- Non-confinement housing of sows (gestation and farrowing).
- Daily access to edible enrichment for all pigs including nesting material for sows to enable varied natural behaviours.
- Suitable genetics and breeding for a balance of welfare and production outcomes.
- Suitable space, air, light and temperature and enough solid/comfortable flooring for all pigs.
- Nutrition and feeding to satisfy physical and behavioural needs.
- Pain relief for procedures (and a plan for phasing out procedures).
- Weaning from a minimum of 25 days.
- Reduce/phase out prophylactic antibiotic use and beta agonists (ractopamine). No growth promotants.

Since the investment cycle of gestation crates is well beyond 7 years, this means stopping the sale of these crates with immediate effect. Various reports and case studies have demonstrated that for new builds, establishing sow group housing can be cheaper or equivalent in capital cost, or in certain markets (e.g. US) the small additional cost (2-5%) can be outweighed by consumer willingness to pay. Further production and labour benefits ensure to offset any additional operational costs, if incurred.[29]

Image: Pigs in group housing with deep beds in a higher welfare indoor farm in the UK.

According to the OECD Guidelines, potential impacts are to be addressed through prevention or mitigation, while actual impacts are to be addressed through remediation. This poses one of the key questions regarding responsible business conduct. What is best? To enter into a controversial business relationship with the chance to mitigate adverse impacts, or to refrain from dealings to keep clean hands, in order to take a stance, send a strong signal and to be better positioned to promulgate principles? Or, when a business relationship with adverse impacts has already been established, should one stay or should one leave? Whether impact investment or impact divestment is most effective will depend on the context and the capacity and opportunities to meaningfully engage.

That being said, it is important to stress the following. Given the economic interests at stake, companies will be tempted to argue that doing business is (almost) always preferable. Whilst utilising a relationship is certainly in many cases advisable, this should never be used as an excuse for doing business as usual and to downplay the potential impact of taking a stance and refrain or retreat from business relationships. In the same vein, bad behaviour of competitors should never be used as an excuse to defend a company's own lack of prevention or mitigation actions. In other words, if it is decided that doing business with adverse impacts is, all things considered, acceptable and for the long term good, the onus of proof lies with the enterprise that this is indeed the case. Naturally, the same holds true for a government helping such enterprise.

Transparent reporting on animal welfare impact is indispensable in such cases. This ties in with a broader call for transparency and reporting, which is expressed by the uptake of voluntary sustainability reporting frameworks like the UN Guiding Principles Reporting Framework and the Global Reporting Initiative (including animal welfare reporting for the food sector) and mandatory disclosure measures. Examples of the latter include specific requirements such as the anti-slavery statements companies must issue in the UK and broad non-financial reporting requirements, most notably the EU directive on non-financial reporting, which obliges enterprises with more than 500 employees to report from 2018 on how they manage social and environmental challenges.

The role of the Dutch Government

The OECD Guidelines are not binding for enterprises, but they are binding for the OECD Member States. In general, States have the commitment to recommend the observance of the Guidelines to multinational enterprises in or from their territories. More specifically, adhering countries have the obligation to set up so called National Contact Points, whose task is to further the effectiveness of the Guidelines by undertaking promotional activities, handling enquiries and contributing to the resolution of issues that arise relating to the implementation of the Guidelines in specific instances.

In the vision of the Dutch Government, corporates are the prime and key partner to achieve sustainable development.[30] But they then need to behave like good corporate citizens of the world. So in accordance with the above, the Dutch Government expects from Dutch companies operating abroad that they adhere to the OECD Guidelines (and the UN Guiding Principles for Business and Human Rights). In other words, it is expected from Dutch enterprises that they are aware of their potential positive and negative impacts in the world, directly and via their suppliers and clients – and 'take the responsibility to map these risks, be responsive to signals from stakeholders and use their leverage to improve the situation.'[31] And, as the Governments' policy letter 'Corporate social responsibility pays off' furthermore states: 'Entrepreneurs should pursue the same norms abroad as within The Netherlands.' This entails that corporate social responsibility is about doing more than what is legally necessary and about following international guidelines on due diligence to mitigate societal risks and ensure access to remedy. The Government firmly frames this as a shared interest: 'Corporate social responsibility increases public support for the business world. Confidence is essential for the business environment.'[32]

'Entrepreneurs should pursue the same norms abroad as within The Netherlands.' Minister of Foreign Affairs, Policy letter 'CSR pays off'.

In addition, the Dutch Government has specifically made commitments to improve animal welfare internationally. In 2013 it took the initiative together with Germany and Denmark to agree on a joint declaration on animal welfare. Amongst other things, the declaration calls for further improvement of animal welfare 'in future legislative proposals and to systematically address existing shortcomings in the legislation'. It also encourages all stakeholders to develop voluntary guidelines to improve animal welfare. Furthermore, the three countries agree to advance animal welfare in international fora and agreements.[33] In the recent Government Agreement, the Dutch Government reaffirmed its strive for animal welfare improvements internationally.[34]

Considering these commitments, one would expect that public policy aimed at promoting Dutch exports and investments is aligned with the implementation of responsible business due diligence. Judging from various governmental information, this is indeed the case. For example, companies applying for the Dutch Growth Fund 'must adhere to standards of international corporate social responsibility' according to the website of the Netherlands Enterprise Agency. Likewise, international corporate social responsibility is cited as a condition for companies to join trade missions. The Dutch State thereby expects companies to adhere to the OECD Guidelines.[35] This, however, should not be taken for granted. How does this work in practice? If these expectations are met, are the conditions indeed adhered to? What happens if this is not the case? Moreover, the information provided by the Dutch Government does not make clear if, within these CSR conditions, animal welfare is taken into account – and if so, to what degree and how.

Dutch supply companies

In view of the significant role Dutch companies play in the global expansion of industrial animal production systems, these are very pertinent questions. Dutch multinational food companies directly produce animal sourced foodstuffs abroad, Dutch brand manufacturers and retailers source animal products, Dutch genetic companies provide animal breeds, Dutch feed companies provide feed for livestock, Dutch pharmaceutical companies deliver veterinary medicines and feed additives, Dutch service companies offer services like transport, training and advice, Dutch traders deal in animal products and supplies from third parties, Dutch financial institutions provide project finance, invest in shares in companies in the agricultural supply chain and offer insurance. The list continues. In short, Dutch entrepreneurs are, for better and worse, in many different ways involved in global industrial animal production.

Moreover, dozens of Dutch companies literally build industrial livestock complexes in countries like Russia, Ukraine, Turkey, Kazakhstan, Uzbekistan, Saudi Arabia, Jordan, Vietnam, China, Brazil and many more. Some of these companies have dealers in well over 50 countries. They supply ventilation systems, feed systems, drinking systems, rearing systems, manure belts, wastewater treatment facilities, monitoring software and devices, slaughter machinery, cooling equipment, hatcheries – up to complete housing systems and 'turnkey solutions'.

According to a representative of the Dutch Meat and Feed Centre (DMFC) about 40% (!) of farming equipment comes from the Netherlands.[36] The total monetary value of these exports is hard to establish, but it is clear that it annually involves tens of millions of euros at a very minimum.[37] It is even more difficult to calculate the numbers of animals involved, nevertheless, estimations point to hundreds of millions per year. To give an example, just one equipment company has on its website projects listed to which they supplied, adding up to a total of nearly 40 million chickens and pigs[38]

The products Dutch companies supply for the livestock industry vary in nature – and for that matter their (potential) impacts vary accordingly. Supplying a complete cage system for broilers is potentially different from, say supplying a ventilation system for broiler houses. Given the investment cycle, the former is likely to be in place for about twenty years, dooming the next 150 or so generations of chickens to a life of intense/severe confinement. Ventilation systems on the other hand, can be made compatible with improvements in animal welfare. They easily allow for lower stocking densities and slower growing breeds, and also for enrichment, natural light and in some cases even outdoor access. Obviously, these improvements may never happen, but at least if they are considered, they will not be blocked by the write-off regime of the ventilation system. Even so, what all this equipment has in common – housing systems and ventilation systems alike – is that it is indispensable for the industrial, large scale production of animals and that at least currently (and probably with many generations of animals to come) this type of animal husbandry is often highly inadequate to provide acceptable levels of welfare.

Specifically, Dutch supply companies contribute to systems that, inter alia:

- **use cage housing for chickens (both laying hens and broilers);**
- **use fast growing broiler breeds (such as Cobb 500, Ross 308, Ross 508 and Ross 708);**
- **house poultry at high stocking densities;**
- **house sows in gestation and farrowing crates;**
- **house pigs and chickens in barren environments without (adequate) enrichment;**
- **house animals without (adequate) natural light.**

Remarkably, the more Dutch exports contribute to the proliferation of low welfare systems, the more problems this creates for the agricultural sector within The Netherlands (and other EU countries). Dutch livestock entrepreneurs producing within Dutch borders wish for a level playing field - within the EU, but given growing international trade – also increasingly internationally. With industrial production systems proliferating in other regions, Netherlands-based livestock producers face increasing undue competition. This is especially apparent with EU-imports of eggs from Ukraine and EU-imports of pork under CETA, the EU trade agreement with Canada.[39]

In light of the above, the importance and urgency to address animal welfare concerns via responsible business conduct by Dutch supply companies is acute – and the duty of the Dutch State to encourage Dutch enterprises to expand upon good animal welfare practices and to abandon bad animal welfare practices equally profound.

Image: 'Kipster', a high welfare farm using dual purpose birds: hens are raised for egg production, the males for meat, The Netherlands 2017. Credits: Kipster.

Before looking into the different points of leverage the Dutch State has via the tools and programmes for business support (Part III), the next part presents the results of a survey amongst Dutch supply companies in order to provide an understanding of the current level of responsible animal welfare business conduct amongst Dutch supply companies within the global industrial livestock sector.

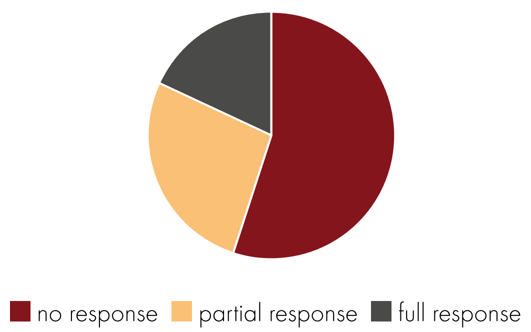
PART II

Do Dutch supply companies care about animal welfare?

Survey results

To get a better understanding about if and how Dutch corporate stakeholders in the global industrial animal production sector take into account their corporate social responsibility on animal welfare, World Animal Protection conducted a survey.

The survey was sent to a large sample of 54 companies. Almost half of these companies responded, but only five replies were complete. Even after repeated requests, the response rate did not increase. A large majority of the respondents, over 80 %, indicated that they find CSR (very) important. Even though animal welfare is part of CSR, an even bigger percentage – over 90 % – indicated that they find animal welfare (very) important.

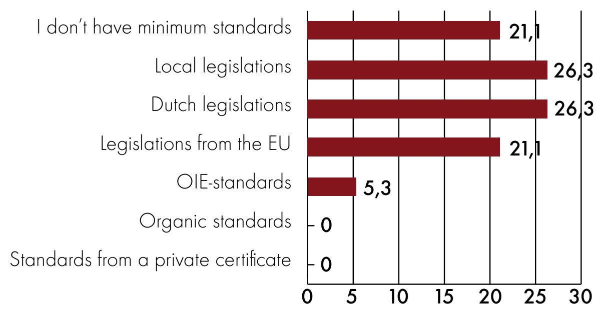


These high percentages seem promising for animal welfare, but are not necessarily backed by company policy. 22 companies answered the question of whether they have an animal welfare policy or not. Only nine of them answered affirmative. But in none (!) of these cases the policy could be found on their website. Out of these nine companies, only two indicated they actually screen new customer relations on animal welfare. And of these two, just one respondent was willing to give a serious answer about what this screening entails. In this case, the screening consists of costumer vetting.

35% of the companies that received the survey answered the question on what minimum animal welfare standards the company adheres to. Of these, 21,1% of respondents indicated that they do not have minimum animal welfare standards. Another 26,3% answered that local legislation determines their minimum standard, but since many countries do not have farm animal welfare legislation, this boils down to the same. One company (5,3%) answered that the OIE standards are its minimum. The remaining nine companies say they adhere to Dutch animal welfare standards (26,3%) or EU-standards (21,1%) as their minimum. As a consequence, none of the responding companies apply minimum standards that go beyond what is mandatory in The Netherlands, such as organic or private standards. Moreover, these results might be too rosy, due to a social desirability bias.

On the other hand, two companies that answered that they didn't have an animal welfare policy did indicate that they screen new customer relations on animal welfare. As an employee of one of these companies explained in an additional email: 'As a product manager I make sure that our products are of good quality, but also that our breeding systems are installed and used as intended. We do this by personal visits, (dealer) training courses, blogs/vlogs, and webinars. (..) If the customer wants a design that doesn't comply with our standards, we won't sell it.' In the survey it was indicated that this company wielded Dutch legislations as guideline.

minimum standards in percentages



Beside agricultural entrepreneurs, several associations and partnerships pertaining to industrial livestock production also received a survey. Unfortunately, the response rate was even lower than the response from the companies. Two out of eight were willing to send a reply. One survey was completed. In this case the organisation did not have an animal welfare policy and did not screen new customer relations on animal welfare. At the same time the organisation indicated that they received several forms of support from the Dutch government.

Conclusion

The survey reveals that responsible animal welfare conduct by Dutch supply companies is still in its infancy. The issue is recognized as important, but much more needs to be done to firmly integrate animal welfare in management practices and corporate behaviour. As a point of departure, companies whose core business is to supply the livestock and meat industry should adopt an animal welfare policy. From a responsible business conduct perspective, adherence, in principle, to EU or Dutch minimum legislative standards would at least be required, but steps beyond that are expected and called for. If this policy is in place, further steps are vital to mitigate adverse impacts on the ground and move towards positive impacts (see box).
Based on the percentage of respondents that use animal welfare standards below EU standards vis-à-vis the number of companies that received any form of State support, it could be estimated that the Dutch State has supported tens of supply companies in the years 2012–2017 that contribute to industrial livestock operations that do not meet Dutch or EU legislative requirements.

CSR risk management

To manage CSR risks, the Dutch Social and Economic Council propose six steps that together form a virtuous circle[40]:

Step 1: **Policy plan**
Step 2: **Risk analysis**
Step 3: **Embedding**
Step 4: **Monitoring**
Step 5: **Remedy**
Step 6: **Communication**

In the case of animal welfare, these steps should be aimed at:

- **Eliminating worst practices**
- **Expanding best practices**
- **Raising the minimum bar**

Image next page:
Sows in farrowing crates have no opportunity to move freely, to engage in exploratory and foraging behaviour, or to interact socially with other pigs.

PART III

Dutch State support for businesses vis-à-vis animal welfare

Knowledge building and information

The Dutch State provides support to Dutch businesses operating abroad in many different ways. This part presents an extensive overview of these channels, tools and programmes. Even so, it may well not be entirely comprehensive. Furthermore, it reviews if and how the CSR issue of animal welfare is incorporated.

A first, basic but important pillar of Dutch policy to support companies in doing business abroad, is to build knowledge and provide information.[41] To this end, several channels and tools have been developed. The most relevant are reviewed below.

Website

The starting point for providing information is the website of the Netherlands Enterprise Agency (RVO). The website has a page devoted to CSR. Among the eight CSR themes the website mentions, animal welfare is omitted.[42] This omission goes against the OECD-FAO Guidance on responsible agricultural supply chains. On the dedicated page on the CSR theme 'environment', no mention is made of animal welfare either.[43]

Furthermore, the 'country toolkit' on CSR that is available on the website neglects animal welfare almost completely. 13 countries are elaborated on regarding their CSR risks, and virtually all of them are high risk countries from an animal welfare perspective.[44] For only one country (Ukraine) animal welfare is mentioned – presumably because Ukraine has been in the spotlight on this issue in Parliament and in the run up to the referendum on the EU-Ukraine association agreement. For other countries with even much larger concerns, like Russia. Vietnam and China, no animal welfare risks are noted.[45]

Finally, the State participates in a joint website – www.internationaalondernemen.nl – which proclaims that it is 'your website to international success'. A site search did not produce any hits for the term 'dierenwelzijn' (animal welfare).[46]

CSR Passport

Embassies play an important role to inform Dutch enterprises about CSR in a local context. To support the network of embassies, the Ministry of Foreign Affairs has developed a brochure about CSR. This brochure has the form of a 'passport' and is sent to all Dutch Embassies, general consulates, Netherlands Business Support Offices (NBSO's) and Netherlands Agricultural Business Support Offices (NABSO's) as basic information tool about the Dutch CSR policy and international CSR initiatives. The brochure is available in English, French and Spanish.[47] First issued in 2010, the CSR Passport has been updated in 2014. The CSR Passport does not make any mention of the CSR theme of animal welfare.[48]

Transparency Benchmark

Through the Transparency Benchmark, participants acquire knowledge of the generally accepted criteria for corporate social responsibility reporting and obtain insight into possible improvements. Moreover, it offers the opportunity to compare company scores within and between sectors. Annually, the content and quality of corporate social responsibility reports of Dutch companies are scored. Participating companies contend for The Crystal prize, a leading price in the area of social reporting in the Netherlands. Currently, the elaborate criteria for the benchmark do not offer a single reference to the CSR theme of animal welfare.[49] This doesn't mean animal welfare is explicitly excluded: companies can choose animal welfare as a relevant issue to be transparent about. It does, however, mean that it is entirely possible that a company can get the highest score (199 points) without any transparency on animal welfare, even when the company runs high risks in this regard and has severe impacts.

CSR Risk Check

The CSR Risk Checker is a tool of CSR Netherlands, a network of companies, but financed by the Ministry of Foreign Affairs. As such, the Ministry directs companies to it to help map their risks. Animal welfare is part of it. However, references are scarce and rather random.[50] Many well-documented risks are not included.

Studies

The Netherlands Enterprise Agency also commissions fact sheets and other studies. Some of these include references to animal welfare – to degrees more or less meaningful.[51] When commissioned on behalf of Embassies, these are mentioned below. Typically, if animal welfare is mentioned, it is framed as an emerging issue offering opportunities for Dutch companies, not as policy goal for the Dutch government to contribute to.

Business support network

Via the Netherlands Enterprise Agency (RVO), Dutch entrepreneurs are given access to an extensive global network of institutions that give support for doing business abroad. A special website, www.netherlands-worldwide.nl, is aimed to provide information to all Dutch representations abroad: embassies, consulates, and trade offices.

Embassies and consulates

The Ministry of Foreign Affairs looks after the interests and opportunities of Dutch entrepreneurs via embassies and consulates. Diplomats utilize their political status and network to help Dutch business with knowledge and information, business contacts, finance, and advocacy for Dutch business interests.[52] This research's appeal to the Freedom of Information Act did not produce any information about the promotion of animal welfare through the embassies and consulates. Nevertheless, this doesn't mean animal welfare is entirely off the radar. In December 2016, for example, the Dutch Embassy in Thailand published a fact sheet 'The Poultry Sector in Thailand', which provided specific information on the welfare of broilers and the uptake of slower growing breeds in The Netherlands.[53] On behalf of the Dutch Embassy in Bangladesh, a 'Business Opportunity Scan Leather Sector Bangladesh' was commissioned, which features several references to animal welfare.[54] Also some country specific reports on aquaculture mention animal welfare.[55] In other relevant publications (meaningful) references to animal welfare could however not be found.[56]

Netherlands Business Support Offices

Netherlands Business Support Offices (NBSO's) give support to Dutch enterprises in places without an embassy or consulate. They help find business representatives and partners, provide market information and information regarding legislation and policy.[57] Furthermore, NBSO's publish information about concrete business opportunities on the above mentioned website www.internationaalondernemen.nl. Especially the six NBSO's in China, the four in India, and the one in Turkey are located in high risk countries from an animal welfare perspective.

To give an example of their activities, in early November 2017, The NBSO Dalian (China) together with the Dutch Meat and Feed Centre organized a visit for Dutch poultry equipment firms to the Liaoning province, one of China's poultry production hubs. Based on the official news story, animal welfare was not on the priority list (no mention of the topic was made).[58] Similarly, the NBSO Jinan and Qingdao published an Economic overview of opportunities of Shandong Province in December 2016, in which animal welfare was notably absent.[59] Even more remarkably, the 2017 NBSO Dian report 'A brief introduction to the Animal Husbandry Industry in Liaoning Province' does not make a single mention of animal welfare.[60]

This research's appeal to the Freedom of Information Act did not produce any information about the promotion of animal welfare through the NBSO's. Once more, this does not necessarily mean that the topic is completely absent. In another NBSO Jinan report, animal welfare was noted as an emerging issue.[61]

Agricultural specialists

The Netherlands provides a network of agricultural specialist ('Landbouwraden'). This network is comprised of 51 branches, which cover more than 70 countries. They offer specialized market information, knowledge about local relevant legislation, contacts

Image: The Netherlands is a sponsor of trade fairs on industrial livestock production, like VIV Asia 2015.

with local State officials, assistance to overcome veterinary and phytosanitary trade obstacles, and support for starting agricultural projects and supply chain management.[62] Again, this research's appeal to the Freedom of Information Act did not produce any information about the promotion of animal welfare through the agricultural specialists. In additional sources on the website of the Netherlands Enterprise Agency, no (meaningful) references to animal welfare were found.

Innovation attachés

The Ministry of Economic Affairs also supports a network of so called 'innovation attachés', who operate from embassies and consulates to help businesses with research and development opportunities and contacts. The Dutch 'top sectors' – including Agri-food – get priority.[63] No information could be obtained regarding if and how animal welfare is promoted through this channel. For example, the innovation attaché in Malaysia noticed in an article 'Food Innovation in Malaysia', that the Halal food industry 'is identified as a priority sector and Malaysia is looking to develop itself into a leading supplier of Halal products', implying business opportunities, but without any mention of the possible adverse animal welfare implications.[64]

Regional business developers

The Ministry of Foreign Affairs offers a network of 'regional business developers', in order to broaden the market share of Dutch companies in Latin-America, West-Africa, the Gulf States, the ASEAN countries, Scandinavia and the Baltic States. No information was retrieved regarding if (and if so, how) they include animal welfare in their efforts.

Partnerships

The Dutch State is also partner in joint initiatives. It participates, for example, in the Dutch Meat and Feed Centre (DMFC), an international agribusiness support office based in Beijing, China, consisting of various Dutch and Chinese companies and associations. Its mission is to assist companies in developing and expanding their commercial needs in the agro-food chains in China.[65] The participation of the Dutch State provides official status to DMFC's endeavours and helps building business relationships. No information has been retrieved regarding if this office has an animal welfare policy and if its partners are screened accordingly.

Trade fairs

The abovementioned Dutch posts also play a role in the support of trade fairs for industrial animal production. Prime examples are the regional or national VIV fairs ('Vakbeurs Intensieve Veehouderij'), originating from The Netherlands. In 2015 and 2016, for example, The Netherlands was official partner of the VIV Asia fair in Bangkok. At this fair, industrial systems that are illegal in the EU – such as individual gestation crates for sows or barren broiler cages – were promoted.[66] About 53,000 visitors came during the two-day fair. As the Dutch diplomats commented: 'These days we're more interested in boosting trade than in politics.'[67] At VIV Asia 2017, The Netherlands co-hosted a Holland Network Cocktail to promote Dutch companies that are active in the food & agri sector in Asia Pacific and worldwide.[68] At this event, 87 out of 1,000 exhibitors were from the Netherlands.

In a pre-event to VIV Asia 2017, animal welfare was promoted, using inter alia, the Dutch experience with slower growing broiler breeds.[69] However, it could not be ascertained whether the Dutch Embassy was also involved in this event or not.

Trade missions

Every year, companies can take part in a series of trade missions organised by the Ministries of Foreign Affairs and Economic Affairs. These trips can be beneficial to broaden business networks, meet potential clients, raise brand awareness, exchange knowledge and expertise, and give insights in market opportunities. State budgets for a trade mission seem typically somewhere between 50,000 and 75,000 euro's.[70] Additionally, participants are required to pay a modest fee.

'Companies are de facto not screened on adverse animal welfare impacts.'

The Netherlands Enterprise Agency (RVO) makes a distinction between two kinds of (outbound) trade missions: the ones with, and the ones without a Minister (or high ranking civil servant). Trade missions in the first category are called economic missions. They are advertised by underlining that the presence of a Minister can open doors that otherwise would remain closed. For these economic missions, companies need to meet the requirement that they are familiar with the OECD Guidelines (but not sector specific guidance) and act accordingly. Furthermore, companies that score 0 points in the Transparency Benchmark (see p. 26) are being asked to give an explanation to the Ministries of Economic Affairs and/or Foreign Affairs.[71] This rarely happens: it is very easy to score at least one out of the 199 points.

Given this set-up, companies are de facto not screened on adverse animal welfare impacts. As a result, no company has ever been questioned about animal welfare during the applications process. It comes therefore as no surprise that in the economic mission lists of participating enterprises, several enterprises could be identified that have declared in World Animal Protection's survey to not have an animal welfare policy and/or to have no minimum standards or minimum standards defined by local legislation.

According to the website of the Netherlands Enterprise Agency, for every economic trade mission a Terms of Reference (ToR) is drafted by the Ministry of Foreign Affairs in which, amongst other things, relevant ICSR aspects are being identified. A risk analysis is also included. Before and during the mission, companies receive information on CSR. However, based on the information provided to Parliament, animal welfare seems to have only been addressed once during an economic mission (Ukraine, March 2016) – and even then, the focus seemed to have been primarily on animal health, not on distinct welfare aspects.[72] Furthermore, according to the information provided by the Netherlands Enterprise Agency, not for every economic mission a ToR is drafted. Furthermore, the ToR's are very general in nature and, apparently, animal welfare has not been mentioned in any of them.

For trade missions without a Minister, other conditions apply. These can differ per mission.[73] CSR requirement are (even) less stringent.

Finally, inbound trade missions are also aimed at advancing Dutch business prospects abroad. For example, an incoming trade mission of Yemen (2014) was intended to expose 'Dutch companies to business opportunities in Yemen's poultry sector.'[74]

The Ministries, the Netherlands Enterprise Agency and the Dutch Embassies abroad, regularly organise trade missions in collaboration with NEC, the Netherlands Export Combination. In some case, NEC organises trade missions on behalf of the Dutch government.[75] This organisation does not seem to have an animal welfare policy. In 2017, it organized an inbound mission for an Australian company which is involved in the highly controversial export of kangaroo meat for human consumption.[76]

Atradius Dutch State Business: export credit insurance

Atradius Dutch State Business (ADSB) provides export credit insurance and 'guarantee products' on behalf of the Dutch state. Its mission is to promote Dutch exports and investments. ADSB will provide export credit insurance to Dutch exporting companies if private sector insurance is difficult or impossible to obtain, due to country risk involved, large size, or long credit period. ADSB also handles the export credit insurance and export finance part of the Dutch Good Growth Fund.

Transactions for which insurance is sought, are scrutinized by ADSB for environmental and social aspects. For this, the 'OECD Common approaches for officially supported export credits and environmental and social due diligence' (shortly referred to as 'the Common approaches') are adhered to as a minimum. ADSB is stricter than the Common approaches in that it also scrutinises cash transactions and transactions with a duration shorter than two years. Moreover, it is more specific than the Common approaches in that it has defined a list of sensitive sectors, which includes large scale agriculture. The latter also means that applications pertaining to these sectors with a contract value of less than 10 million euro will be in principle subjected to reviewing. This is a major improvement, since if the Common approaches are strictly followed, not many transactions qualify for review.

'One third of the approved applications pertaining to farm animal welfare has not received any reviewing.'

It should be noted that the limiting scope of the Common approaches – setting a considerable material threshold for review – sits ill with the OECD Guidelines, which have a much broader scope, and to which the Dutch government expects internationally operating companies to adhere.[77] For adequate social, environmental and governance due diligence, the monetary value of the transaction should not be the focus, but the salience of the societal issues at stake should be. The list of sensitive sectors that ADSB applies, helps to circumvent the 10 million threshold in a considerable number of cases, but certainly not all. Also, with respect to information disclosure, a tension exists between the Common approaches and the OECD Guidelines.[78]

In line with the Common approaches, applications are classified as A, B, or C – which determine how they will be scrutinized.

- A project is classified as **Category A** if it has the potential to have significant adverse environmental and/or social impacts, which are diverse, irreversible, and/or unprecedented. These impacts may affect an area broader than the sites or facilities subject to physical works. Category A, in principle, includes projects in sensitive sectors or located in or near sensitive areas.
- A project is classified as **Category B** if its potential environmental and/or social impacts are less adverse than those of Category A projects. Typically, these impacts are few in number, site-specific, few if any are irreversible, and mitigation measures are more readily available.
- A project is classified as **Category C** if it has minimal or no potentially adverse environmental and/or social impacts.

Moreover, a category 'M' is used when the insurance only pertains to the replacement of equipment. In these cases, a 'marginal review' takes place of 'the reputation of the buyer in the area of environmental and social aspects and adherence of relevant environmental and social legislation.'[79] In practice, when deemed appropriate, also the reputation of the applicant can be taken into consideration.[80] If fully reviewed, the reputation of the applicant, the reputation of the buyer, and the project, are taken into consideration.

Animal welfare

How does the above pan out for farm animal welfare? To begin with, animal welfare is fully part of the ADSB reviewing process, although it is not recognized in its policy document on the reviewing of social and environmental aspects (2012).[81] Accordingly, it is expected that animal welfare will be soon included in a future update of this document. In other words, although judged from its policy, it may seem that ADSB ignores animal welfare, yet this is certainly not the case.
But what does this inclusion of animal welfare entail? As explained above, to qualify for review, the transaction value of the application needs to be 10 million euro or more. Many animal welfare related projects stay below this threshold and are not scrutinized unless they are deemed to pertain to a sensitive sector. This is, however, often the case: as said, 'large scale agriculture' has been defined as a sensitive sector and applications with farm animal welfare aspects should therefore be scrutinized in accordance with ADSB' policy.

Notwithstanding, exceptions are not rare. From 2012 onwards, one third of the approved applications pertaining to farm animal welfare has not received any reviewing.[82] ADSB thinks these exceptions are justified if the insurance only pertains to currency risks or guarantee products that are a level removed from the transaction (e.g. Fair Calling Facility and Contra Guarantee). These products never receive an environmental and social review. In other instances, applications stay below the 10 million threshold and are judged to not be part of 'large scale agriculture'.

One may question the strength of these justifications to various degrees. In the case of guarantee products, there is still a direct link with the transaction and the project, regardless of the abstraction level, and therefore with the animal welfare (and other) risks at stake. It is up for debate if and how a review process would be proportionate to the societal risks, on the one hand, and the practicalities of the financial product on the other. Finally, the delineation of what 'large scale agriculture' means, may well be questioned. For example, ADSB defines slaughterhouses, no matter their size, to not belong to 'large scale agriculture.' This seems to contradict the OECD-FAO Guidance on responsible agricultural supply chains.[83] Needless to say, adverse animal welfare impacts at slaughter are by definition irreversible.

The regular absence of reviewing may well have resulted in serious animal welfare risks. For example, in 2015, 2016 and 2017, ADSB provided three guarantee products for exports of 400 pregnant heifers each to a Russian State company. Transport, housing conditions of the animals and their offspring, care and

Image: Caged broilers. At this farm, several dead birds were spotted within the cage.

slaughter methods pose severe risks, in part due to the lack of any meaningful animal welfare legislation in Russia. Likewise, several insurance products have been issued to equipment for slaughterhouses in Brazil and Ukraine. Globally, slaughterhouses are rather infamous for their high animal welfare (and labour) risks, as recent scandals in Belgium testify. Moreover, in the case of Ukraine, the vertically integrated company also produces eggs using battery cages.[84]

Another 22% of the animal welfare related agricultural projects have only been classified as 'C', which means that there is only a full review when red flags are apparent. In addition, 4% was classified as 'M' – which, as explained above, denotes a review of the reputation of the buyer and possibly the exporter.[85] At face value, this seems to contradict the definition by the OECD Common approaches, which state that 'irreversible' adverse impacts should be classified as 'A'. Most, if not all, adverse animal welfare impacts are, of course, irreversible. The OECD Common approaches however, seem not to acknowledge this.

One of the four cases studied by World Animal Protection for this research was classified 'C' for the reason that it was judged not to be a large scale agricultural project. Even so, the buyer was a company with broiler breeders supplying to a hatchery with a capacity of 80.000 eggs per week. The total number of animals involved in such an operation depends on productivity, but would be at least 25,000 birds – but up to over 60,000 if you include all males and take into account mortality rates.[86] By any means, this is no small scale broiler breeder operation, but exclusion was justified by reference to Appendix 1 of the Common Approaches, which does not give a threshold for broiler breeder operations, but does provide a 60,000 threshold for hens for an operation to be listed as Category A.

Notwithstanding, the OECD list is explicitly 'illustrative' of projects 'that may be classified as Category A'. It is stated that 'in practice, classification should be undertaken in accordance with the potential environmental and/or social impacts of each project.'[87] In other words, it is at ADSB's discretion to judge if these impacts are potentially sufficiently considerable to classify as Category A.

Another justification given for not categorizing this project as 'A' was that the broiler chicks were disseminated to small scale farmers. This justification seems very arbitrary. Insofar animal welfare was assessed, only the welfare of the hatched chicks was considered, not the welfare of the parent stock. However, broiler breeders face severe welfare risks, including severely restricted feed rations. It is highly concerning that ADSB' assessment ignored this.

Full review

41% of the farm animal welfare related applications over the 2012-2017 period received an A category review. Before looking into those, one should be aware that cultural differences, language barriers, the diversity of multi-facetted issues, the variety of points of departure, limitations of capacity, and other factors make reviewing a far from easy task. The weighty impacts it could have – for better and worse – further underline the difficult nature of this work.

If applications are fully reviewed, the following process is in place:

Reputation exporter

ADSB requests exporters to provide an animal welfare policy, but does not make this conditional for approving applications. Our research has identified several Dutch companies that do not have an animal welfare policy, but still have applied successfully for export credit insurance. In addition, ADSB performs a google search to check the reputation of the exporter. If an issue then pops up, this is discussed with the exporter. However, over the 2012-2017 period, there are no examples where this has resulted in rejecting an application on reputational grounds pertaining to animal welfare infringements. Aside from potentially via the google-search, ADSB does not screen the company's involvement in projects elsewhere.

As a result of the above, ADSB has provided export credit finance and guarantee products to Dutch companies that are complicit in animal welfare practices that fall short of EU legislative standards – let alone of reasonable standards for responsible business conduct on animal welfare.

Reputation buyer

For buyers, ADSB does require an animal welfare policy, but does not necessarily require that such a policy document is up to standard.[88] If it is not, additional information is compiled. If local legislation is checked, it is done marginally, and with no substantive consequences other than that the project complies – which in many countries is automatically the case since no farm animal welfare legislation exists. The buyer's reputation is also screened by a google search. Especially for buyers in countries with a weak civil society and limited freedom of press, reliance on a google search is far from watertight. In such cases, according to ADSB, additional information is requested from the Dutch Embassy.

All the same, in one of the four cases that has been studied by World Animal Protection, the assessment failed to mention the dubious reputation of the buyer's mother company, even though six out of the first ten google hits of that company's name, in combination with 'animal welfare' is about animal welfare scandals, including the top two ones.[89]

In another of the four cases, ADSB' assessments did not mention that the recurrent buyer in question is one of the major producers of foie gras. Foie gras production constitutes a gross violation of the five freedoms and is prohibited in The Netherlands.[90] In fact, in its brochure,

> 'Export credit insurance has been provided, involving buyers with no publicly available animal welfare policies.'

the company boosts it is 'one of the major goose liver producers in Europe' and therefore belongs to one of the few countries 'that produce foie gras industrially.' In response, ADSB explained that in this case it had looked at the chicken production branch of the company, and had discussed the issue of foie gras production with the Ministry of Finance.

As a result, export credit insurance has been provided, involving buyers with no publicly available animal welfare policies – or very weak ones and in countries with no or extremely limited farm animal welfare provisions and lack of enforcement. Some of these buyers have a dubious reputation for animal cruelty.[91]

Project

For the reviewing of the project, ADSB uses the OIE animal welfare standards and the IFC Good Practice Note on Animal Welfare (IFC GPN) as a minimum standard. As explained above (p.15), these are susceptible to greenwashing and to allowing unacceptable practices. Furthermore, and potentially with a mitigating effect, EU legislation is used as a benchmark.

One important obstacle ADSB faces when it verifies animal welfare requirements, is that often projects do not yet exist. The screening is ex-ante. Therefore, to check if a project meets these minimum standards, a questionnaire is used, which contains several animal welfare related questions, including transport and slaughter. One of these questions is about which animal welfare standards are being applied. Based on the (lack of) answers, ADSB discusses the issues with the applicant. This means that ADSB does not go through all the different elements of the applicable OIE or IFC standards. An exception to this is a question on stocking density. If, according to the answer, these exceed those of EU legislation, a red flag is raised. ADSB does not require stakeholder engagement of animal welfare NGO's nor (transparent) animal welfare reporting.

The above means that ADSB is very reliant on the (very general) information supplied by the applicant/buyer, which makes the procedure vulnerable for non-compliance, especially since there is no post-ante audit to verify if the requirements have been met.

In the cases scrutinized by World Animal Protection, this prompted concerns to various degrees. One case regarded a pig slaughterhouse with CO_2 stunning. This is a controversial stunning method. CO_2 stunning is likely to cause moments of panic and agony, but it is cheaper than electric stunning, hence, slaughterhouses are tempted to embrace it.[92] In December 2015, the Dutch Parliament adopted a motion to phase out CO_2 stunning for pigs in the Netherlands.[93] In ADSB' assessment, no reference was made to the adverse impacts of CO_2 stunning nor to this Parliamentary decision.

Similarly, in one other case, the animal welfare assessment seemed to fully rely on good faith that the information provided by the buyer was correct.[94] In the third case, this reliance was complemented by information provided by an audit by the IFC. This audit is not accessible by third parties and could therefore not be checked by the authors of this report. Note that one of IFC's consultants is also board member of the audited company. ADSB did not make mention of this potential conflict of interest.[95]

In the fourth case, the buyer hardly provided any information to rely on – except about stocking density, which exceeded the maximum EU stocking density by 19%. This rang alarm bells at ADSB. A consultant was then hired to assess the animal welfare requirements.

In his/her assessment, the focus was on the housing systems for the project. Many other requirements (for example on breed) were declared 'not applicable' in the consultant's welfare assessment. This does not necessarily mean that they were excluded in the overall ADSB assessment document (although they hardly played a role), but that for these aspects ADSB had to rely on the company's information. On a positive note, ADSB pushed the bank that was involved to include a lower stocking density in its conditions for finance. In the end, the applicant withdrew the application because of the costs and uncertainty of an Environmental and Social Impact Assessment as required by ADSB.

'ADSB pushed the bank that was involved to include a lower stocking density in its conditions for finance.'

The difficulty of an ex-ante assessment is profound. Nevertheless, projects could be monitored and when the same exporters or buyers are involved in a new application, non-compliance may then raise a red flag, creating an extra incentive to provide reliable information and to live up to expectations. At the moment, the incentive to provide accurate information consists of the risk of losing the insurance claim (according to the terms and conditions, an applicant has to provide correct information). However, animal welfare monitoring is not carried out. Only one recurrent project is monitored on animal welfare and only unofficially so, the details of which could not be checked by the authors of this report. The absence of monitoring makes it impossible for ADSB to make robust statements about the impacts of the export credit facility and also raises questions about accountability towards Parliament.

Advice

Finally, based on the review, ADSB advises the Ministries of Finance and Foreign Affairs (for A and B projects) or concludes (for C projects) whether an application is eligible or not. According to the ADBS policy document on the reviewing of social and environmental aspects (2012), this assessment is positive if social and environmental impacts are, on balance, 'acceptable' – all things considered. This would open the possibility of trade-offs between animal welfare and other aspects. However, in practice, this is, according to ADSB, not the case: if one social or environmental aspect is unacceptable, no approval is given. It is expected that this practice will soon be reflected in the update of the policy document. Still, trade-offs between different animal welfare aspects can (and do) occur. One case reviewed by World Animal Protection contained an example of such trade-off between two different animal welfare aspects. ADSB deemed this trade-off 'acceptable' even if this meant that the project did not meet EU legislative standards. In itself, this is concerning, but the way the aspects were weighed against each other, raises an additional concern. In the end, the application was withdrawn, but this does not change ADSB's advice and underlying reasoning.

Image: Broiler cages supplied by a Dutch company. Caged broilers have very little space. At this farm there were 130 chickens in each cage, which were in two tiers. The system is promoted for allowing 'maximum bird density', but grossly violates the Freedom to express natural behaviour.

The issue at hand were barren cages for broilers. The exporter claimed these provide benefits in terms of lower (or no) incidence of footpad dermatitis and breast blisters. The downside is that the system does not allow for dry, friable litter (as required by EU legislation), which means the birds cannot take dust baths and have no material to explore and manipulate. In short, this thwarts important natural behaviours.

In the trade-off, ADSB downplayed these restrictions in natural behaviour and claimed they were offset by health benefits.[96] In doing so, they (and the consultant from Wageningen University), ignored the important fact that the absence of dry, friable litter adversely affects all the animals their entire life, whilst the assumed health benefits, if real, only regard part of the population during a part of their existence.

In conclusion, ADSB has integrated animal welfare in its reviewing process, but this doesn't mean all animal welfare related transactions are reviewed on animal welfare aspects (only 41% received an A category review over the 2012-2017 period). A full review can potentially mitigate adverse impacts, as is showcased by ADSB, using its leverage towards a bank: it insisted to have a lower stocking density clause included in the bank's conditions for providing finance.[97] Still, the instrument of export credit insurance has considerable untapped potential to further mitigate animal welfare risks, given the current loopholes and shortcomings.

Recommendations to leverage responsible animal welfare conduct via export credit insurance

In order to increase its effectivity, the main vulnerabilities of ADSB's screening and reviewing process need to be addressed:

- **All applications linked to farm animal welfare should in principle be classified as category 'A' and reviewed accordingly.** It should be acknowledged that livestock projects run high risks of irreversible adverse impacts on the welfare of the animals and that these impacts are diverse and very significant, involving huge numbers of animals and often affecting their entire life. Intermediate steps could include broadening the definition of 'large scale agriculture' to comprise slaughter, to use a lower threshold of numbers of animals needed to qualify for 'large scale agriculture' and to be more even sighted when large scale agriculture meets small scale agriculture. It is within ADSB's discretion to do so.

- **Adequate and publicly available animal welfare policies and due diligence processes should be required from exporters.** ADSB has potentially a rather unique leverage with exporters to compel them to adopt adequate animal welfare policies and due diligence procedures. Non-compliance to animal welfare policies in other transactions/projects should raise in principle a red flag. This is also in ADSB's best interest: the better the policy and the due diligence of exporters, the less time consuming ADSB own reviewing process.

- **Adequate and publicly available animal welfare policies should be required from buyers.** ADSB leverage towards foreign buyers may be considerably less, but is not completely absent. Especially via the bank, animal welfare requirements could be imposed. Moreover, ADSB could be more vigilant to ascertain that buyers will belong to progressive frontrunners in their countries. Insistence on engagement with civil society would help in this respect. Stakeholder engagement of animal welfare organisations is important to flag potential problems and build trust.

- **Projects should be scrutinized more critically.** Procedurally, it would help to systematically consult on animal welfare issues with the Department Animal Agrichains and Animal Welfare, Ministry of Agriculture, Nature and Food Quality. The concerns that became apparent in the reviewed case studies would probably have been addressed in a more satisfactory way if this ministerial resource had been used. In one case, this would presumably have been more cost-effective.

- **It is essential to deploy monitoring and ex-post evaluations.** They will bolster learning and foster compliance and are key to be accountable towards Parliament. Non-compliance should lead to exclusion for further applications, unless SMART and publicly available plans of action are in place to remedy the situation, companies report on its progress and this is verified by independent audits.

- **Animal welfare trade-offs should be dealt with more carefully and critically.** Again, consulting with the Department Animal Agrichains and Animal Welfare could assist in doing so. Constructive engagement with civil society could also help to strengthen relevant skills.

- **Transparency needs to be upgraded.** Currently, based on the information it receives or could publicly access, Parliament is arguably not in a position to meaningfully exercise its role of providing democratic control.[98]

The Dutch Good Growth Fund

The Dutch Good Growth Fund (DGGF) is meant for small and medium-sized enterprises (SME's) that want to invest in, or export to, one of the so called DGGF-countries – 68 fragile states, developing countries and emerging markets.[99] The DGGF encompasses two forms of financial aid: investment contributions (loans, guarantees) and export credit insurances. The insurances are provided by Atradius Dutch State Business (ADSB) and are therefore under the responsibility of the Ministry of Finance (see p. 30). The Netherlands Enterprise Agency (RVO) grants the investments contribution, in this case commissioned by the Ministry of Foreign Affairs. This paragraph only discusses the investments contributions granted by the Netherlands Enterprise Agency.

'The DGGF uses the IFC Good Practice Note on Farm Animal Welfare is being used as guidance.'

In 2014, the total budget for the DGGF was set at 700 million euro for the next four years.[100] Agriculture – let alone, livestock agriculture – is one of many sectors that receives finance through the DGGF, so the budget that actually goes to farm animal welfare related projects is much smaller and can differ vastly from year to year. Per project, a maximum of 10 million euro could be made available. Intended transactions are published on the RVO-website and parties can submit an opinion within 30 days.

Applications face a CSR reputation check of the applicant and of the local entity. To date, no DGGF applications have been rejected on the grounds of inadequate animal welfare reputations/provisions. As stated on the website of the DGGF, applicants are expected to be aware of international CSR agreements and to act accordingly. Furthermore, the CSR Assessment Form for DGGF Category B/A projects decrees that enterprises have to have a CSR statement 'which includes, at a minimum, attention paid to environmental and social-economic issues in the short and long term'. The document then notes that 'animals can be seen as part of natural resources and their welfare shall be taken care of according to European legislation.' Slightly differently, the Assessment Form lets applicants declare that their 'products produced in foreign countries comply with legal standards in force in the area of animal welfare in both the Netherlands and the country of origin'.[101]

The latter requirement makes reference to IFC Performance Standard 6, on Biodiversity Conservation and Sustainable Management of Living Natural Resources (2012). This document does not mention animal welfare, but it states about animal husbandry projects the following:

> 'Where such primary production practices are codified in globally, regionally, or nationally recognized standards, the client will implement sustainable management practices to one or more relevant and credible standards as demonstrated by independent verification or certification. […] Where relevant and credible standard(s) exist, but the client has not yet obtained independent verification or certification to such standard(s), the client will conduct a pre-assessment of its conformity to the applicable standard(s) and take actions to achieve such verification or certification over an appropriate period of time.'[102]

This wording leaves room for the application of a variety of standards: OIE animal welfare standards, EU minimum animal welfare standards, EU organic animal welfare standards, Dutch minimum animal welfare standards or widely acknowledged private standards.

As became clear above, according to the Assessment Form, in case of the DGGF, EU/Dutch standards are being applied. However, according to the Netherlands Enterprise Agency, when the IFC PS 6 is referenced, in practice this means that the IFC Good Practice Note on Farm Animal Welfare is being used as guidance.

If a company can't comply with the IFC Performance Standards, the Netherlands Enterprise Agency will, together with the company, identify necessary steps, which will be included in a CSR Action Plan, to make sure that certain goals are reached within a certain time frame. Furthermore, a CSR-analysis will be made to map the risks in the value chain. Naturally, this can also pertain to animal welfare. If, during a project, animal welfare flaws would be detected, new stipulations will be put in place – or a subsidy can be cut, or a loan can be (partly) withdrawn.

So far, there are two DGGF-investment projects that involve farm animals. Unfortunately, World Animal Protection received from only one of these projects information about the screening and monitoring. In this case, it concerned the expansion of a pig breeding house and the building of a slaughterhouse and meat processing company. According to the Netherlands Enterprise Agency the company involved took measures that comply to Dutch and EU legislations on animal welfare. This was confirmed by the office of World Animal Protection in Costa Rica: the company is a frontrunner.

Image: 'Young pigs are often weaned very early, in order to increase the number of litters a sow produces during her life time.'

Image: Sows in gestation crates, Italy 2015. These housing systems thwart natural behaviours. Credits: Jo-Anne McArthur/We Animals.

Dutch Trade and Investment Fund

The DGGF and the Dutch Trade and Investment Fund (DTIF) are similar forms of financing mechanisms. They are evaluated in the same way, but there are a few differences. Whilst the DGGF is meant for Dutch SME's, the DTIF is in principle open to any Dutch company. Also, the fund is intended for all non-DGGF countries, with the exception of sanction countries.[103] Per project, a maximum of 15 million euro is available from a total DTIF budget of 102 million euro.[104] Like in the case of the DGGF, parties can submit an opinion on intended transaction within 30 days upon publication on the RVO-website.

According to the Netherlands Enterprise Agency, no DTIF transactions so far have pertained to farm animal welfare issues.

'No DTIF transactions so far have pertained to farm animal welfare issues.'

Demonstration, Feasibility and Investment preparation

When a company wants to demonstrate its product abroad, or if it wants to investigate the feasibility of it, it can appeal to the DHI-arrangement, which stands for Demonstration projects, feasibility studies and investment preparation studies (Demonstratieprojecten, Haalbaarheidsonderzoek, Investeringsvoorbereiding). The arrangement is a tender programme, which means that there are several rounds in which companies can apply. For the last round of 2017, the total budget was 5.75 million euro.[105] The DHI scheme focuses on SME's and is open to projects in all countries, with the exception of The Netherlands and sanction countries.

When an entrepreneur complies to the admission criteria, the application is assessed by using a scoring system with several criteria. One of the criteria pertains to the project's potential adverse environmental and social impacts, but animal welfare impacts are not included. The CSR reputation of the applicant is not reviewed.[106]

'Animal welfare impacts are not included.'

After applications have been granted, entrepreneurs are obliged to inform the Netherlands Enterprise Agency when they encounter issues going against ICSR. In other words, the Netherlands Enterprise Agency follows up reactively. Perhaps not surprisingly, the Netherlands Enterprise Agency has not received any reports on ICSR violations so far.[107] Only on a limited scale the Netherlands Enterprise Agency monitors by local visits.[108]

Image: 32 day old broiler chickens in a commercial indoor system.

Facility Sustainable Entrepreneurship and Food Security

The Facility Sustainable Entrepreneurship and Food Security (FDOV), is part of the subsidy programme Funds for Public Private Partnership (PPP). With this programme, the Ministry of Foreign Affairs aims to support food security projects in developing countries through public private partnership between government, the private sector, knowledge institutions and civil society. According to the Netherlands Enterprise Agency 'combining expertise, a partnership between government, industry and NGOs or knowledge institutions can be of huge value in identifying innovative solutions, efficient and sustainable business models, and the inclusive participation by entrepreneurs and producers.'[109]

'No distinctive welfare aspects are mentioned.'

As ambitiously stated in the ICSR form for PPP projects: "The Dutch government places a great deal of value on CSR. PPP projects are expected to set an example in their respective sector with regard to CSR, and should not have any negative impact."[110] Applicants for this subsidy have to sign a statement in which they declare that they – and their local partners – are familiar with OECD Guidelines, and the UN Convention on Biodiversity and that they shall act on it. Both applicant and partner are screened, but not on animal welfare reputation. Furthermore, a risk analysis is part of the application. This analysis is a description of social and environmental risks and the mitigation measures that are being taken. Remarkably, the policy guidance tools of the UN Committee on World Food Security seem not to be utilized. When the Netherlands Enterprise Agency deems the CSR risk analysis to be insufficient and an additional interview doesn't bring enough clarification, extra attention will be paid to risk management during location visits.[111] At project level, animal welfare is taken into account for FDOV applications. The criteria on animal welfare that are being applied are the IFC Performance Standards, which in practice mean the criteria in the IFC Good Practice Note on Farm Animal Welfare (IFC GPN). In some cases a third party is involved for advice on ICSR.

According to Netherlands Enterprise Agency, animal welfare was audited in several small scale dairy projects in which development NGO Hivos was asked for advice about ICSR. However, regarding a 2014 hatchery and broiler production project only 'basic animal welfare standards' are mentioned. According to the first annual report, the project was not yet operational. No information was received about later progress reports.

An article about this latter project is published on the website of a consultancy agency, but this doesn't give enough information about whether animal welfare is sufficiently accounted for. The information that was published is mainly about increasing production by better animal health, which only partly overlaps with animal welfare. No distinctive welfare aspects are mentioned.[112]

Partners for International Business

The Partners for International Business programme (PIB) aims at groups of companies, possibly supplemented with research institutes, who wish to enter a foreign market jointly. Within this approach, coordinated strategies rather than stand-alone activities are applied. Through economic diplomacy, the Government tries to eliminate trade and investment barriers, so that entrepreneurs can seize opportunities. Subsequently, the programme does not provide subsidies, but directs funds to activities that will help positioning Dutch entrepreneurs in promising foreign markets. These activities can be divided in one of the following modules: Promotion and Matchmaking, Knowledge exchange and Networking or Economic Diplomacy. The total budget for the PIB is 6,2 million and the maximum budget per project is 350.000 euro.[113] The PIB has a special focus on the Dutch 'top sectors', which include agri-food.

The corporate members of the cluster seem not to be screened on CSR, let alone animal welfare reputation. According to the website of the Netherlands Enterprise Agency, the projects are not screened on CSR aspects (and animal welfare) either, but one of the criteria for participation in the programme is the extent to which the economic activities contribute to the UN Sustainable Development Goals (SDG's).[114] Since these do not contain specific animal welfare targets, this does not bode well for taking animal welfare into account in the application process.

As a result of the above, in practice, the uptake of animal welfare seems mixed at best. The Netherlands Enterprise Agency reported five relevant projects within the PIB programme. One project (2014) on local poultry production, focused on animal health, with no measures on distinctive animal welfare aspects. Three projects on dairy, where animal welfare is presented as distinguishing characteristic of the Dutch cluster members, but only one of these projects has identified animal welfare as a policy target. Moreover, these projects only define animal welfare in terms of improving efficiency and productivity. The fifth project (2017) is again about poultry, but in this case, about getting access for Dutch chicken meat to a foreign market (China). It is safe to assume that this is aimed at conventional Dutch broiler production, not at higher welfare concepts.[115] Remarkably, even the Dutch King has been put into service by the Dutch poultry slaughter sector to bring about market access.[116]

'The corporate members of the cluster seem are not screened on CSR, let alone animal welfare reputation.'

Note furthermore that according to the RVO-website, the project aims seem different: 'positioning the Dutch supply chain approach as most logical strategy for China, bringing the chain approach within the poultry sector to a higher level and expanding the market share of Dutch enterprises in China.'[117] In either case, no mentioning of animal welfare is made.

Image: 7 day old broiler chick in a commercial indoor system.

Starters International Business

The Starters for International Business program (SIB) consists of different vouchers for SME's that would like to start doing business abroad.

Voucher	Maximum	Maximum budget for 2017 [118]	Maximum budget for 2016 [119]
Coaching vouchers	€ 2,400	€ 2,400,000*	€ 2,400,000
Mission vouchers/ Vouchers for collective activities	€ 1,500	€ 1,425,000	€ 210,000
Knowledge voucher	€ 2,500	€ 900,000	€ 500,000

SME's can apply for a voucher via the RVO website. The vouchers can be used either for coaching, trade missions or collective activities, or for hiring a specialist – for example, a jurist, fiscalist or tax consultant. Mission vouchers and Knowledge vouchers cover maximum 50 % of the costs, the other 50 % is to be paid by the SME.

'The vouches are not conditional on CSR or animal welfare requirements.'

The vouches are not conditional on CSR – let alone animal welfare – requirements.

Dutch Development Bank

FMO is the Dutch Development Bank. Its mission is to empower entrepreneurs to build a better world. The bank invests in over 85 countries and sees its role to extend beyond financing, as FMO wants to help businesses to 'operate and grow transparently in an environmentally and socially responsible manner'. The Dutch government holds 51% of the shares, but FMO operates as a private sector financial institution. Its total committed portfolio in 2016 amounted to more than 10 billion dollar.

Agriculture is one of the five sectors FMO invests in – including a range of livestock enterprises, such as a 40 million dollar investment in a Pakistani dairy multinational[120], 15 million dollar for a Ukrainian food giant (also dairy), 25 million dollar for a multinational involved in pig production and a 6 million dollar investment in a South-African company specialized in cattle production.[121] Moreover, FMO contributes substantially to funds that invest in the meat industry.[122]

'FMO contributes substantially to the livestock and meat industry.'

FMO also carries out the programme Facility Emerging Markets (FOM – 'Faciliteit Opkomende Markten'), which stimulates Dutch enterprises to invest in emerging markets and developing countries. This programme is a joint initiative of the Dutch Ministry of Economic Affairs and FMO. The programme is aimed to providing medium and long term loans to companies or joint ventures in emerging markets that are majority owned or controlled by Dutch enterprises. Financing amounts to a maximum of 10 million euro. Animal production is part of the programme's portfolio, for example cattle and pig farming in Ukraine.[123]

Despite the many investments in animal production, animal welfare is not part of FMO's policy.[124] This is, however, about to change soon.[125] How animal welfare will be incorporated in FMO's policy, due diligence and practice, remains to be seen. Criticisms has been voiced about FMO not complying to its own policy.[126] Recently a group of human rights lawyers issued a report accusing FMO of wilful negligence of the violence and human rights violations conducted by a Honduran company during the building of a highly controversial dam in Honduras, which included the murder of human rights activist Berta Isabel Cáceres.[127] FMO would rely too much on the information provided by their recipients, whilst turning a blind eye to reports to the contrary. FMO denies the accusations.[128] It withdrew from the Agua Zarca project in Honduras in July 2017.[129]

World Animal Protection's appeal to the Freedom of Information Act did not provide information about if the Dutch State has wielded its influence as a majority shareholder to advance animal welfare via FMO's investments.

Image: Beef cattle on a silvo-pastoral farming system in Colombia. These systems sustainably intensify production by improving yields, animal welfare, biodiversity and carbon-sequestration.

Sustainable Trade Initiative

IDH, the Sustainable Trade Initiative (Initiatief Duurzame Handel) convenes public private partnerships, aiming 'to balance the interests of governments, CSOs and companies' and co-finances the prototyping of new approaches. The Dutch Ministry of Foreign Affairs is an important institutional funder (over 20 million euro in 2016). Moreover, it has provided a formal guarantee to safeguard IDH's future liabilities entered into in line with the subsidy ruling in case it would need to terminate its grant. IDH is not specifically focused on Dutch companies, but Dutch companies are involved in its trade initiatives.

'Animal welfare is not part of IDH's 2016-2020 multiyear plan to create shared value.'

Animal welfare is not part of IDH's 2016–2020 multiyear plan to create shared value. Some of IDH's projects do however have animal welfare impacts. For example, IDH collaborates with the 'Produce–Conserve-Include' coalition in intensifying cattle production in Mato Grosso, Brazil. Likewise, it pushes for more intensive cattle production in South West Mau Forest, Kenya, promoting 'semi zero-grazing systems' in the latter case.[130] In its Beef Value Chain Assessment for this project, no mention is made of animal welfare aspects.[131]

ICSR sector agreements

The Dutch government strives to achieve agreements on international CSR with different sectors that are prone to societal risks. These sector agreements are negotiated between private sector parties, trade unions, NGO's and the government. So far, sector agreements have been concluded by the textile and garment sector, the banking sector and on gold. Other sector agreements are still in the negotiation phase. The Social and Economic Council (SER) plays a facilitating role.

The initial societal risk analyses was carried out by auditing firm KPMG. They concluded that animal welfare was a substantial risk in the financial sector, the agricultural sector, the food sector, the textile and garment sector and the chemical sector.[132] Accordingly, animal welfare is part of the textile and garment sector agreement. However, despite the risk analysis, animal welfare is not part of the banking sector – and the Dutch government allowed this to happen. Accordingly, it may well be that the Dutch government could do more to advance animal welfare internationally via the CSR sector agreements.

'The Dutch government could do more to advance animal welfare internationally via the CSR sector agreements.'

Private Sector Investment Programme (closed)

In the ten years the Private Sector Investment Programme (PSI) was open for applications, over a thousand investment projects have been subsidized. The aim for this grant was to achieve economic growth, create employment opportunities and to generate income by promoting investment projects in developing countries. The PSI has been closed in 2015, but there are still a few projects running.

Until 2014, no reference to animal welfare was made in the tender application form. From 2014 onwards, the application form asked applicants to describe the measures they take 'for implementing animal welfare standard in the companies or supply chain of the companies' in case the company or any of its partners was active in or related to animal husbandry, fisheries or fish farming. Another document, the Internal Assessment Directive Development, contains both in the 2013 and 2014 version a line stating that projects should comply to Dutch legislation in the field of animal welfare. However, as in the case of the DGGF, for additional information, reference is made to the IFC Performance Standard.[133]

Based on the information retrieved, this programme helped one project to advance animal welfare. The project, concerning a large scale battery cage farm, was initially declined on animal welfare grounds, subsequently adjusted and approved. The precise extent of the animal welfare improvements remain unclear, but the project uses the EFABAR code as a code of conduct, which ordains for animal breeding, welfare requirements that are equal to or higher than EU legislation. Although approved in 2014, at the time of the latest visit by the Netherlands Enterprise Agency, the farm was not yet operational.

A second poultry project was approved because it concerned a project with free-range chickens. This project was approved in 2013. As with the former case, at the time of the latest visit by the Netherlands Enterprise Agency, the farm was not yet operational. A third project, approved in 2014, on pig farming, is delayed. According to the Netherlands Enterprise Agency, as soon as it starts, it will monitor to see whether everything is carried out as agreed.[134] No information was obtained about this project's specific animal welfare requirements.

Image: "One dying chick in particular stuck in my mind. It was just lying on its back, belly up with its legs splayed out, taking short, sharp breaths and looking at the ceiling. It seemed as if it had decided not to fight any more, all of its energy had just seeped away. I think it might be the saddest thing I've ever seen."
Investigator, World Animal Protection.

Pilot 2g@there-OS (closed)

Pilot 2g@there-OS is a pilot programme which aims to reduce poverty (and open export opportunities for Dutch companies) by strengthening the business climate in developing countries. The programme is closed for new applicants, but some projects are still running.

Applicants were not screened on CSR reputation. In phase one of the application process, applicants were informed about CSR. In phase two, applicants were requested to subscribe to the OECD Guidelines, ILO Declaration on Fundamental Principles and Rights at Work and the FMO exclusion list. Moreover, applicants had to submit their CSR policy or were required to develop one. Animal welfare was not (necessarily) part of this. No information about (local) CSO engagement has been encountered.

Out of the 13 rewarded applications, 11 pertain(ed) to four different livestock production projects in Myanmar, Indonesia, Kenya and Ethiopia, with an aggregated contribution of 2.6 million euro.

For only one project, on poultry production in Indonesia, animal welfare is referenced in the short-term project objectives, but only as function of increased productivity. The long term objectives of the project are mainly the development of the poultry sector and improved positioning of Dutch companies (e.g. export possibilities).[135] Moreover, the website of the consortium, does not list animal welfare as an objective. The latter is reflected in the farm audits, which do not include distinct animal welfare aspects.[136]

A 2015 report on opening business opportunities for Dutch companies in the Myanmar poultry sector, does not list animal welfare as objective, in fact, it does not make any reference to animal welfare at all.[137] In a brochure of the consortium of Dutch companies behind the project, animal welfare is mentioned once, but not as a focus area.[138]

No references could be found regarding animal welfare for the other two projects.

Image: Laying hens in cages.
Credits: Jo-Anne McArthur/We Animals.

Conclusion and recommendations

The Dutch government has made commitments to advance corporate social responsibility and animal welfare internationally. Despite these, many Dutch companies contributing to the proliferation of low welfare industrial livestock production systems receive various forms of support by the Dutch State. As such, the Dutch State is complicit in expanding the suffering of farm animals globally, with chickens and pigs in particular.

Furthermore, in many cases, these companies do not adhere to Dutch and/or EU welfare standards. As a result, the Dutch State indirectly supports practices that are illegal under Dutch and/or EU law, undermining the development of a progressive level playing field for Dutch livestock producers. For a number of reasons, addressing this issue is a matter of great urgency: the enormous number of animals involved, the duration and severity of their suffering, the irreversible nature of most animal welfare violations, public morale, principles for responsible business conduct and the governmental commitments and responsibilities.

This report finds that:

1. **Dutch supply companies play a major role in the expansion of industrial animal production, impacting on the lives of hundreds of millions of animals.** Most Dutch companies that supply to industrial livestock production internationally do not have an animal welfare policy – and if they do, these are often not in line with Dutch and/or EU legislation, not adequate from a CSR perspective and not publicly available. 21,1% of respondents indicated that they do not have minimum animal welfare standards. Another 26,3% answered that local legislation sets their minimum standards – but because in many countries no farm animal welfare legislation exists, this comes down to the same.

2. **Animal welfare is not (yet) a priority and inconsis-tently integrated in the procedures for granting State support to enterprises:**

   - In some tools and programmes animal welfare is completely lacking. Examples are the Transparency Benchmark, the CSR passport, the programme Demonstration, Feasibility and Investment Preparation and several information channels. Furthermore, animal welfare is omitted from a number of institutions and initiatives in which the Dutch State has a large share – FMO (including the Facility Emerging Markets), IDH and the ICSR agreement with the Dutch banking sector.
   - In other programmes animal welfare is incorporated to varying degrees. If animal welfare is included in programmes for State support this is:
     - o inadequate across the board to prevent support for companies that contribute to low welfare systems. In some cases, applicants are more or less reviewed on reputation – for example for receiving export credit insurance – but no animal welfare policy is required. In other cases, screening is absent, e.g. for trade missions, the (closed) pilot 2g@there-OS and the programme for Demonstration, Feasibility and Investment Preparation. As a result, not a single example has been found of a Dutch enterprise that has been excluded from State support on the grounds of inadequate animal welfare policy and practices. Subsequently, the Dutch state supports companies that contribute to the production of animals below Dutch and/or EU animal welfare standards;
     - o often inadequate to prevent support for low welfare projects and/or foreign companies that do not adhere to Dutch/EU standards. Examples include support for broiler production with fast growing breeds ('plofkippen'), a pig slaughterhouse project using CO_2 stunning, a project involving a major foie gras producer and a project involving battery cages for laying hens. Furthermore, in several cases, projects included animal health aspects which were equated with animal welfare, whilst distinctive animal welfare aspects were actually lacking;
     - o in some cases the inclusion of animal welfare in the State procedures was effective to steer projects towards higher welfare. An example is a poultry project that moved away from battery cages. In some

other cases higher welfare was supported and therefore strengthened, which can generate positive ripple effects.

3. **Standards used are often low and sometimes inconsistent.** Across the programmes, five different standards in relation to animal welfare are mentioned: IFC Performance Standards, IFC Good Practice Note, OIE standards, EU legislation, Dutch legislation. Because animal welfare is not part of the IFC Performance Standards, this reference is a recipe for confusion. In some programmes, such as the Dutch Good Growth Fund, EU legislation appears to be taken as minimum standard. In other programmes, such as export credit insurance, EU legislation is only used as a 'benchmark' and OIE standards and the IFC Good Practice Note are regarded to be sufficient. Especially the IFC Good Practice Note and the OIE standards leave much room for interpretation, but there is no specific and uniform approach to deal with this.

   Regarding CSR, the OECD Guidelines are consistently referenced for companies to adhere to. However, no references were found of the OECD-FAO Guidance on Responsible Agricultural Supply Chains which are designed to help enterprises observe the OECD Guidelines within the agricultural sector. This runs counter to the OECD Council recommendation 'to ensure the widest possible dissemination of the Guidance and its active use by various stakeholders, including on-farm, downstream and upstream enterprises [...]'

4. **Applications are primarily assessed based on information supplied by applicants.** In other words, assessments are to a large extent based on good faith that the information supplied by applicants is correct and complete and that applicants will act accordingly. Since it is in the interest of the applicant to omit, downplay or discredit information that could hinder approval, assessments run a high risk to be biased in favour of the applicant. Several examples of this bias were encountered.

5. **Animal welfare monitoring is absent or not thorough.** In some programmes proactive monitoring takes place, in others reactive and in some programs none. Because monitoring encompasses all CSR issues and adequate animal welfare monitoring requires specialized expertise and time, animal welfare monitoring runs the risk of being insufficient and primarily focussed on health aspects.

   For some programmes, if monitoring reveals non-adherence to the set conditions, mitigation measures will be imposed and/or funding deductions are applied. But no such examples regarding animal welfare have transpired, whilst generally, animal welfare non-compliance is widespread.

6. **Though stakeholder consultation is an important ingredient of responsible business conduct, State tools and programmes are devoid of references to stakeholder consultations and engagement on animal welfare.**

7. **State support lacks transparency.** Even with an appeal on the Freedom of Information Act, it was difficult to obtain information, let alone verify it. Moreover, information that is available or retrievable tends to be general, whilst for animal welfare, the devil is often in the details. This lack of transparency also raises questions about accountability towards Parliament.

8. **Further research is needed to consider other types of enterprises – including financial institutions, feed and genetics companies and veterinary pharmaceuticals – and State support for the research agenda TKI Agri & Food.**

Based on these findings, World Animal Protection recommends the following:

- **Consistently integrate animal welfare into all tools, programmes and information channels.** In most cases this can be considered as 'low hanging fruit' – such as the RVO website, the Transparency Benchmark and the CSR Passport. In other cases this will need a more concerted effort, for example instructing the international networks that support Dutch businesses abroad.

- **Screen and review Dutch companies stringently on animal welfare.** State support offers a unique leverage point for helping to bridge the 'governance gap' and much more can be done to utilize this. Especially for larger enterprises, support can be made conditional on an adequate and publicly available animal welfare policy and due diligence procedure. As first step, this should entail that companies contributing to any projects with animal welfare standards below EU legislation, should be excluded from State support.[139] But more steps will be needed.

- **Let project applications be reviewed and assessed more critically and vigilantly to avoid the current applicant bias.** Mobilising internal and external expertise to identify negative impacts is key for this.

- **Monitor and evaluate animal welfare impacts robustly, for example by using the Welfare Quality® assessment protocols and the ISO Technical Specification 34700.**

- **Sanction non-compliance.** Non-compliance should lead to exclusion for further applications, unless SMART and publicly available plans of action are in place to remedy the situation, companies report on its progress and this is verified by independent audits.

- **Ensure better transparency and stakeholder engagement on animal welfare.**

- **Raise standards.** If the Dutch government is serious about its commitment to improve animal welfare internationally and be a global frontrunner on sustainable agriculture, it must adopt higher animal welfare standards for granting State support, including for broilers (see p.X) and pigs (see p.Y).

- **Persuade other countries, intergovernmental bodies and international financial institutions to adopt more stringent animal welfare due diligence procedures and standards.** This is especially relevant for state supported export credit insurance. To get the ball rolling, The Netherlands should start with a group of frontrunners. The Joint Declaration on Animal Welfare with Germany and Denmark provides an excellent starting point.

'The Dutch State indirectly supports practices that are illegal under Dutch law, undermining the development of a progressive level playing field for Dutch livestock producers.'

Image: Fattening pigs on a high welfare farm in Brazil.

Methodology

This research, conducted between July 18 and November 23th 2017, assesses how the Dutch State includes animal welfare in providing services to enterprises in global industrial animal production supply chains. The scope is limited to Dutch companies supplying 'hardware' such as cages, ventilation systems, manure belts etcetera. Other types of enterprises, including banks and other financial institutions, warrant future research. Moreover, largely beyond this research's scope is Government aid policy/contracts or grants, innovation credit and tax benefits which companies receive in support of research and development of innovative products. This is highly relevant, since 'agri-food' is one of the privileged 'top sectors' to which annually tens of millions of subsidies are funnelled.[140] This again warrants additional research. Timewise, this research is restricted to the period of Cabinet Rutte II (2012-2017).

The report is based on different information sources. Firstly, a survey was conducted amongst Dutch supply companies and their associations. Through desk research, a large sample of 54 Dutch supply companies and eight associations was composed. Each of these companies received a short internet survey about their commitment to Corporate Social Responsibility in general and animal welfare specifically. The survey for companies was open for responses from August 16 until October 24. The survey for associations was open from August 22 until October 24. To increase response rates, World Animal Protection followed up by phone and/or by email. Since the focus is on services provided by the Dutch State and not to name, shame or fame companies, the answers that were given are published in such a way, that they cannot be linked back to the specific companies.

Furthermore, an inventory was made of companies that have received any form of state support (excluding for R&D), by analysing public available information online. This inventory did not always correspond with the information that was given by the companies in the survey. Often they could or would not answer the question about State support and sometimes they denied having received support, whilst public sources told differently. In these cases, public information overruled the information that was given in the survey.

To establish if and how the Dutch State screens the companies and projects they support, information was requested with an appeal to the Freedom of Information Act. This request has been clarified in face-to-face conversations with the Netherlands Enterprise Agency (RVO) and Export Credit Agency Atradius Dutch State Business (ADSB). It was decided to restrict the information requests to ministerial documents and refrain from trying to access third-party documentation on which ministerial decisions are based. In case of ADSB, information was partly accessed under the restrictions of a non-disclosure agreement, so that a sample of four case studies could be studied. For this part of the report, permission for publication has been granted by the minister of Finance. This information has been complemented by publicly available information, including company websites, academic literature, (inter) governmental documents and NGO reports.

With these sources, dots could be connected between companies and their corporate animal welfare policies (or lack thereof), State support and (a sample) of projects on the ground. Moreover, a more in-depth insight could be gained about if and how animal welfare is incorporated into public policies aimed at Dutch business practices abroad and how the State screens and reviews companies it wants to give support. Based on this, entry points for improvement could be identified and policy recommendations for Cabinet Rutte III formulated to address these. As such, the report focusses on a qualitative analysis and is not aiming to quantitively map the number of animals impacted, monetary value of the exports in question or the monetary value of State support for private enterprises. Still, based on the retrieved information, a tentative sense of the number of impacted animals and the level of support afforded could be established.

Abbreviations – Acronyms

ADSB: Atradius Dutch State Business
ASEAN: Association of Southeast Asian Nations
CSR: Corporate Social Responsibility
CFS: Committee on World Food Security
DGGF: Dutch Good Growth Fund
DHI: Demonstration projects, feasibility studies and investment preparation studies (Demonstratieprojecten, Haalbaarheids- en Investeringsvoorbereidende Studies)
DMTC: Dutch Meat and Feed Centre
DTIF: Dutch Trade and Investment Fund
ECA: Export Credit Agency
EFABAR: European Forum of Farm Animal Breeders
EU: European Union
FAO: Food and Agriculture Organisation
FDOV: Facility Sustainable Entrepreneurship and Food Security (Faciliteit Duurzaam Ondernemen en Voedselzekerheid)
FMO: Dutch Development Bank
ICSR: International Corporate Social Responsibility
IDH: Sustainable Trade Initiative (Initiatief Duurzame Handel)
IFC: International Finance Cooperation
IFC GPN: IFC Good Practice Note
IFC PS: IFC Performance Standard
NBSO: Netherlands Business Support Office
NEA: Netherlands Enterprise Agency (RVO: Rijksdienst voor Ondernemend Nederland)
NEC: Netherlands Export Combination
NGO: Non-Governmental Organisation
OECD: Organisation for Economic Co-operation and Development
OIE: World Animal Health Organisation
PIB: Partners for International Business
PPP: Public Private Partnership
PSI: Private Sector Investmentprogramm (Private Sector Investeringsprogramma)
RBC: Responsible Business Conduct
RVO: Rijksdienst voor Ondernemend Nederland (Netherlands Enterprise Agency)
SER: Social and Economic Council (Sociaal-Economische Raad)
SIB: Starters International Business
SMART: Specific, Measurable, Ambitious, Realistic, Timebound
SME: Small and Medium Enterprises
SDG's: Sustainable Development Goals
ToR: Terms of Reference
VIV: Vakbeurs Intensieve Veehouderij

Appendix

Dutch supply companies approached[141] for the survey:

Abbi-Aerotech
Agriment International
Agromax
Bolidt Kunststoftoepassing
Coppens Groep
Dekkers Transport Holland
Dortmans International
EMSA: Emerging Markets Africa
Frisian Egg
Van Gent Legnesten
Genugten Agri
Fancom
Foodmate
Gasolec
GEA
Agro Merchants Group
Hatch Tech
Hato Lighting Solutions
Heering
Hendrix Genetics
Van Hoof Bladel
Hotraco Agri
ITB Climate
Jansen Poultry Equipment
Meyn Foodprocessing Technology
Microfan
MJ-Tech
MOBA
Multiheat International
Nedap Livestock Management
De Nijborg Agri
Nooyen Pig Flooring
Partners Network
Pas Reform
Van der Ploeg International
Plurtion
Porcon
P&P Agro-techniek
ForFarmers
Ridder Drive Systems
Segeren Stalinrichting
Stienen BE
Teeuwissen Group
Thermobile Industries
Topigs Norsvin
Trinity GmbH
Tulderhof Ventilation
VDL Agrotech
Vencomatic Group
Veldman Group
Verbeek
Vereijken Hooijer BV
Viscon Hatchery Automation
Volito
Vostermans Ventilations
Wellink

Associations and partnerships

Agrifirm Group
Agriterra
Dutch Poultry Centre
Food Tech Indonesia (Larive International)
Holland Pig
NABC, Netherlands African Business Council
NAFTC, Netherlands Agro, Food and Technology Centre
Nepluvi

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2 http://wetten.overheid.nl/BWBR0030250/2015-02-01

3 FAO, accessed via FAOSTAT (November 7th 2017). The figures are from 2014.

4 M. Bekoff (2007), *The emotional lives of animals*, Novato CA, New World Library, p.21.

5 Calculation based on data FAO/OECD: http://www.fao.org/faostat/en/#data; http://stats.oecd.org/viewhtml.aspx?QueryId=76858&vh=0000&vf=0&l&il=&lang=en

6 http://www.fao.org/docrep/005/y4252e/y4252e07.htm (website visited November 17th).

7 H. Steinfeld et al. (2006), *Livestock's Long Shadow, Environmental issues and options*, Rome, FAO; H. Westhoek et al. (2011), *The Protein Puzzle*, The Hague: PBL Netherlands Environmental Assessment Agency.

8 IFAD (2011), *Viewpoint: Smallholders can feed the World*, Rome, International Fund for Agricultural Development. See also: UN CFS High Level Panel of Experts (2013), *Investing in smallholder agriculture*, Rome, UN CFS; H. Herren et al. (2009), Agriculture at a crossroads, Washington, International Assessment of Agricultural Knowledge, Science and Technology for Development; J.D. van der Ploeg (2008), *The New Peasantries. Struggles for Autonomy and Sustainability in an Era of Empire and Globalization*, Londen/Sterling, Earthscan.

9 UN CFS (2014), Principles for Responsible Investments in Agriculture and Food Systems, Rome, UN CFS. At the time of adoption by the Member States, CFS was chaired by former Dutch Minister of Agriculture, Gerda Verburg.

10 A notorious example is chicken meat production in Ghana. Until the 1990s, Ghanaian poultry farmers could meet above 90 per cent of the total national demand for poultry. Due to trade liberalisation and the ensuing (subsidized) importation of frozen chicken parts from industrial systems, the local production collapsed within a decade until local broiler production only amounted to 11 per cent of national consumption, while the remaining chicken meat is imported. See: M. Khor, T. Hormeku (2006), 'The impact of globalisation and liberalisation on agriculture and small farmers in developing countries. The experience of Ghana', Third World Network. Compare: RVO (2014), *Analysis poultry sector Ghana. An inquiry of opportunities and challenges*, The Hague, Netherlands Enterprise Agency. See more generally: C. Mirle (2012), 'The industrialization of animal agriculture: Implications for small farmers, rural communities, the environment, and animals in the developing world', Humane Society International.

11 Especially regarding the interface between SDG 1 (poverty eradication), SDG 2 (zero hunger and sustainable agriculture), SDG 3 (health and well-being), SDG 14 (life in the oceans), SDG 15 (life on land) and SDG 16 (sustainable production and consumption).

12 Based on, inter alia, I. de Jong, C. Berg, A. Butterworth, I. Estevéz (2012); *Scientific report updating the EFSA opinions on the welfare of broilers and broiler breeders*; Brussels, European Food Safety Agency; S. Held, J.J. Cooper, and M.T. Mendl (2009), 'Advances in the study of cognition, behavioural priorities and emotions', in: J. N. Marchant-Forde (ed.), *The welfare of pigs*, Houten, Springer Netherlands, pp. 47-94; F.R. Leenstra et al. (2007), *Ongerief bij rundvee, varkens, pluimvee, nertsen en paarden*, rapport 71, Wageningen UR, p.15-19, 46-53; D. Temple et al (2011). 'Assessment of animal welfare through behavioural parameters in Iberian pigs in intensive and extensive conditions', *Applied Animal Behaviour Science*, v.131, n.1-2, p.29-39; Bas Rodenburg, Paul Koene (2007), 'The impact of group size on damaging behaviours, aggression, fear and stress in farm animals', in: *Applied Animal Behaviour Science* Volume 103, Issues 3–4, 20 March 2007, p. 205-214; Ingvar Ekesbo (2011), *Farm Animal Behaviour: Characteristics for Assessment of Health and Welfare*, pp.25-26. Note that the Five Freedoms also have been critiqued for not paying enough attention to positive animal welfare. See for example Tracy Jones (2017, 'The key issues in farm animal welfare', in: *The Business of Farm Animal Welfare*, ed. Nicky Amos and Rory Sullivan, London, New York, Routledge, pp.10-13. See also: Dirk-Jan Verdonk (2016), *Dierenrechten*, Amsterdam, Amsterdam University Press, p.98.

13 A. de Sosa et al. (2010), *Antimicrobial resistance in developing countries*, New York: Springer. p 192.

14 Based on figures in The Netherlands. See: https://www.animalstoday.nl/dirk-jan-verdonk-stalbranden-gemiste-kans/

15 A notable example is Label rouge in France, a pasture-based form of poultry production in which the birds are slaughtered at an age of 81-110 days. Interestingly, this older slaughter age improves the flavour of the meat – which is appreciated in gastronomic France.

16 D. Broom (2017), *Animal welfare in the European Union*, Brussels, Directorate General for Internal Policies, policy department C: Citizen's rights and constitutional affairs,

pp.72-73.

17 Heleen van de Weerd, Jon Day (2017), 'The legal journey to improved farm animal welfare', in: The Business of Farm Animal Welfare, ed. Nicky Amos and Rory Sullivan, London, New York, Routledge, p.53.

18 http://www.kipster.farm/

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20 http://welfarecommitments.com/europeletter/

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24 Rory Sullivan, Nicky Amos, 'Introduction' (2017), in: The Business of Farm Animal Welfare, ed. Nicky Amos and Rory Sullivan, London, New York, Routledge, pp.1-2.

25 OECD (2011), OECD Guidelines for Multinational Enterprises, Paris, p.14

26 Ibid. p.20

27 Other examples include: UN CFS Principles for Responsible Investments in Agriculture and Food Systems (note that 'investments' here are defined broadly and include inputs like labour and supplies) and the UN CFS Policy recommendations on sustainable livestock.

28 Motion Ouwehand c.s., https://zoek.officielebekendmakingen.nl/h-tk-20062007-3321-3322.html?zoekcriteria=%3fzkt%3dUitgebreid%26pst%3dTractatenblad%257cStaatsblad%257cStaatscourant%257cGemeenteblad%257cProvinciaalblad%257cWaterschapsblad%257cBladGemeenschappelijkeRegeling%257cParlementaireDocumenten%26vrt%3dmaatschappelijk%2bverantwoord%2bondernemen%2bdierenwelzijn%26zkd%3dInDeGeheleText%26dpr%3dAnderePeriode%26spd%3d20070104%26epd%3d20070902%26sdt%3dDatumPublicatie%26ap%3d%26pnr%3d1%26rpp%3d10%26_page%3d2%26sorttype%3d1%26sortorder%3d4&resultIndex=14&sorttype=1&sortorder=4

29 http://www.hsi.org/assets/pdfs/hsi-fa-white-papers/economics_of_alternatives_to.pdf

30 'Responsible business conduct, including responsible management of global value chains, is a prerequisite for achieving the SDGs and the 2030 Agenda. Irresponsible business practices have undermined support for open trade and investment regimes. Focusing on RBC is crucial in order to restore confidence in globalisation and trade and investment policies.' Minister Lilianne Ploumen et al. (September 2017), Letter to His Excellency Mr Frans Timmermans First Vice-President of the European Commission, The Hague. See also for example: 'Global responsibility and cooperation with the business community is vital', statement by Minister Ben Knapen, UN Rio+20 conference on sustainable development. http://webtv.un.org/search/netherlands-general-debate-4th-plenary-meeting-rio20/1701523445001?term=Netherlands

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44 (Website checked on November 7th 2017).

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53 Netherlands Embassy in Bangkok (December 2016), 'The Poultry Sector in Thailand', Bangkok. This factsheet is based on the Orange ASEAN Factory market research report 'Thailand's Poultry Sector', July 2016. Also during the 'Dutch Touch' Food Festival in Beijing 2015 some reference was made to animal welfare, but the link to support Dutch enterprises to improve animal welfare is less clear in this example. https://www.netherlandsandyou.nl/latest-news/news/2015/04/24/dutch-days-2015-beijing-28-may-to-13-june

54 Ralph Arbeid (2017), *Business Opportunity Scan Leather Sector Bangladesh*, Netherlands Enterprise Agency, The Hague.

55 Ministry of Foreign Affairs (2017), *Aquacultuur in Singapore*, Kansen voor Nederland, The Hague. Moreover, The Dutch Embassy in Beijing organized an 'animal day' in 2016, but this was mainly concerned with pets. https://www.netherlandsandyou.nl/latest-news/news/2016/06/20/animal-day-at-the-embassy-of-the-kingdom-of-the-netherlands (webpage visited on November 7th 2017).

56 Netherlands Enterprise agency (2017), *Poultry Sector Opportunities and Challenges in India*, The Hague; Zijlstra, J. et al. (2015), *Business Opportunities Report Dairy*, #2 in the series written for the "Ethiopian Netherlands business event 5–6 November 2015, Rijswijk; InteliAgro (2015), *Handbook for Dutch Companies on Bulgarian rural development program 2014-2020*, Dairy Sector.

57 https://www.rvo.nl/onderwerpen/internationaal-ondernemen/wegwijzer-internationaal-zakendoen/buitenlandnetwerk/nbso (webpage visited on November 7th 2017).

58 https://www.netherlandsandyou.nl/latest-news/news/2017/11/09/dutch-poultry-companies-checking-out-china (website visited November 10th 2017).

59 R. Brouwer et al. (December 2016), *Economic overview of opportunities of Shandong Province*, NBSO Jinan and Qingdao.

60 NBSO Dalian (March 2017), *A brief introduction to the Animal Husbandry Industry in Liaoning Province*, Netherlands Enterprise Agency, The Hague.

61 R. Brouwer, L. Peng (2016), *Opportunity Report Animal Husbandry Industry in Shandong Province*, NBSO Jinan. Furthermore, a scarce reference was found on the website www.netherlandsandyou.nl, suggesting The Netherlands could help China in addressing animal welfare concerns. See: https://www.netherlandsandyou.nl/about-the-kingdom/agriculture-and-food/china (webpage visited on November 7th 2017).

62 https://www.rvo.nl/onderwerpen/internationaal-ondernemen/netwerken-en-contacten/buitenlandnetwerk/landbouwraden

63 https://www.rvo.nl/onderwerpen/innovatief-ondernemen/topsectoren/ia-netwerk/over-het-ia-netwerk (webpage visited on November 7th 2017).

64 HOH Li Huan, Susan van Boxtel (August 2013), 'Food Innovation in Malaysia', Agentschap NL, Ministry of Economic Affairs, The Hague.

65 https://dmfc.asia/en/projects-and-partners.html (website visited November 18th 2017).

66 https://www.animalstoday.nl/nederland-promoot-die-renleed-in-buitenland (webpage visited on November 7th 2017).

67 M. Wechsler (July 2017), 'Dutch Embassy gets serious about business in Thailand', *The Big Chilli*, P.94-98.

68 http://www.dutchpoultrycentre.nl/en/news/dpc-news/789-holland-network-cocktail-at-viv-asia-2017

69 https://www.hubbardbreeders.com/media/art_watt_welfare_slow_growth_focus_at_previv_asia_forum_2017__079268200_1138_21032017.pdf (webpage visited on November 7th 2017).

70 https://www.rvo.nl/subsidies-regelingen/projecten/trade-mission-uganda; https://www.rvo.nl/subsidies-regelingen/projecten/dutch-agribusiness-trade-mission-central-america%E2%80%99s-emerging-markets ; https://www.rvo.nl/subsidies-regelingen/projecten/inkomende-vrouwenmissie-jordani%C3%AB-jeba (webpages visited November 7th 2017).

71 https://www.rvo.nl/onderwerpen/internationaal-ondernemen/wegwijzer-internationaal-zakendoen/handelsmissie/soorten-handelsmissies/uitgaande-handelsmissies/voorwaarden-0 (webpage visited November 11th 2017).

72 Ministry of Foreign Affairs (September 23rd 2016), Rapportage economische missies eerste helft 2016, Den Haag. https://www.rijksoverheid.nl/documenten/rapporten/2016/09/23/rapportage-economische-missies-1e-helft-2016 The company in question is specialised in animal health, not welfare and the MOU mentioned is accordingly about health aspects, not about distinct welfare aspects.

73 https://www.rvo.nl/onderwerpen/internationaal-ondernemen/wegwijzer-internationaal-zakendoen/handelsmissie/soorten-handelsmissies/uitgaande-handelsmissies?ns_source=google&ns_mchannel=cpc&ns_campaign=%7bcampaign%7d&ns_linkname=%7badgroup%7d&gclid=EAIaIQobChMI9J_U7K3_1gIVCp0bCh1DLwGXEAAYASAAEgI2YvD_BwE

74 https://www.rvo.nl/subsidies-regelingen/projecten/incoming-mission-poultry-sector-yemen (website visited November 18th 2017).

75 https://www.nec.nl/en/services/trade-missions/ (website visited November 17th 2017).

76 https://www.nec.nl/en/a-successful-visit/ (website visited November 18th 2017).

77 This difference is also noted in: W. Wiertsema, N. Hazekamp (2016), 'Gaps between the Common Approaches and the OECD Guidelines', Amsterdam, BothEnds, pp.1-2, http://www.bothends.org/uploaded_files/inlineitem/1160609_Common_Approaches_vs_OECD_Guidelines_logo_.pdf (accessed November 4th 2017).

78 Ibidem, pp.3-6.

79 ADSB (2017), Uitgereikte polissen vanaf 2016, Amsterdam. https://atradiusdutchstatebusiness.nl/nl/publicaties/afgegeven-polissen.html (website visited November 1st 2017).

80 This will be reflected soon in the updated ADSB policy and reporting documents: in first instance the buyer is reviewed, when deemed relevant, also other stakeholders can be taken into account, and also the project and the supply chain.

81 It should be noted that the CSR policy of commercial company Atradius does not incorporate animal welfare. This poses the question if the Dutch State has tried to use its leverage to let animal welfare be included or if it could try (again).

82 See for approved applications: https://atradiusdutchstatebusiness.nl/nl/publicaties/afgegeven-polissen.html This research counted 27 applications as linked to farm animal welfare. Depending on how strict one wants to count, this number could be one or two higher or lower.

83 http://mneguidelines.oecd.org/oecd-fao-guidance.pdf

84 Humane Society International (February 2016), International Finance Institutions, Export Credit Agencies and Farm Animal Welfare, pp.24-25, http://www.hsi.org/assets/pdfs/international-finance-institutions.pdf

85 ADSB (2017), Uitgereikte polissen vanaf 2016, Amsterdam. https://atradiusdutchstatebusiness.nl/nl/publicaties/afgegeven-polissen.html (website visited November 1st 2017).

86 Breeder hens have a productive life of 40 weeks and start at about week 24 producing. In this period they lay 150-180 eggs on average. This means about 17,800 to 21,300 laying hens are needed to produce 80k eggs per week. To this number, 37% pullets should added plus about 10% males (of the total number of hens). Alternatively, the total number of hens should be doubled, to account for all males in the system (about 90% are killed after hatching). On top of this, one should adjust for mortality rates (about 8%). If the 80.000 number only refers to fertilized eggs, the number of animals needed would be even higher. Contrary to this calculation, ADSB claims only 14,000 birds produce this number of eggs. Even if this number would only include breeder laying hens, excluding pullets and males, this would mean that an average breeder laying hen in this project would lay an incredible 228 eggs during her productive life span.

87 http://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/ECG%282016%293&doclanguage=en p.18.

88 ADSB disputes this on the grounds that they may not require an adequate policy document, but that in case of an inadequate policy document, they compile additional information from other documents. Based on this scattered information, they can then draw the conclusion that overall the buyer's policy is adequate.

89 Google search performed on November 4th 2017.

90 If it is also legal according to EU legislation, is a matter of interpretation. See: D. Broom (2017), *Animal welfare in the European Union*, Brussels, Directorate General for Internal Policies, policy department C: Citizen's rights and constitutional affairs, p.26-27, 53, 60, 73.

91 See for another relevant buyer with dubious reputation: Humane Society International, Four Paws, Compassion in World Farming (2013), *International Finance Institutions, Export Credit Agencies and Farm Animal Welfare*, p.12 http://www.vier-pfoten.org/files/Austria/Presseaussendungen/2013/IFIs_ECAs_report_with_logos_June.pdf

92 See for a comparison between CO_2 and electric stunning: https://www.youtube.com/watch?v=adtjQDW9rVE

93 https://zoek.officielebekendmakingen.nl/h-tk-20152016-34-9.html

94 ADSB claims that the buyer's animal welfare information was verified by: information delivered by the Embassy, NGO's and a site visit. This is not apparent from the assessment document. The assessment did contain information from a Wakker Dier report, but this is not the same as verifying the project information provided by the buyer. In fact, based on the information of the buyer, ADSB claims that the project involves 14,000 broiler parent stock, producing 80,000 eggs a week – which cannot be correct.

95 According to ADSB, this IFC consultant and company board member was not involved in the assessment. This could not be ascertained and is arguably irrelevant if it comes to the appearance of a conflict of interest.

96 Reduced use of anti-biotics was also mentioned as a plus, but this is not per se – and certainly not in this case – an animal welfare benefit.

97 However, this impact wasn't realised: the application was withdrawn.

98 This is perhaps symptomized by a motion adopted by Parliament in 2012 to not contribute 'in any way' to financing mega-sized livestock operations abroad ('megastallen'). This motion was not carried out by the Dutch Government. Another motion, adopted in 2015, against a yes-vote of The Netherlands for a loan of the EBDR to a Ukrainian company, was (half-heartedly) carried out, The Netherlands abstained. It triggered however alarm at the Ministries of Foreign Affairs and Finance that this could lead to a total moratorium on export credit insurance for mega-sized livestock operations. According to the civil servants, 'that influences the Dutch export adversely, without contributing to animal welfare.' (Ministry of Foreign Affairs (November 11th 2015), Gespreksnotitie, Den Haag.

99 https://zoek.officielebekendmakingen.nl/stcrt-2014-16589.html

100 https://verantwoordingsonderzoek.rekenkamer.nl/2014/bhos/kengetallen-en-ontwikkelingen

101 CSR Assessment Form DGGF Category B/A projects. Obtained after an appeal on the Freedom of Information Act. Received on October 27, 2017. Page 2 and 8.

102 https://www.ifc.org/wps/wcm/connect/bff0a28049a790d6b835faa8c6a8312a/PS6_English_2012.pdf?MOD=AJPERES p.6. (website visited November 17th).

103 https://zoek.officielebekendmakingen.nl/stcrt-2016-45597.html?zoekcriteria=%3fzkt%3dUitgebreid%26pst%3dTractatenblad%257CStaatsblad%257CStaatscourant%257CGemeenteblad%257CProvinciaalblad%257CWaterschapsblad%257CBladGemeenschappelijkeRegeling%257CParlementaireDocumenten%26vrt%3ddutch%2btrade%2band%2binvestment%2bfund%26zkd%3dInDeGeheleText%26dpr%3dAlle%26spd%3d20160831%26epd%3d20160831%26sdt%3dDatumPublicatie%26ap%3d%26pnr%3d1%26rpp%3d

10&resultIndex=0&sorttype=1&sortorder=4

[104] https://www.rvo.nl/subsidies-regelingen/dutch-trade-and-investment-fund-dtif?ns_source=google&ns_mchannel=cpc&ns_campaign={campaign}&ns_linkname={adgroup}&gclid=CjwKCAiA3JrQBRBtEiwAN7cEGviXGpMKS-xLfOLlmIW8TvTQYkKT_YaHG2ib3Ox16KOBJhCb31nBAxoCnJYQAvD_BwE

[105] Each round has two budgets: one for DGGF-countries and one for other countries. These budgets are respectively 2 million and 3,75 million.

[106] https://www.rvo.nl/subsidies-regelingen/dhi/voorwaarden/beoordelingscriteria

[107] Overzicht toetsingscriteria bedrijfsleveninstrumentarium. Obtained after an appeal on the Freedom of Information Act. Received on October 27, 2017.

[108] Personal communication, email (November 15th 2017).

[109] https://english.rvo.nl/subsidies-programmes/facility-sustainable-entrepreneurship-and-food-security-fdov

[110] https://english.rvo.nl/sites/default/files/2016/05/IMVO%20kader%20FDOV.pdf Appendix 2.4.2

[111] https://english.rvo.nl/sites/default/files/2016/05/IMVO%20kader%20FDOV.pdf page 2 en 3

[112] http://crem.nl/nl/monitoring-kip-en-maisproductie-in-myanmar/#more-98

[113] https://www.rvo.nl/subsidies-regelingen/partners-international-business-pib

[114] https://www.rvo.nl/subsidies-regelingen/partners-for-international-business/kom-ik-in-aanmerking (website visited November 11th).

[115] https://dmfc.asia/en/projects-and-partners/item/228-orange-poultry-china-dutch-knowhow-in-the-chinese-poultry-chain.html (website visited November 18th 2017).

[116] L. van Nierop (22 oktober 2015), 'Nederlandse kippenslachters willen eindelijk geld verdienen in China', NRC.

[117] https://www.rvo.nl/subsidies-regelingen/projecten/orange-poultry-china (website visited November 18th 2017).

[118] As stated on the RVO-website.

[119] https://zoek.officielebekendmakingen.nl/stcrt-2016-48327.html

[120] Taken over by Friesland Campina.

[121] https://www.fmo.nl/project-detail/50356; https://www.fmo.nl/project-detail/48413; https://www.fmo.nl/project-detail/43009 ; https://www.fmo.nl/project-detail/44999. Also: https://www.fmo.nl/project-detail/31751; https://www.fmo.nl/project-detail/31830 (website visited November 11th 2017).

[122] https://www.fmo.nl/project-detail/43227; https://www.fmo.nl/project-detail/43055; possibly https://www.fmo.nl/project-detail/34054 (website visited November 11th 20017).

[123] https://www.fmo.nl/news-detail/68a01c5e-3f9e-47f6-ba50-a7e302b7843b/dutch-success-stories-in-ukraine (website visited November 18th 2017).

[124] https://www.fmo.nl/policies-and-position-statements (website visited November 11th 2017).

[125] Personal communication, January 4th 2017. See also: https://www.fmo.nl/news-detail/07cf388e-3174-4100-aafb-d11d04b9262f/fmo-is-committed-to-limit-temperature-rise

[126] http://www.bothends.org/en/newsitem/420/FMO-did-not-follow-its-own-rules-in-financing-Barro-Blanco-dam (website visited November 11th 2017).

[127] https://www.gaipe.net/wp-content/uploads/2017/10/Exec-Summ-Dam-Violencia-EN-FINAL.pdf (website visited November 11th 2017).

[128] https://www.fmo.nl/news-detail/1a6f6815-832c-4fda-a7d0-57f2ce5743f7/fmo-and-finnfund-s-initial-reaction-to-the-gaipe-report. See also: https://www.fmo.nl/l/en/library/download/urn:uuid:ae3e7afa-517d-469c-9beb-72aeafbcb8ab/aqua+zarca+report+en.pdf (website visited November 11th 2017).

[129] http://www.bothends.org/nl/Nieuws/newsitem/512/FMO-and-FinnFund-trekken-zich-terug-uit-het-omstreden-Agua-Zarca-project (website visited November 11th 2017).

[130] https://www.idhsustainabletrade.com/news/intensifying-livestock-production-increase-incomes-protect-forest-kenya/ (webpage visited November 10th 2017).

[131] R. Korir (December 2016), *Beef value chain assessment for South-West Mau, Kenya*, prepared for the Initiative for Sustainable Landscapes, Program of IDH, The Sustainable Trade Initiative, Ministry of Foreign Affairs, The Hague.

[132] Bernd Hendriksen, Jerwin Tholen (2014), *MVO Sector Risico Analyse Aandachtspunten voor dialoog*, in opdracht van de Minister voor Buitenlandse Handel en Ontwikkelingssamenwerking en de Minister van Economische Zaken, 4 KPMG Advisory N.V, Den Haag.

[133] Interne beoordelingsrichtlijnen Ontwikkeling PSI (February 2014), p. 21; (July 2013), p. 21; (February 2013), p.20.

[134] Overview PSI, received on October 28th 2017.

[135] https://aiddata.rvo.nl/projects/NL-KVK-27378529-K2K14IND01/?tab=detailedreport (website visited November 11th 2017).

[136] http://www.foodtechindonesia.com/projects/broiler-farm-audit-training-2 (website visited November 11th 2017).

[137] Larive International (May 2015), Report Myanmar poultry expert visit 15 -19 March 2015.

[138] In a personal communication (October 30th 2015), the coordinator of the project stated that the project was health focused. He did not have any information on distinct welfare aspects.

[139] Obviously, the State could still help these companies to get their animal welfare policy and due diligence in order.

[140] Initial evidence suggests that animal welfare is not adequately integrated. For example, animal welfare seems not to be part of the top sector project 'Enhancing the South Korean pig supply chain', aimed at enabling Dutch pig supply chain companies 'to strengthen their export position to South Korea', http://www.tki-agrifood.nl/projecten/projecten-i/16-nrs/16117 (website visited November 11th 2017).

[141] Note that not all enterprises were willing to receive the survey.

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