

Report of the Netherlands for CSD-14

Review of sustainable development for energy, industrial development
and air quality

Commissioned by the Dutch Ministry of Housing, Spatial Planning and the Environment, International Affairs Directorate. The report was written by CE Delft and represents an accurate factual overview of Dutch policy in the fields of energy, industrial development, air pollution/atmosphere and climate. The opinions expressed in the report are those of CE Delft. They do not necessarily represent the views of the Dutch government. (For CE contact details: see last page of this report)

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Summary

Background

This Dutch national report, reviewing the themes of industrial development, energy and air pollution/atmosphere, has been prepared for CSD14 by the independent environmental consultancy firm CE Delft. Dutch policy on sustainable development seeks to ensure that future generations will have at least as much opportunity as ours to progress and develop. This is translated into the objective for Dutch sustainability policy: an absolute decoupling of polluting emissions from economic growth.

Current status

Compared with other European countries, the Netherlands is densely built and populated, and therefore emits more pollution per square kilometre. A high proportion of the pollution in the Netherlands comes from other countries. As a low-lying country on the delta of major European rivers, the Netherlands is sensitive to the possible effects of climate change. Global warming will increase the likelihood of extreme weather conditions. More severe international measures to reduce the emissions of greenhouse gases and pollutants will therefore be in the interest of the Netherlands.

Dutch environmental policy in the last few decades has been successful in a number of regards. The environment in which we live has become healthier and safer in many ways. Dutch industry has become more eco-efficient (emissions per unit production). There have been appreciable reductions in pollution (NO_x, NH₃, SO₂) in recent decades. In particular, national policy and policy formulated at European level and subsequently implemented in the Netherlands has been successful, have led to improved air quality. This improvement, however, has not been sufficient to comply with international air quality standards. The improvement does mean that the linkage between economic growth and environmental pressure has been severed. This 'absolute decoupling' was brought about largely by technical measures and ongoing change in the structure of the economy (growing service sector).

For 30 years now, the Netherlands has a policy promoting energy conservation where various different policy instruments have been applied. Through this policy constant energy savings have been achieved. Recently, the goals for energy saving have been set higher. Sustainable energy does not have such a long tradition in the Netherlands, mostly due to the lack of hydro-power. Wind energy and bio-energy both have considerable potential. In the

case of CO₂ emissions there has been a slowdown in the rate of growth, but not an absolute decoupling. This is a fundamental challenge for Dutch environment policy.

Policy measures

Dutch policy for achieving sustainable industrial development, energy and air quality relies heavily on a further greening of the tax system, energy saving, sustainable energy and emissions trading for CO₂ and NO_x. The receipts from green taxes climbed from €6 billion in 1990 to €15 billion in 2003, about 14% of total tax receipts. The increase in excise duty on petrol and the energy tax are responsible for this increase. The further greening of the tax system is relies less on new green taxes than on introducing differentials on existing taxes reflecting environmental effects, or on creating exemptions for environmentally-friendly technologies. Hybrid vehicles, for example, will be exempted from tax on vehicle purchase. Two new instruments have also been introduced since 2005, i.e. emissions trading for CO₂ and for NO_x. Though the former is based on a European directive, NO_x emissions trading was a Dutch initiative. These two instruments are expected to help the Netherlands meet its objectives for climate and air pollution (the NEC objectives) in a cost effective manner.

Interrelationships between themes

There has been increasing interest in recent years in the interrelationships between the various sustainability themes and the possibility of achieving synergies. This should make Dutch sustainable development policy more cost-effective. The main synergy is between energy/climate and air pollution, since these both share a common main cause, i.e. the combustion of fossil fuels. Climate policy has in fact led to a considerable reduction in emissions of acidifying substances and other pollutants. Current energy and climate policy also has a positive knock-on effect for industrial development, since it contributes to the Lisbon objectives of making industry 'clean, clever and competitive'. Table 1 indicates the relationships between the policy instruments and the themes.

Table 1 Indicative relationships between policy instruments and themes

	Effect on Energy	Effect on Industrial development	Effect on air quality
CO ₂ emissions trading			Possible
NO _x emissions trading			
Implementation IPPC directive			
Sustainable energy policy (MEP grant scheme)			
Energy conservation policy (tighter energy performance coefficient, white certificates)			
Multi-year agreements/Benchmark covenant			

energy efficiency			
Sector transition management			Possible
Liberalisation and privatisation of the energy market	Possible		Possible
Corporate social responsibility			
Promoting sustainability through public sector procurement			
Green taxes			
Dutch source policy for (NO _x , PM ₁₀ en SO ₂)	Unknown	Unknown	
Road pricing (per-km charge)			
Reducing speed limits around large cities			

	= positive relationship
	= positive and negative relationship
	= negative relationship

The policy instruments IPPC and NO_x emissions trading support or prescribe measures, which can improve or worsen the combustion efficiency of an installation. From this follows a positive or negative effect on energy/climate (orange).

Constraints and challenges

Industrial development

Compared with other EU member states the Netherlands appears not to be generating enough demand for products and services from sustainable supply chains. The challenge facing the Netherlands is to set such a process into motion on a large scale. This will probably mean encouraging the large retail chains to take voluntary initiatives, supported by robust use by government of market-based instruments (green taxes, levies and subsidies) and regulation. Dutch freedom of action is limited, however, by the international bodies to which it belongs. The Netherlands will contribute, through its proposals, to guiding international policy agendas into the desired direction.

Energy

Energy consumption is continuing to grow, both in the Netherlands and worldwide. This is a worrying trend, which affects energy security, energy prices and climate. The Netherlands takes its commitments under the Kyoto Protocol very seriously. The reductions in greenhouse gases up to 2012 agreed in the Kyoto Protocol are, however, insufficient to halt the harmful effects of global warming in the long term. Further reductions will be needed after 2012 in order to control climate effects. This requires considerable efforts, which can only be attained if- apart from national efforts-an international regime is developed with very

wide coverage (important countries, sectors and gases), and all possible mitigation options and instruments are used. The Netherlands is emphasising the long-term 'transition' approach to achieve substantial reductions in energy use and effects on the environment after 2012.

Air quality

With its high population density and heavy traffic the Netherlands will need a stringent emissions policy. Extra efforts will be needed to combat air pollution. This will call for an integrated vision of transport and the environment which takes air pollution seriously, and a pro-active approach to environmental measures at both national and European level.

1 Introduction

1.1 Background

Dutch government policy on sustainable development seeks to ensure that future generations will have at least as much opportunity as ours to progress and develop. This means nurturing the natural world and the environment (ecological aspects), respecting people and their aspirations, motivations and cultures (sociocultural aspects) ensuring they are able to provide for their present and future needs (economic aspects, such as employment, knowledge, capital goods). And it means understanding the relationships between our actions here in the Netherlands and their effects elsewhere in the world.

These concerns about the world which the present generation ('now') will pass to the next ('later'), and about the 'footprint' left by the Netherlands ('here') in developing countries ('there') are the main reasons why the Dutch government is working for sustainable development (see "Sustainable Action", the Dutch national sustainable development strategy).

The UN Commission on Sustainable Development (CSD) is the body charged with implementing Agenda 21, the action plan for sustainable development adopted in 1992 at UNCED in Brazil. The Commission meets annually to discuss progress in implementing Agenda 21. In preparing for the 14th meeting of the CSD, the Committee Secretariat asked all countries to submit a report reviewing the progress made to date on the themes of the CSD-14/15 cycle, i.e. industrial development, energy and air pollution/atmosphere. This document, which was drawn up by the Dutch environmental consultancy CE, represents the Dutch report for CSD-14. As far as the three Ps of sustainability (profit, people, planet) are concerned, the main focus of this report is on 'planet', since the depletion of the carrying capacity of the Dutch environment is the most urgent problem.

This report complements the 2006 progress report on "Sustainable Action", which has also been sent to the CSD secretariat.

1.2 Objective

To identify and describe the policy measures, tangible steps, actions and lessons learned with respect to sustainable development and the progress made by the Netherlands in this field. This report complies with the CSD-14 Guidelines.

1.3 Structure of report

Each of the three main themes addressed by this report on the Netherlands' sustainability policy, i.e. industrial development, energy and air pollution/the atmosphere, is dealt with separately, in chapters 2, 3 and 4 respectively, using a fixed format. The Netherlands' international contribution to sustainable development is discussed in chapter 5. The Dutch performance in relation to its international obligations under the Kyoto Protocol is not dealt with explicitly in this report but can be found in the Dutch reports to the UNFCCC (www.unfccc.int).

4 Air quality

4.1 The context

Air quality is at present the single biggest environmental problem in the Netherlands

In the summer of 2004 air quality was elevated, at a stroke, to the top priority of Dutch environment policy. This was the direct result of a ruling by the Council of State nullifying plans for construction and infrastructure projects because they had not been sufficiently assessed against or did not meet air quality standards. As indicated earlier, the Netherlands is densely populated and affluent, with a dense road network and a strong industry and transport sector which causes air quality problems. Research has shown that many development and land-use plans are at present being delayed and that almost half of all such plans may not meet the standards.

In addition, air quality is coming under increasing scrutiny because of public health considerations. Scientific research shows that fine particulate matter is increasingly harming health, causing several thousand premature deaths in the Netherlands each year. In monetary terms the social damage amounts to at least several billion euros per year (CE/IRAS, 2005). Supported by these figures the environmental movement, which has disseminated the information widely amongst the public, is exercising pressure on government to take measures.

Fine particles and nitrogen oxides are causing problems, but the trend is favourable

It is particularly the standards for fine particles (PM₁₀) and nitrogen dioxide (NO₂) which are being exceeded in the Netherlands. Approximately half of the mean *fine particle* concentration in the Netherlands is of anthropogenic origin. Much of the rest consists of sea-salt and soil. An estimated two-thirds of the anthropogenic fine particles originate from foreign sources and one-third from Dutch sources. However, in busy streets and industrial areas, under the influence of local traffic and industry, the local share is high. Despite the high contribution from foreign sources, the Netherlands is a net exporter of fine particles, with exports being three times imports. For *nitrogen dioxide* the standard for the annual average concentration tends to be exceeded along busy roads in and around towns. Local sources generally account for a higher proportion of this pollutant than of fine particle concentrations. This means that in principle there is greater scope for reducing NO₂ concentrations with local policy.

The trends in air quality are favourable, however. Over the period from 1992 to 2003 concentrations of fine particles in the atmosphere declined. The same is true of nitrogen dioxide. The cause of this drop was mainly the success of European and national source policy, which set emission standards for road vehicles and industry. This industrial reduction was achieved almost exclusively from point sources, through technical improvements and emission standards for installations.

Testing of development plans against air quality standards under pressure

Air quality regulations and standards are based on the European Framework Directive 96/62/EG and associated Daughter Directives. These standards have been incorporated into Dutch legislation in the Air Quality Decree. A crucial point related to the implementation of these standards is the procedure, unique to the Netherlands, to which development and land-use plans are subjected. Unlike in most other EU countries, these are thoroughly tested in advance against various criteria, including air quality. This is done to prevent standards from being exceeded during and after the realisation of the plans and to avoid the resulting costly *post hoc* clean-up measures. This requirement has however led to a backlog in processing plans, so that considerable pressure has built up to change the law and abandon the linkage. In particular, parties with vested interests are pushing for this.

4.2 Objectives and policy approaches

The national policy for air is based largely on the European Air Quality Framework Directive and its Daughter Directives, the EU National Emission Ceilings (NEC) Directive and the Gothenburg Protocol (UNECE, 1999). There are also European directives on fuel quality, emission standards for road vehicles and large combustion plants. In addition, the European IPPC Directive (Integrated Pollution Prevention & Control) for industrial plant is currently being implemented. The market based instrument of NO_x emissions trading system was launched on 1 June 2005.

Traffic

The approaches taken by Dutch policy to reduce air pollution by road traffic – generally the main source – are summarised in Table 2 below. They are presented in terms of the point in the source-effect chain at which they act.

Table 2 Source-effect chain for road traffic with main policy approaches

Source			Effect
Road traffic generally	Local traffic flows	Transmission	Exposure
Reduce volumes	Limit speeds	Passive shielding	Protection
Select present clean vehicles	Homogenise traffic flow	Active dilution	Relocation
Introduce new technologies			

Industry

The other main anthropogenic source of air pollution in the Netherlands is the industry sector. This type of pollution comprises the emissions from the combustion of fossil fuels in boilers and furnaces and from industrial processes.

The instruments for dealing with industrial air pollution comprise the NEC directive, which has an emission ceiling for NO_x but not for PM₁₀, and the Air Quality Decree. The limit values for fine particles are exceeded almost everywhere in the Netherlands: 'taking account' of the limit values means here that the authorities endeavour to reduce emissions as much as possible. This basically means the BAT principle (best available technology) and testing against the Air Quality Decree. However, the contribution of the industrial sector to ground-level concentrations is relatively small. In controlling emissions from storage and transshipment, the Air Quality Decree plays a large part, since the ground-level effects are substantial.

4.3 Concrete actions taken

4.3.1 Decision-making

The Netherlands has in recent years taken a number of steps to improve air quality. On 1 January 2000, for example, the sale of leaded automotive fuels was prohibited. The Netherlands is the only EU member state with a higher tax for the purchase of diesel cars and is one of the few countries with a higher annual tax for diesel cars. As a result the proportion of diesel cars amongst new car sales in the Netherlands in 2004 (25%) was lower than the EU mean (45%), although this proportion is rising rapidly. Recently, additional measures were announced to reduce fine particles, amongst which the stimulation of the use of particulate filters for existing cars and early implementation of EU standards for particulate filters.

Source policy based on grants, no volume policy

Specifically Dutch source policy, which is supplemental to the European emission standards, emphasises the accelerated introduction of cleaner vehicles, fuels and technologies. This is done mainly through grants. Examples include grants for particulate filters and cleaner goods vehicles. But the Netherlands makes little or no use of schemes which systematically encourage the use of 'cleaner' vehicles and discourage 'dirtier' vehicles, even though other countries do.¹⁰ More enduring systems to reduce congestion and traffic emissions by introducing tolls or road pricing have not yet been applied in the Netherlands.¹¹

Limiting speed to improve local air quality

There are speed limits of 120 or 100 km/hr on all Dutch motorways. However a further reduction to 80 km/hr has been made in recent years in five areas close to large towns where the air quality standards are not being met (see 'examples of good practice').

Reducing transmission to receptors

The construction of barriers and underpasses and the covering of roads are costly. Measures of this kind are being seriously considered in the Netherlands, in the absence of a systematic policy to reduce road traffic volumes or change its composition. In the Air Quality Innovation Programme, a research and testing programme, the main thrust of the work has until now been on developing screens and canopies and techniques for chemically converting or actively filtering the traffic emissions.

Reducing industrial emissions

The national emissions ceilings set for the Netherlands under the European NEC Directive for NO_x, SO₂, NH₃ and VOC have been disaggregated into mandatory sectoral emission ceilings. The main instruments available to the Dutch government to achieve these ceilings are:

- the European IPPC Directive, which imposes technical requirements on member states for the emissions from industrial plant and requires that the relevant BAT be used;
- on 1 July 2005, the Netherlands also introduced a trading system for NO_x, to give further momentum to NO_x reduction.

The Netherlands has taken the NEC Directive as a starting point for the development of 'integrated environmental targets'. Targets for 2000 and 2010, including those for

¹⁰ For example in Germany there are differential taxes on motor vehicles depending on environmental category. There are also differentials in the per-kilometre rates for goods vehicles under the German road toll (MAUT).

¹¹ Consideration is however being given to introducing road pricing from 2012.

acidification and emissions of other pollutants to the atmosphere, were set for eleven sectors. These are translated into agreed reductions at the company level, which are then included in a corporate environmental plan, which must be approved by the competent authority.

No ceilings have been set at European level for fine particles, and there are therefore no specific instruments established for this purpose in the Netherlands. Given the major health effects of fine particles, this is a policy gap which should be rectified at European level, so that the competitiveness of individual companies is not harmed.

We believe that further reductions can be achieved by 2010. It is up to the provinces, which are in charge of licensing, supervision and enforcement for most large companies, to induce industry to reduce their emissions further.

4.3.2 Finance

Of the €900 million reserved by government for air quality measures, €160 million is earmarked for implementing the policy document on traffic emissions, €320 million for implementing the Mobility Policy Document and €32 million for the investment budget for urban regeneration. In June 2005 a further sum of €400 million was reserved from the Economic Structure Enhancing Fund. The government has allocated a budget of €100 million for local measures. Municipalities could for example draw on this to purchase cleaner vehicles for their fleets of city and regional buses.

4.3.3 Capacity building

Cooperation of various types is taking place on air quality matters between the public bodies and society:

- In accordance with European air quality directives, municipalities and provinces must report each year on the air quality in their area. If standards are being exceeded, local air quality management action plans must be drawn up. Central government provides active support for both these activities in the form of an information centre for companies, municipalities and provinces on environmental legislation and permits. This centre has drawn up various guides and reporting templates. It also makes available on its website a programme which municipalities can use to calculate air quality along municipal roads.

- The Ministry of Housing, Spatial Planning and the Environment supports the implementation of programmes for improving air quality in towns and close to motorways.

4.4 Lessons learned and good practices

Better coordination needed between emissions objectives and air quality standards

Air quality standards and emission ceilings deriving from the EU NEC directive are both dependant on source policies. Present source policy is insufficient to meet both the air quality standards and emission ceilings. The impression exists that the match between the air quality standards and the emission ceilings is not optimal. For example, the Dutch targets for emissions of NO_x stemming from the NEC Directive should be stricter than is currently the case, in order to contribute to a solution to problems with air quality. A more effective acidification policy would help improve air quality.

Need for appropriate instruments

Another lesson learned by Dutch policymakers from the European directives is that air quality standards need to be accompanied by instruments which can ensure compliance. This applies particularly to fine particles: the standards are being exceeded in large parts of the Netherlands (as in other EU member states), but concentrations can only be affected by national policy to a limited degree. For a general, transboundary problem of this kind the instruments also need to be international in scope. The Netherlands is pressing the European Commission for more stringent EU source policy.

Case study: Lower speeds at pollution hotspots

One measure which is regarded in the Netherlands as a good practice is setting lower speed limits on motorways in urban areas where the air quality standards are not being met.

By reducing the limit to 80 km/hr (100 km/hr in some places) and strictly enforcing the limit with cameras, a more steady traffic flow is secured. It is largely this steadiness that reduces emissions. The lower speed for cars and delivery vehicles also reduces their emissions of fine particles and nitrogen oxides (TNO, 2003).

An important incidental benefit of this measure is the reduction of noise levels for those living beside motorways. Furthermore, lower speeds mean fewer accidents.

4.5 Trends and emerging issues

Ongoing debate about fine particles

The quality standards for fine particles are expected to be the subject of ongoing debate over the next few years. This will focus particularly on the following:

- Should the main concern be complying with the limit values or protecting public health? Compliance with the limit values will benefit health, but if improving health is the real concern, the focus needs to be on reducing the most harmful (ultra)fine particles.
- Assuming that the objective is to protect health, and in view of the problems related to land-use plans, the Netherlands will continue to advocate prioritisation or applying the limit values in areas where people live and work ('sensitive receivers'). This probably means that the emphasis will be on measures in urban areas.

The Netherlands will make maximum use of its statutory options

Given the present and likely ongoing infringement of the quality standards for NO₂ and fine particles and the problems with land-use plans, the Netherlands will seek to make maximum use of the leeway it is granted by law. The Netherlands will continue to argue to the European Commission for deferment of the deadline for compliance with the standards, as described above, and will explore the possibilities of further exclusion of particulate fractions of natural origin. The key is to find the right trade-off between health and economic growth.

Environmental pricing policy gaining ground with the municipalities

In their air quality plans, municipalities are beginning to use environmental pricing as a way of complementing national policy on sources. Consideration is being given to establishing environmental zones which vehicles can only enter after paying a charge which depends on fuel type and emission category. Some municipalities are also proposing to provide in their air quality plans for differentials in parking fees and permits based on similar criteria. Inspired by similar plans in Germany, the Ministry of Housing, Spatial Planning and the Environment is at present studying the possibility of introducing a labelling system for NO_x and PM₁₀ emissions from passenger cars. The possibility of amending the Municipalities Act to allow for differentials in parking charges is also being considered.

4.6 Constraints and challenges

Replacing ad hoc grants by more permanent systems

The Netherlands has a tradition of 'painless' environmental measures, e.g. providing grants to offset the increased costs of reducing vehicle emissions. The present scheme for subsidising particulate filters and the early introduction of Euro 4 and Euro 5 goods vehicles is one example of this. There was also an earlier grant scheme for cleaner goods vehicles (Dings, 2006).

Such schemes are costly, however, and have to be paid for with public funds. Moreover, grants have the disadvantage that they stop once the budget is spent. They can also create economic distortions and there is a danger of 'free riders'. In other countries, more structural measures are taken. These are often budgetarily neutral, with relatively clean vehicles being rewarded and relatively dirty vehicles being penalised and with the costs being borne by vehicle-users rather than taxpayers. Examples include tax differentials on motor vehicles in Germany, differentiated port dues in Sweden, the London congestion charge and differentials in per-kilometre road-use charges in Germany and Switzerland.

Greater emphasis on air quality in transport policy

The Netherlands specialises in transport, and has a strong transport sector. For these reasons transport and economic interests have often prevailed over environmental policy. Now that the courts have indicated the importance of complying with air quality standards, more serious consideration is being given to air quality, for example in our 'mainport policy'.

In European and world transport policy the Netherlands has previously tended to come down strongly on the side of the transport lobby. In the amendment to the European Eurovignette Directive, for example, the introduction of emissions charges for heavy vehicles was blocked, partly as a result of pressure from the Netherlands. The present difficulty in meeting the air quality standards and the demand for a European source policy, by the Netherlands and other member states, may encourage the Netherlands to give more weight to the environment in its vision and negotiating stance.

Introduction of road pricing

Road pricing has been the subject of discussion in the Netherlands for more than 10 years, with as yet no result. While the Netherlands was one of the first European countries to seriously consider it, other countries have now introduced some form of road pricing (Germany and Switzerland: per-kilometre charge for goods traffic, London and Stockholm: access charges). The Dutch government has however now promised the House of Representatives that it will launch a form of road pricing in the next parliament. Although this instrument usually has congestion reduction as its primary purpose, there are also air quality benefits, as traffic volumes are reduced and/or vehicles become cleaner. Road pricing can reinforce the effects of existing policy, such as the European emission standards.

Concentration and policy flexibility

For many years it was Dutch policy to concentrate housing and industry in certain areas. Air quality limit values are now being exceeded in these areas, and there is little or no room for further industrial expansion or the building of new plant.

Allowing industry to spread into new areas in the Netherlands is not an option, however. An approach is needed which finds appropriate solutions for problems within specific local areas. The New Air Quality Act will allow some scope for broad trade-offs, but the extent to which workable criteria can be developed is uncertain.

Transboundary approach for industry emissions

There is scope for major cuts in emissions at local level. But it should be noted that these will have only a limited impact on concentrations at ground level. This means that the Air Quality Directive is of little help here. In the case of fine particles a compounding problem is the lack of international emission ceilings. It is therefore paramount to tackle trans-boundary emissions. International effort and co-operation is essential.

5 Results of international strategy

The main focus of this report has been on the results achieved by the Netherlands with its *national* policy agenda. In this chapter, however, we briefly summarise the results of Dutch efforts in the international arena for the themes dealt with in this report, since these are related to national policy.

5.1 The context

In developing countries, consumption levels of large numbers of people are inadequate to maintain health, well-being and productivity and the challenge is to increase consumption, investment and production in a sustainable way.

Industrialisation is taking place in developing countries as well as in countries with economies in transition. These countries often experience severe environmental problems since technologies used in many cases are less efficient and more polluting than in the industrialized world. This means that there is an obvious risk for a double environmental effect. The old environmental problems, such as deforestation and soil degradation, remain unsolved while new problems, global and more irreversible and linked to industrialisation will be accentuated. Such problems are CO₂ emissions, air pollution, increased hazardous waste, desertification, chemicals and water polluting emissions.

Accordingly, there is both a need to ensure affordable energy access, especially for rural areas, as well as increasing energy efficiency and diversifying energy supply towards cleaner energy sources.

5.2 Objectives and policy approaches

The international strategy of the Dutch government in the area of sustainable development is based on the themes identified as priorities by the UN Secretary-General in the run-up to the WSSD (the WEHAB themes), together with sustainable trade and investment.

The topics germane to this report are: energy, sustainable trade and investment (industrial development). The Netherlands sees sustainable trade and investment as an issue which cuts across the WEHAB themes.

5.3 Concrete actions taken

5.3.1 Energy

The Netherlands attaches great importance to active participation in and support for partnerships. During the reporting period the Netherlands carried out the following activities in this connection:

- participation in the EU Energy Partnership for Poverty Eradication;
- participation in the Renewable Energy and Energy Efficiency Partnership (REEEP), which aims at enlarging the market for sustainable energy and energy-efficient technology;
- active contribution to the PPP Global Village Energy Initiative of the UNDP and the World Bank;
- support for third party PPPs:
 - solar micro-enterprise development (Sri Lanka);
 - establishment of a fund for allowing villages to be connected to the natural gas network (Colombia).

An important initiative of the Dutch government is 'Energy for Development (E4D)'. The E4D Conference (December 2004) addressed matters such as the need for energy for economic growth, access to energy for the poor and related environmental and health problems. At the political level the Netherlands is working with the World Bank, UNDP, WBCSD and South Africa in the follow-up group to develop a concrete action programme. This programme involves integrating energy into national poverty reduction strategies (PRSP) and the Country Assistance Strategies (CAS) under the leadership of the UNDP and the World Bank.

At the E4D conference the Netherlands committed itself to the objective of 10 million people in developing countries with affordable and reliable access to energy services in their houses, enterprises, clinics and schools.¹² This means: 3.6 million connected to the electricity network, better cooking stoves for 4.9 million and energy supplies for productive and social infrastructure for 2 million. The idea is that as many as possible of these 10 million connections should be based on renewable energy.

5.3.2 Sustainable trade and investment

There are clear linkages between this theme and Dutch national initiatives on sustainable production chains, transition management and corporate social responsibility. Many

¹² See Millennium Development Goal 1 (Eradicate extreme poverty).

production chains are largely international in nature. Readers are referred to chapter 3 of this report.

In the international arena the Netherlands has made the following contributions to promoting sustainable investment and trade:

- It is participating in the discussion on the form and content of the ISO 26000 guidance standard on corporate social responsibility.
- The Dutch programme ‘Transition to the sustainable use of biodiversity and natural resources’ (see also section 2.1) is launching long-term partnerships with governments, industry and NGOs for sustainable fish farming, fish-meal production, sustainable biomass production (particularly palm oil) and flowers, vegetable and fruit.
- Apart from the aforementioned palm oil partnership, there is also a Round Table on Sustainable Palm Oil (RSPO) made up of representatives of industry and NGOs from many countries. The Dutch government also supports the World Wildlife Fund in its participation in the Asian Forest Partnership.
- It supports reform of the EU common agricultural policy which seeks to phase out grants on agricultural production and move towards payments for green services.
- Application of the OECD guidelines will be important in strengthening the role of corporate social responsibility. At international level the Netherlands will explore whether and how the OECD guidelines together with voluntary initiatives like the Global Compact and Global Reporting Initiative can be further extended and how the coherency and synergy between these instruments can be strengthened. This will of course involve intensive discussions between the relevant international organisations, industry and NGOs.
- It is committed to a further greening of taxes and the elimination of grants which encourage ecologically harmful production activities.

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