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## **Report of the technical review of the first biennial report of the Netherlands**

Developed country Parties are requested, in accordance with decision 2/CP.17, to submit their first biennial report to the secretariat by 1 January 2014. This report presents the results of the technical review of the first biennial report of the Netherlands conducted by an expert review team in accordance with the “Guidelines for the technical review of information reported under the Convention related to greenhouse gas inventories, biennial reports and national communications by Parties included in Annex I to the Convention”.

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## **I. Introduction and summary**

### **A. Introduction**

1. For the Netherlands, the Convention entered into force on 21 March 1994. Under the Convention, the Netherlands made a commitment to reduce its greenhouse gas (GHG) emissions jointly with the European Union (EU) and its member States by 20 per cent by 2020 below the 1990 level in the EU as a whole.
2. This report covers the in-country technical review of the first biennial report (BR1)<sup>1</sup> of the Netherlands, coordinated by the secretariat, in accordance with the “Guidelines for the technical review of information reported under the Convention related to greenhouse gas inventories, biennial reports and national communications by Parties included in Annex I to the Convention” (decision 23/CP.19).
3. The review took place from 24 February to 1 March 2014 in The Hague, the Netherlands, and was conducted by the following team of nominated experts from the UNFCCC roster of experts: Mr. Roberto Acosta Moreno (Cuba), Mr. Tom Dauwe (Belgium), Mr. Juraj Farkaš (Slovakia) and Mr. Lawrence Kotoe (Ghana). Mr. Acosta Moreno and Mr. Dauwe were the lead reviewers. The review was coordinated by Ms. Xuehong Wang and Mr. Bernd Hackmann (secretariat).
4. During the review, the expert review team (ERT) examined each section of the BR1, including the common tabular format (CTF) tables.
5. In accordance with decision 23/CP.19, a draft version of this report was communicated to the Government of the Netherlands, which provided comments that were considered and incorporated, as appropriate, in this final version of the report.

### **B. Summary**

6. The ERT conducted a technical review of the information reported in the BR1 of the Netherlands according to the “UNFCCC biennial reporting guidelines for developed country Parties” (hereinafter referred to as the UNFCCC reporting guidelines on BRs).
7. During the review, the Netherlands provided further relevant information on its economy-wide emission reduction target by 2020 within the EU framework, and its progress towards achieving the target. The Netherlands also elaborated on how commitments and support provided to developing countries related to climate change are monitored and managed.

#### **1. Completeness and transparency of reporting**

8. Gaps and issues related to the reported information identified by the ERT are presented in table 1 below.

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<sup>1</sup> The biennial report submission comprises of the text of the report and the common tabular format (CTF) tables. Both the text and the CTF tables have been subject to the technical review.

Table 1  
**Summary of completeness and transparency issues of reported information in the first biennial report of the Netherlands**

<i>Sections of the biennial report</i>	<i>Completeness</i>	<i>Transparency</i>	<i>Reference to paragraphs</i>
Greenhouse gas emissions and trends	Complete	Transparent	
Target	Complete	Transparent	
Progress in achievement of targets	Complete	Transparent	
Projections	Complete	Transparent	
Provision of support to developing country Parties	Mostly complete	Mostly transparent	39, 44

## 2. Timeliness

9. The BR1 was submitted on 31 December 2013, before the deadline of 1 January 2014 mandated by decision 2/CP.17. The CTF tables were submitted on 31 December 2013.

## 3. Adherence to the reporting guidelines

10. The information reported by the Netherlands in its BR1 is completely in adherence with the UNFCCC reporting guidelines on BRs as per decision 2/CP.17 (see table 1).

## II. Technical review of the reported information

### A. All greenhouse gas emissions and removals related to the quantified economy-wide emission reduction target

11. The Netherlands has provided a summary of information on GHG emission trends for the period 1990–2011 in its BR1 and CTF table 1. This information is consistent with the 2013 national GHG inventory submission.

12. Total GHG emissions<sup>2</sup> excluding emissions and removals from land use, land-use change and forestry (LULUCF) decreased by 8.2 per cent between 1990 and 2011, as a result of the decrease in non-CO<sub>2</sub> emissions in the industrial processes, agriculture and waste sectors and the impacts of policies and measures (PaMs) (see para. 18 below). Further information on the review of emission and emission trends is provided in chapter II.A of the report of the technical review of the sixth national communication (IDR/NC6). The Netherlands has provided complete, transparent and detailed information on its national inventory arrangements for preparing GHG inventories and on the changes to these national inventory arrangements since its last national communication (NC).

### B. Assumptions, conditions and methodologies related to the attainment of the quantified economy-wide emission reduction target

13. In its BR1 and CTF tables 2, the Netherlands reported a description of its target, including associated conditions and assumptions. The Netherlands participates in achieving

<sup>2</sup> In this report, the term “total GHG emissions” refers to the aggregated national GHG emissions expressed in terms of carbon dioxide equivalent excluding land use, land-use change and forestry, unless otherwise specified.

the EU quantified economy-wide target to achieve 20 per cent reduction of emissions by 2020 compared with the 1990 base-year level. The target for the EU and its member States is based on the European Union's energy and climate package. This includes the European Union Emissions Trading System (EU ETS) and the effort-sharing decision (ESD). This legislative package regulates emissions of carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride using global warming potentials from the Second Assessment Report of the Intergovernmental Panel on Climate Change to aggregate EU GHG emissions up to 2020.

14. The regulation of the emissions covered by the EU ETS entered into force on 1 January 2005, and the new period started in 2013 based on a yearly reduction equal to 1.74 per cent of the average allocation in the period 2008–2012, extrapolated starting in 2010, leading to a 21 per cent GHG emissions reduction by 2020 compared with the 2005 level. Emissions of sectors not covered by the EU ETS are regulated by member State specific targets starting in 2013, based on average emissions from 2008 to 2010, which leads to a collective reduction of around 10 per cent by 2020 compared with 2005 at the EU level. Under the ESD, the specific target for the non-EU ETS sector for the Netherlands is set at 16 per cent emissions reduction by 2020 compared with 2005 (equivalent to an emission level of 104 Mt CO<sub>2</sub> eq by 2020). In line with the EU approach to its target, the Netherlands does not include emissions or removals from the LULUCF sector in defining its quantified economy-wide target. The Netherlands plans to use market-based mechanisms under the Convention to achieve the quantified economy-wide target.

15. During the review, the Netherlands provided additional information that elaborated on specific targets for the non-EU ETS sector including industry and energy, transport, housing, agriculture and horticulture. The Netherlands also provided information on the projected emissions by 2020 for each of these non-EU ETS sectors to allow a comprehensive assessment of the progress made towards achieving these targets across the non-EU ETS sectors. The ERT encourages the Netherlands to provide this information in its next biennial report (BR) to improve its transparency of reporting.

16. The information reported on assumptions, conditions and methodologies related to the attainment of the target is complete and transparent. It is sufficiently detailed, and indicates that the Netherlands has a challenging, but achievable target. Further information on assumptions, conditions and methodologies is provided in chapter II.C of the IDR/NC6.

### **C. Progress made towards the achievement of the quantified economy-wide emission reduction target**

17. In its BR1, the Netherlands reported information on its mitigation actions implemented and planned since its fifth national communication (NC5) to achieve its target. The Netherlands also reported on the use of units from market-based mechanisms to achieve its targets.

18. The ERT reviewed reported information and provided its assessment of progress made towards achieving the target. The Netherlands has implemented PaMs that target all relevant sectors and GHGs. The key policy framework of the NC5 has been discontinued, but most of the policy instruments are still in place. The PaMs with the most significant mitigation impact that contributed towards the target are: the EU ETS (industry and energy supply), the long-term voluntary agreement on energy efficiency with EU ETS and non-EU ETS industries (industry), N<sub>2</sub>O emission reductions by nitric acid producers (industry), the scheme stimulating sustainable energy production ('stimulerend duurzame energieproductie' (SDE+)) for the promotion of renewable energy (energy supply), landfill policy (waste management), promotion of biofuels (transport) and the Koepelconvenant

(residential and commercial buildings). Voluntary agreements or covenants are an important type of policy instrument that have been used in, for example, the industry sector (both EU ETS and non-EU ETS), the residential and commercial sectors and the agriculture sector. The ERT noted the progress made by the Netherlands in achieving its economy-wide emission reduction target, with an 8.2 per cent reduction of GHG emissions by 2011 compared with the base-year level, and a 7.1 per cent emission reduction between 2010 and 2011.

19. The challenge to meet the target by 2020 is to maintain the balance between the increase in CO<sub>2</sub> emissions (due to growing energy needs) and the decrease in non-CO<sub>2</sub> emissions. However, according to current projections, the Netherlands is on track to achieve the 16 per cent emission reduction target for the non-EU ETS sector (excluding LULUCF) in 2020, thus contributing to the 20 per cent EU quantified economy-wide emission reduction target in 2020.

## **1. Mitigation actions and their effects**

20. The Netherlands has provided in its BR1 comprehensive and well-organized information on its package of mitigation actions introduced to achieve its target. The BR1 provided information on mitigation actions organized by sector and by gas. A detailed review of the reported information is provided in chapter II.B of the IDR/NC6. The information reported in CTF table 3 gives an overview of the emission reductions in 2020 resulting from the key mitigation actions taken by the Netherlands in the different sectors (see table 2).

21. To reduce GHG emissions by industry, the most important policy instruments are the EU ETS, the long-term agreements on energy efficiency with the EU ETS and non-EU ETS industries, and the scheme to reduce other greenhouse gases ('reductie overige broeikasgassen') to reduce emissions of non-CO<sub>2</sub> GHGs (especially N<sub>2</sub>O in nitric acid production and HFCs and PFCs). To promote renewable energy in energy supply, a key PaM is the SDE+ feed-in scheme. This scheme has the single largest impact in 2020 of all mitigation actions taken by the Netherlands. In the transport sector, the Netherlands focuses on improving energy efficiency and reducing the emission factor of vehicles (e.g. via biofuels and electric cars). In the residential and commercial sectors, the Koepelconvenant is the principal overarching policy. The ambition of the Koepelconvenant is to reduce consumption of natural gas, electricity and heat by 109 PJ in 2020 compared with 2008.

22. In terms of the magnitude of emission reductions from the PaMs, the largest contribution to emission reduction is estimated for the SDE+ scheme and financial incentives supporting the use of renewable energy sources, resulting in an expected emission reduction of 64.6 Mt CO<sub>2</sub> eq by 2020. This is followed by the CO<sub>2</sub> ETS and the long-term voluntary agreements on energy efficiency with EU ETS and non-EU ETS industries, which should result in an emission reduction of 11.5 Mt CO<sub>2</sub> eq by 2020. The programme for reduction of non-CO<sub>2</sub> gases in industries should add another 5.6 Mt CO<sub>2</sub> eq to the emission reduction by 2020.

23. The use of biofuels in transport is expected to result in an emission reduction of 2.3 Mt CO<sub>2</sub> eq by 2020, followed by 2.8 Mt CO<sub>2</sub> eq from the landfill policy, 2.7 Mt CO<sub>2</sub> eq from the energy efficiency in the built environment covenant and 1.9 Mt CO<sub>2</sub> eq from the clean and efficient agrosector covenant. The Netherlands has implemented several other PaMs, which have a mitigation effect less than 1.0 Mt CO<sub>2</sub> eq.

24. These existing and planned PaMs are regularly assessed and compared with a reference scenario ('geactualiseerde referentieraming'). The Netherlands also explained during the review that the impact of PaMs is regularly evaluated ex post to monitor progress. The projections performed by the Netherlands show that with the currently

implemented and planned policies, emissions from the non-EU ETS sector will be lower than the target in 2020.

25. Table 2 provides a concise summary of the key mitigation actions implemented by the Netherlands to achieve its target.

Table 2

**Summary of information on mitigation actions reported by the Netherlands**

<i>Sectors affected</i>	<i>List of key policies and measures</i>	<i>Estimate of mitigation impact (Mt CO<sub>2</sub> eq)</i>
Policy framework and cross-sectoral measures		
	CO <sub>2</sub> Emissions Trading System (EU ETS)	9.4
	Environmental Act	NA
Renewable energy	SDE+ ('stimulerend duurzame energieproductie', stimulating sustainable energy production) and other financial incentives of renewables	64.6
Energy efficiency	CO <sub>2</sub> ETS and long-term agreements on energy efficiency for EU ETS enterprises	7.1
	Long-term agreements on energy efficiency for non-EU ETS enterprises and fiscal measures for energy and other green investments	4.4
Residential and commercial sectors	Energy performance standards (new buildings) and ecodesign directive	0.1
	Energy efficiency in the built environment covenant (more with less; Koepelconvenant)	2.7
	Block-by-block incentive scheme (blok-voor-blok programma) and innovation programme built environment	>0.05
Transport	Decision on biofuels as renewable energy for transport	2.3
	Efficient driving campaign and trucks for future	0.7
	European Union CO <sub>2</sub> emission standards for cars and fiscal policy on car efficiency	0.9
Industrial sectors	Measures to reduce N <sub>2</sub> O emissions during nitric acid production	5.6
Agriculture	Clean and efficient agrosectors covenant	1.9
	EU ETS and sectoral ETS for horticulture	1.2
	Emission regulation of CH <sub>4</sub> emission gas engines	0.9
	Limiting the size of cattle stock and manure management	0.4
	Ammonia and manure policy	1.1
Waste management	Landfill policy	2.8

*Note:* The greenhouse gas reduction estimates are reductions in carbon dioxide or carbon dioxide equivalent for 2020 in Mt.

26. The Netherlands provided information on changes in its domestic institutional arrangements, including institutional, legal, administrative and procedural arrangements used for domestic compliance, monitoring, reporting, archiving of information and evaluation of the progress towards its target. The overall responsibility for climate change

policymaking lies within the Ministry of Infrastructure and the Environment of the Netherlands, and a number of national institutions are involved in the implementation of this policy. As an EU member State, the Netherlands is also subject to EU climate policy and the EU monitoring mechanism, and thus it applies EU common and coordinated PaMs that are relevant to climate change. The implementation of the Kyoto Protocol and national reduction targets is underpinned by the Environmental Management Act, which provides the legal basis for most environmental regulations that affect emissions of GHGs. During the review, the Netherlands provided detailed information on long-term voluntary agreements<sup>3</sup> that play an important role in sectoral mitigation action in the Netherlands.

27. The Netherlands did not include information on the assessment of the economic and social consequences of response measures. During the review, the Netherlands referred to the information in section 4.5.3 of its sixth national communication (NC6) and the information on the minimization of adverse impacts of response measures to climate change reported in its annual submissions of 2010–2013. It also provided detailed information on these matters during the review week.<sup>4</sup> The ERT encourages the Netherlands to include this information or a summary thereof in the next BR.

## 2. Estimates of emission reductions and removals and the use of units from the market-based mechanisms and land use, land-use change and forestry

28. The Netherlands reported in its BR1 and CTF table 4 on its plans to use market-based mechanisms under the Convention and other mechanisms and on the contribution from LULUCF. The ERT noted that even though the Netherlands reported information in CTF table 4 on the contribution from the LULUCF sector in emissions and removals, this contribution is in fact not applicable, as the LULUCF sector is not included in the EU joint target by 2020. The Netherlands reported in CTF table 4 on its plan to use credits from the market-based mechanism to achieve the target. Table 3 below illustrates how the Netherlands reported on the use of units from market-based mechanisms to achieve its target in the CTF tables.

Table 3

### Summary information on the use of units from market-based mechanisms and land use, land-use change and forestry as part of the reporting on the progress made towards achievement of the target by the Netherlands

<i>Year</i>	<i>Emissions excluding LULUCF (kt CO<sub>2</sub> eq)</i>	<i>LULUCF emissions/removals (kt CO<sub>2</sub> eq)</i>	<i>Emissions including LULUCF (kt CO<sub>2</sub> eq)</i>	<i>Use of credits from the international carbon market (kt CO<sub>2</sub> eq)</i>
1990 <sup>a</sup>	211 849.32	NA	NA	NA
2010	209 176.86	NA	NA	NA
2011	194 379.16	NA	NA	48 521.01
2012	NA	NA	NA	97 126.60

*Abbreviations:* LULUCF = land use, land-use change and forestry, NA = not applicable.

<sup>a</sup> Emissions and removals for 1990 shall be reported if a base year different to 1990 is used.

## 3. Projections

29. The Netherlands has provided in its BR1 comprehensive information on its updated projections for 2020 and 2030. A detailed review of the reported information is provided in chapter II.C of the IDR/NC6.

<sup>3</sup> See chapter II.A.4 of the IDR/NC6.

<sup>4</sup> See chapters III.A and III.B of the IDR/NC6.



30. The Netherlands provided complete information on key variables and assumptions used in the projection analysis in CTF table 5, as well as trends and projections in CTF table 6(a) for scenario ‘with measures’ and in CTF table 6(b) scenario ‘with additional measures’.

31. Information on key variables and assumptions used in the projection analysis that was reported encompasses gross domestic product growth rate (per cent), population, population growth (per cent) and international oil, gas and coal prices (USD/toe) for historical data for the years 2000, 2005 and 2010, and projected data for the years 2015, 2020, 2025 and 2030.

32. Information on emission trends is reported by sector and by gas since the base year, 1990, in a five-year period, and projections are provided for the years 2020 and 2030.

33. The Netherlands is using the same methodology for the preparation of projections as in the NC5 and has provided information on the changes in input parameters since the NC5. The Athena model used in the NC5 for determining macroeconomic and sectoral economic growth was replaced by the DIMITRI model in the NC6. The methodology described in the BR1 is explained in detail. The methodology explains all models used and the process of projection preparation is transparent.

34. The ERT noted information reported by the Netherlands on projected emission trends by 2020. According to the reported information, the projected emission trends are 0.6 per cent below the base year by 2020. For non-EU ETS emissions, the projected emissions in 2020 will be 99.4 Mt CO<sub>2</sub> eq, below the target level of 104 Mt CO<sub>2</sub> eq.

## **D. Provision of financial, technological and capacity-building support to developing country Parties**

### **1. Provision of support to developing country Parties**

35. In its BR1 and CTF table 7, the Netherlands reported information on the provision of financial, technological and capacity-building support required under the Convention. The Netherlands has provided detailed information in CTF tables 7, 7(a) and 7(b), and also presented in tables 6.1 and 6.2 of the BR. The Netherlands’ climate expenditures for the period 2010–2012 include both fast-start finance related projects (principal) and climate relevant projects under other programmes (significant). The Netherlands committed funds in 2011 and 2012 to various programmes for the years beyond 2012.

36. In its BR1, the Netherlands provided details on what “new and additional” financial resources it has provided and clarified how these resources are “new and additional”. The Netherlands described how its resources address the adaptation and mitigation needs of Parties not included in Annex I to the Convention (non-Annex I Parties). In particular, it provided financial resources related to the implementation of the Convention through bilateral, regional, multilateral and other civil society channels, including the Global Environment Facility, the Least Developed Countries Fund, the World Bank, the REDD+ mechanisms,<sup>5</sup> etc. These financial resources are used to support scientific, technological, training, mitigation and adaptation programmes. Table 4 includes some of the information reported by the Netherlands on its provision of financial support.

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<sup>5</sup> Policy approaches and positive incentives on issues relating to reducing emissions from deforestation and forest degradation in developing countries; and the role of conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries.

Table 4  
**Summary of information on provision of financial support in 2011–2012**  
 (Thousands of United States dollars)

<i>Allocation channel of public financial support</i>	<i>Years of disbursement</i>	
	<i>2011</i>	<i>2012</i>
Official development assistance as a percentage of gross national income (%)	0.75	0.70
Climate-specific contributions through multilateral channels, including:	1 551 256	1 519 909
Multilateral climate change funds	71 854	155 230
Multilateral financial institutions, including regional development banks	1 226 327	1 097 439
Specialized United Nations bodies	253 075	266 421
Contributions through bilateral and regional channels	212 605	246 737

## 2. Approach used to track support provided

37. In the period 2011–2012, official development assistance financial support decreased by 3 per cent, support provided through multilateral channels declined by 2 per cent and support through bilateral and regional channels increased by 16 per cent.

38. The Netherlands, as a member of the Organisation for Economic Co-operation and Development (OECD) Development Committee (DAC), reports on activities that support the objectives of the Rio Conventions on climate change, biodiversity and desertification. The Netherlands uses OECD markers to track budget allocations and expenditures related to its own policy objectives. The system uses agreed definitions and eligibility criteria for climate change mitigation and adaptation contained in the *Handbook on the OECD-DAC Climate Markers*. In applying this system, each activity to be supported is registered in a computerized system and classified according to the creditor reporting system sector code, activity code, channel code and markers, including climate change. In addition, activities receive a ‘principal’ score, where climate change is one of the principal objectives and fundamental to its design, or a ‘significant’ score, where climate change mitigation is an important, but not principal, objective. The Netherlands, however, indicated that the OECD marker system does not enable the exact quantification of financial support targeting climate change, but provides only an indication of the policy objectives of aid (best estimate).

39. During the review week, the Netherlands explained that it uses a browser-based management information system to track commitments and expenditures related to climate change. The Netherlands also provided screenshots of the database showing all supported projects that are registered in the central databases, and each project is classified using the Rio marker system. The ERT recommends that the Netherlands improve transparency by including in its next submission information on improvements and modifications that the Netherlands has made with the tracking of commitments and expenditures related to climate change.

40. With regard to the most recent financial contributions to enhance the implementation of the Convention by developing countries, the Netherlands has committed itself to provide EUR 300 million as its contribution towards fast-start finance in 2010–2012 to support climate adaptation and mitigation in developing countries. This pledge was fulfilled at the end of 2012 and consists exclusively of mitigation and adaptation projects that have been identified as ‘principal’ by the OECD Rio marker.

41. The Netherlands has adopted a set of ‘Rio markers’ to distinguish between climate-related funding and other funding of its development assistance. Furthermore, the Netherlands uses additional markers to distinguish between support for adaptation and mitigation. The Netherlands also uses this system to track budget allocations and expenditures related to its own policy objectives on climate change.

### 3. Technology development and transfer

42. In its BR1, the Netherlands has provided information on activities related to the transfer of technology to developing countries, including information on the public and private sectors.

43. The Netherlands’ support in relation to the direct transfer of technology is mostly in the form of support programmes relating to the private sector (encompassing hard and soft technologies). As of 2009, the Netherlands’ specific private sector support programme, called the Private Sector Investment Programme (PSI), is administered by the Netherlands Enterprise Agency (RVO.nl). PSI is a Dutch Government programme that supports innovative investment projects in emerging markets in Africa, Asia, central and eastern Europe, and Latin America. The contribution for a project in one of these countries is 50 per cent of the project budget, to a maximum contribution of EUR 750,000. The contribution under PSI Plus (Private Sector Investment Programme) amounts to 60 per cent of the project budget, up to a maximum contribution of EUR 900,000. For both components, the maximum project budget is EUR 1.5 million. In addition, with the exception of the specific funds provided to non-governmental organizations under the co-financing scheme and the multilateral programmes, most other bilateral and multilateral projects are in the form of public–private partnerships. These partnerships of transfer of technology and capacity-building are integral parts of the projects.

44. The Netherlands, however, did not provide the reporting elements required by the UNFCCC reporting guidelines on BRs in CTF table 8. During the review, the Netherlands indicated to the ERT that it does not have such detailed information at hand in an electronic database for each of the 242 projects and can therefore not provide all the detailed information for CTF table 8 with specific information on the recipient country. For some projects, more than one country is involved. In addition, specific measures related to technology transfer per project are not available. However, the Netherlands, after the review week, provided the ERT with the relevant information in CTF table 8. The ERT recommends that the Netherlands include this information in its next BR submission.

45. The Netherlands reports that the private sector is involved also through international cooperation with several public–private partnerships in the field of renewable energy, water, sustainable production and food security. In addition, the Netherlands invests through its Private Sector Development Programme and has a variety of instruments in place that promote investment in developing countries. Examples of the latter include development relevant infrastructure investment and the Private Infrastructure Development Group. The Netherlands also provides support for private sector involvement in development through multilateral channels such as the World Bank (International Finance Corporation) and the development banks. The Netherlands also supports developing countries through the Dutch development bank (FMO).

46. During the review week, the Netherlands provided additional information on the private sector involvement in the provision of financial support to developing countries. The Netherlands also indicated that it is working on a scenario for gradually scaling up its contribution (public and private sector finance) towards its ‘fair share’ in the 2020 global climate finance objective of an annual USD 100 billion. The Netherlands, however, indicated that it is currently not able to make an estimate of the extent to which private sector programmes contribute to climate actions in developing countries. The Netherlands

indicated that new methods are currently being developed to measure private sector involvement in climate change projects. The ERT encourages the Netherlands to report in its next submission ongoing work on scenarios for scaling up contributions and also estimate the extent to which private sector programmes contribute to climate actions in developing countries.

47. The ERT noted that the Netherlands reported on support for the development, but not the enhancement, of endogenous capacities and technologies of developing countries. To improve transparency, the ERT recommends that the Netherlands provide information on the support for the enhancement of endogenous capacities and technologies of developing country Parties in its next submission. The ERT also encourages the Netherlands to report in its next submission on failures of selected activities on technology transferred, if any.

#### **4. Capacity-building**

48. In its BR1, the Netherlands has provided information on how it has provided capacity-building support for mitigation, adaptation and technological improvement. The Netherlands reports that capacity-building is one of the selection criteria of the Netherlands in its project and programme assessment. During the review week, the Netherlands indicated that it supports the initiative Climate and Development Knowledge Network, which aims to provide demand-led support through research and technical assistance to 60 developing countries. As of 2011, the Netherlands supports the Disaster Risk Reduction and Climate Change Adaptation Alliance, a cooperation that includes the Red Cross, Wetlands International, CARE and Cordaid (EUR 40 million in total, of which 10 per cent is currently allocated to climate change). In the Partners for Water Programme, attention is given to five countries with similar deltas to the Netherlands – Bangladesh, Egypt, Indonesia, Mozambique and Viet Nam – in the field of improved delta management and climate adaptation.

49. The Netherlands did not provide the reporting elements required by the UNFCCC reporting guidelines on BRs in CTF table 9 in addition to the text of BR1. During the review, the Netherlands made a resubmission of the CTF tables in which table 9 was included.

### **III. Conclusions**

50. The ERT noted the information reported in the BR1 in accordance with the UNFCCC reporting guidelines on BRs of the Netherlands. The ERT concludes that the BR1 provides a good overview of information on emissions and removals related to the quantified economy-wide emission reduction target, a description of the target, progress made by the Netherlands to achieve its target, and provision of support to developing country Parties.

51. The Netherlands' emissions and removals related to the targets for 2011 were estimated to be 8.2 per cent below its 1990 level excluding LULUCF. Emission decreases were mainly driven by emission reductions of non-CO<sub>2</sub> GHG gases, despite increased CO<sub>2</sub> emissions from the energy industry and the transport sector.

52. The Netherlands participates in achieving the EU quantified economy-wide target to achieve a 20 per cent reduction of emissions by 2020 compared with the 1990 base-year level. The target for the EU and its member States is based on the European Union's energy and climate package. This includes the EU ETS and ESD. Emissions and removals from the LULUCF sector are not included in the quantified economy-wide target.

53. The Netherlands participates in and contributes to the EU target of a 20 per cent emission reduction under the Convention. Emissions that fall under the EU ETS sector contribute to the EU wide ETS target of a 21 per cent reduction by 2020 compared with 2005. For the non-EU ETS sector (excluding LULUCF), the EU wide target of a 20 per cent emission reduction in 2020 compared with the base year has been translated into a 16 per cent reduction target for the Netherlands (compared with 2005). This corresponds to maximum emissions of 104 Mt CO<sub>2</sub> eq in 2020.

54. According to the reported information, the emissions in 2020 will decrease to 212 Mt CO<sub>2</sub> eq ‘with existing measures’ and to 202.8 Mt CO<sub>2</sub> eq ‘with additional measures’. This includes emissions from both the EU ETS and non-EU ETS sectors. For the non-EU ETS sector, the emissions are expected to decrease to 99.4 Mt CO<sub>2</sub> eq ‘with existing measures’, which implies that the Netherlands is on track to meet its 2020 target for the non-EU ETS sector.

55. In the BR1, the Netherlands has provided detailed information on the financial, technological and capacity-building support provided to non-Annex I Parties, including fast-start finance related projects and climate relevant projects in other programmes. The Netherlands also clarified how financial resources that it provided are “new and additional”. These resources will be directed to both mitigation and adaptation actions and projects. The transfer of technology by the Netherlands is supported mostly via support programmes for the private sector (PSI) investing in emerging markets in Africa, Asia, central and eastern Europe, and Latin America. Additionally, the Netherlands’ private sector is involved via public–private partnerships in international cooperation in the field of renewable energy and sustainable production.

56. In the course of the review, the ERT formulated several recommendations relating to the transparency of the Netherlands’ reporting under the Convention. The key recommendations<sup>6</sup> are that the Netherlands:

- (a) Improve the completeness of reporting by including in the next BR the following:
  - (i) Information in table 8 (BR CTF);
  - (ii) Information on enhancement of endogenous capacities and technologies of developing countries the tracking of commitments and expenditures related to climate change;
- (b) Improve the transparency of reporting by including in the next BR information on the tracking of commitments and support provided to developing countries related to climate change.

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<sup>6</sup> The recommendations are given in full in the relevant chapters of this report.

## Annex

### Documents and information used during the review

#### A. Reference documents

“UNFCCC biennial reporting guidelines for developed country Parties”. Annex to decision 2/CP.17.

Available at <<http://unfccc.int/resource/docs/2011/cop17/eng/09a01.pdf#page=4>>.

“Guidelines for the technical review of information reported under the Convention related to greenhouse gas inventories, biennial reports and national communications by Parties included in Annex I to the Convention”. Annex to decision 23/CP.19. Available at <[http://unfccc.int/files/meetings/warsaw\\_nov\\_2013/decisions/application/pdf/cop19\\_review\\_crf.pdf](http://unfccc.int/files/meetings/warsaw_nov_2013/decisions/application/pdf/cop19_review_crf.pdf)>.

FCCC/ARR/2012/NLD. Report of the individual review of the annual submission of the Netherlands submitted in 2012. Available at <<http://unfccc.int/resource/docs/2013/arr/nld.pdf>>.

FCCC/ARR/2013/NLD. Report of the individual review of the annual submission of the Netherlands submitted in 2013. Available at <<http://unfccc.int/resource/docs/2014/arr/nld.pdf>>.

FCCC/IDR.5/NLD. Report of the in-depth review of the fifth national communication of the Netherlands. Available at <<http://unfccc.int/resource/docs/2011/idr/nld05.pdf>>.

Sixth national communication of the Netherlands. Available at <[http://unfccc.int/files/national\\_reports/annex\\_i\\_natcom/submitted\\_natcom/application/pdf/the\\_netherlands\\_nc6\[1\].pdf](http://unfccc.int/files/national_reports/annex_i_natcom/submitted_natcom/application/pdf/the_netherlands_nc6[1].pdf)>.

First biennial report of the Netherlands. Available at <[http://unfccc.int/files/national\\_reports/biennial\\_reports\\_and\\_iar/submitted\\_biennial\\_reports/application/pdf/the\\_netherlands\\_br1.pdf](http://unfccc.int/files/national_reports/biennial_reports_and_iar/submitted_biennial_reports/application/pdf/the_netherlands_br1.pdf)>.

2013 GHG inventory submission of the Netherlands. Available at <[http://unfccc.int/national\\_reports/annex\\_i\\_ghg\\_inventories/national\\_inventories\\_submissions/items/7383.php](http://unfccc.int/national_reports/annex_i_ghg_inventories/national_inventories_submissions/items/7383.php)>.

#### B. Additional information provided by the Party

Responses to questions during the review were received from Mr. Harry Vreuls (RVO.nl), including additional material on updated policies and measures, greenhouse gas projections, the national registry and recent climate policy developments in the Netherlands. The following documents<sup>1</sup> were also provided by the Netherlands:

Ministerie van Infrastructuur en Milieu, 2013. *Summary of Mobility Report 2013*.

RVO, 2011. *Private Sector Investment Programme: project overview 2011*.

RVO, 2012. *Private Sector Investment Programme: project overview 2012*.

Martijn Verdonk and Wouter Wetzels, 2012. *Referentieraming Energie En Emissies: actualisatie 2012*.

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<sup>1</sup> Reproduced as received from the Party.