Climate Dialogues 2020

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Multilateral Assessment A compilation of questions to - and answers by -Netherlands exported on 05 November 2020 by the UNFCCC secretariat Question by United States of America at Monday, 07 September 2020 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 07 September Title: Pilot Carbon Market for non-EU ETS emissions

Can the Netherlands elaborate on the pilot carbon market for greenhouse gas emissions that are not covered by the EU ETS (p. 45), by providing a brief summary of how this program will be implemented and its current implementation status?

Answer by Netherlands

The Green Deal National Carbon Market (as mentioned in the BR4 on page 45)was signed in May 2017 by the government, companies, local initiatives and nature and environmental organizations. As a spin off The National Carbon Market Foundation (in Dutch Stichting Nationale Koolstofmarkt (SNK) was founded on 24th of December 2019. In this foundation 24 organisations are participating.

The National Carbon Market Foundation supports the voluntary national carbon market by assessing plans, issuing certificates and mediating between providers and buyers. It guarantees the quality of the carbon certificates, so that the market can trust that the emission reduction or carbon sequestration stated on the certificate has actually been achieved. SNK has established a set of methods for different project types for calculating emission reductions (the "Rulebook"). Project parties use these methods when drawing up a project plan that is validated by SNK. Projects with a validated project plan can start and reduce emissions. The emission reduction achieved is verified by independent experts. SNK issues certificates to the project parties for verified reductions.

At the moment there are 3 Rulebooks approved: Process from project plan to issue of certificates (January 2020); Additionality of emission reductions (August 2020); and CO₂ reduction calculation for electricity in the light of the ETS (February 2020). While a number of projects is in the process of approval, there are yet not voluntary certificates issued.

More information (only in Dutch) is available at https://nationaleco2markt.nl/

Question by Republic of Korea at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Mitigation actions

Greenhouse gas emissions for Non-ETS in 2005-2018 presented in Table 4.1 and Figure 4.1 indicate that Non-ETS emissions had increased in the period 2014–2017. It is explained in the BR4 that

Non-ETS emissions fluctuate depending on weather (e.g. mild/cold winters), industrial activities, transport, and livestock. What are the main components of the Netherlands' policy efforts for the Non-ETS emissions reduction during 2021-2030 period, especially taking into account the exogenous factors that affect the Non-ETS emissions level?

Answer by Netherlands

The government proposed new policies for the period 2021-2030 in June 2019. These policies were largely based on the Climate Agreement, which was negotiated by many national stakeholders and builds on the 2013 Energy Agreement, which will expire in 2020 (2023 for renewable energy). The Climate Agreement (in English) is available at:

https://www.klimaatakkoord.nl/klimaatakkoord/documenten/publicaties/2019/06/28/national-clim ate-agreement-the-netherlands

The main policies affecting non-ETS emissions are

- Energy taxation
- A national CO2 tax for industry
- Grant for CO2-reducing measures (through the SDE++ subsidy scheme)
- Stimulation of electric transport, using for example fiscal benefits and grants, developing infrastructure for alternative fuels and electric vehicles.
- Various policies in the built environment, aiming at different actors (home-owners, landlords, social housing corporations etc); policies vary from building norms, loans and subsidies
- Manure processing and storage (including subsidizing manure fermentation), feed optimization
- Land use related policies, such as forestation and water level management (for peat meadows)

A complete overview of policies for the 2021-2030 is included in paragraph 3.1 of the National Energy and Climate Plan (NECP) which the Netherlands, as an European Union Member State, submitted in December 2019 to the European Commission. This plan is available at https://ec.europa.eu/energy/sites/ener/files/documents/nl_final_necp_main_en.pdf

Question by Australia at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: sustainable fuels and non-emission vehicles

The Netherlands fourth Biennial Report mentions the Government's new ambitions and measures to advance sustainable fuels and non-emission vehicles for the period up until 2030. Are these measures incentive based or are they enforceable undertakings and standards?

Answer by Netherlands

Based on European guidelines, biofuels are blended up to a specified mandatory & enforceable norm. In addition, a Hydrogen Agreement will be concluded (as well as various green deals that have already been agreed) and (via the SDE++) efforts are being made to increase the production and use of sustainable advanced biofuels and renewable synthetic fuels to achieve cost-effective CO $_2$ reductions.

Based on European standards there is already an incentive to electrify part of the fleet using mandatory & enforceable limits on the average CO₂ -emissions per km (tank-to-wheel). To accelerate this at the national level, a package of measures is being implemented to encourage the purchase and use of electric cars (mostly incentives). There is a specific focus on the second-hand market for electric vehicles. Since an alternative structure of car taxation will be necessary in the long term, the government will investigate three variants of payment, outline the necessary preparations and, where possible or necessary, make these preparations for the next government. This includes the aspect of the desired stimulation of electric vehicles, in line with the government's aim for 100% new sales by 2030. In addition, the National Agenda for Charging Infrastructure will be implemented, which aims to provide national coverage of charging points and fast charging points for electric passenger cars. To this end, efforts are being made, for example, to accelerate the roll-out of charging infrastructure and with regard to innovations with the aim of making electric charging as easy as charging your phone.

In March 2020 the Cabinet sent the "Government's vision on hydrogen" to the Parliament. In this document it is announced that to support the ambitions mentioned in the Climate Agreement (in 2025 50 gas stations, 15,000 fuel cell cars and 3,000 heavy vehicles; in 2030 300,000 fuel cell vehicles) in 2020 together with stakeholders a covenant will be signed. Covenants with the target group transport sectors, garbage trucks, zero-emission city logistics and a long-term strategy distance transport for the hinterland connections are needed to further support the roll out hydrogen. Partly in the context of Sustainable Procurement, both National and local authorities will act as launching customer. Additionally subsidy schemes will be developed for zero emissions city logistics and heavy transport.

Question by Australia at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: 2019 Climate Agreement - knowledge and innovation agenda

The Netherlands fourth Biennial Report outlines the government's 2019 Climate Agreement, which is driving mission-oriented innovation programs and has identified an integral knowledge and innovation agenda for 2050 with 5 key missions, each of which have 2030 intermediate targets. How were these missions selected and prioritised, and how does the government intend to track progress against these targets?

Answer by Netherlands

The five key missions are in line with the 2050 ambitions for the five climate sectors as agreed in the national Climate Agreement. Information on the innovation agenda for the Energy Transition is presented in section D3 (p199) in the Climate Agreement. These were initiated by the cabinet and developed by the ministries in consultation with the top sectors, knowledge institutions, companies, social organizations and regional authorities. The Cabinet selected in April 2019 on five missions: Energy Transition and Sustainability; Agroculture, Food, Water; Security and Life, health and Care, done by the Dutch cabinet in April 2019. More information (in Dutch) is available at:

https://www.rijksoverheid.nl/documenten/publicaties/2019/04/26/missies

In the Climate Agreement information on the innovation agenda for the Energy Transition section is included in section D3 (page 199):

https://www.klimaatakkoord.nl/documenten/publicaties/2019/06/28/national-climate-agreement-t he-netherlands

In accordance with the Climate Act, the progress on the implementation of climate policies (including innovation programs) is monitored by the Climate policy monitor, which will be published by the government annually (1st to be published in November 2020). Together with the projections and distance to target analysis in the National Climate and Energy Outlook (the "KEV"), the government is able to monitor progress and announce new policies if necessary.

Attachment: Climate Agreement 2019.pdf

Question by Australia at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Long Term Agreements on Energy Efficiency

The Netherlands fourth Biennial Report notes that the Long Term Agreements on Energy Efficiency (LTA/LEE) covenants will not be continued after 2020, and will be followed by a national tax to stimulate emissions reductions in the industry. Will there also be a new replacement mechanism which will look specifically at energy efficiency after the LTA/LEE is discontinued?

Answer by Netherlands

In the Climate Agreement no new energy efficiency agreements as a successor for the LTA/LEE covenants has been stipulated and indeed the LTA/LEE agreements will not be continued after 2020. With the Climate Agreement the Netherlands focusses on CO₂ -reduction. With the new CO₂ -levy on top of the ETS, an incentive for ETS-enterprises is created to take cost-effective CO₂ -reduction measures. These include cost-effective energy efficiency measures.

Some of the non ETS-companies that participate in the LTA, will from 2021 onwards automatically fall under the already existing energy efficiency obligation (and/or the EU EED energy audit obligation). As this obligation is currently under revision by the government, it is possible that more companies currently under the LTA will fall under this obligation in the near future.

In addition, there are ongoing consultations on new voluntary agreements with different sectors. As of now, no clear outcome has been achieved yet. Different agreements (on energy efficiency and/or CO2 reduction) for the service sector, non-ETS large energy users and ETS-companies are considered and discussed.

Question by Japan at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Outreach on policies and measures progress on Climate Change

Japan recognizes that the dissemination of information on the progress of each policy and measure towards achieving the 2020 and 2030 emission reduction targets, as reported in the BR, is very important from the perspective of raising awareness about climate change. Please share any outreach measures you are implementing to publish and communicate the progress of main policies and measures towards the target in 2020 and 2030. Also, if you publish the information online, please provide the URLs of them.

Answer by Netherlands

In the BR4 we report in paragraph 4.13 Monitoring and evaluation of progress in climate change measures. We use various means to disseminate information on the progress of achieving policy targets. Key publications are:

- The Climate and Energy Outlook (KEV) which reports on the impact of policies and measures and to what extent policy targets for 2020 and 2030 are expected to be met. This is an annual report in Dutch. An English summary of the KEV2019 is also available <u>https://www.pbl.nl/sites/default/files/downloads/pbl-2019-climate-and-energy-outlook-201</u> <u>9-summary-3825.pdf</u>
- A new report, not mentioned in the BR4, is the Climate Policy monitor which will be published for the 1st time in October 2020. This annual monitor will be used by the Minister to report on the progress of policy implementation and its results, as required by the Climate Act.

Question by Japan at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Ban on the use of coal to generate electricity

According to page 52 in the BR4, the Netherlands will ban the use of coal to generate electricity by 2030. What will alternative power sources be used to compensate for the reduction in power generation due to the abolition of coal-fired power generation? What are the biggest hurdles for the phase-out?

Answer by Netherlands

According to the KEV2019, power production from renewable energy sources, especially from off shore wind farms, will more than compensate the power production from coal fired power plants (see figure 4.6 taken from the KEV 2019 below).

Also, interconnection capacity is increasing, enabling the increased import (and export) of electricity when needed (see table 4.6 taken from the KEV 2019 below).

For decision making on the phase-out of coal, major considerations were the financial impact for the owners of the relatively new coal fired power plants and the loss of jobs.



Electricity production in the Netherlands

Source: Nationale Climate and Energy Outlook (KEV) 2019, Figure 4.6

The Netherlands interconnection capacity in MegaWatt, 2019-2030

	2019	2020	2025	2030
NL-DE	3950	4250	5000	5000
NL-BE (BE-NL)*	1400 (2400)	1400 (2400)	3400	3400
NL-DK	0	700	700	700
NL-UK	1000	1000	1000	1000
NL-NO	700	700	700	700

Source: National Climate and Energy Outlook (KEV) 2019, table 2.1

Question by Japan at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: National Climate and Energy Outlook (KEV)

According to page 71 of the BR4, it stated that the first annual National Climate and Energy Outlook (KEV) was published in 2019. It also stated that the KEV is the successor of the annual National Energy Outlook (NEV), and it is more focused on climate change mitigation and aims to provide a factual base for the social debate on energy in the Netherlands. Could the Netherlands tell us the detailed background of the reason for the transition from NEV to KEV? In addition, if the Netherlands any effects or impacts of the transition from NEV to KEV, could France share them with us?

Answer by Netherlands

The main reason for the transition from the NEV to a KEV was the adoption of the Climate Act. This act prescribes that an outlook on GHG emissions must be made annually. With this act, the reduction of greenhouse gas emissions became the main policy objective. Up until then, the Energy Agreement from 2013 was the main policy framework for climate and energy policies. This agreement targeted the increase of renewable energy and energy savings, but had no targets on climate change. Nevertheless, the NEV, which was published annually in the period 2014 – 2017, also included projections on GHG in order to keep track on climate targets as formulated in European regulations and international agreements.

An English summary of the National Climate and Energy Outlook (KEV) 2019 is available at https://www.pbl.nl/publications/climate-and-energy-outlook-2019

Attachment: pbl-2019-climate-and-energy-outlook-2019-summary-3825.pdf

Question by Canada at Monday, 07 September 2020 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 07 September Title: Gender and climate finance

On the subject of its foreign policy agenda, the Netherlands' BR4 notes that "Gender is an important cross-cutting issue, as climate action is the most effective when it builds on the capacities of both genders and addresses the needs as well as the vulnerabilities of both." Can the Netherlands elaborate on how gender considerations are reflected in the allocation of its climate finance?

Answer by Netherlands

Depending on context and objectives, gender considerations are among others reflected/mainstreamed in climate relevant activities through availing technical and financial support for women's' participation in international dialogues and negotiations, for empowering women and women's' organizations in lobby and advocacy in regional, national and local policy development, planning and decision-making processes, for promoting gender equality in the recruitment and training for key positions and institutions, and/or for ensuring that the outputs and outcomes of program activities benefit both women and men.

Overall, the Netherlands aim to contribute to the objective of gender equality in at least 85% of all of its ODA activities. At present 58% of the climate relevant ODA projects (i.e., those having a Rio Marker for climate change mitigation and/or adaptation) also have a Gender Marker. Efforts, such as those elaborated in the below answer to the second question, are being made to further increase gender equality, sensitivity and responsiveness of the activities.

Question by Canada at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Gender and Climate Change

In the BR4, the Netherlands state that "Gender is an important crosscutting issue, as climate action is most effective when it builds on the capacities and addresses the needs as well as the vulnerabilities of both genders". What strategies, policy tools and measures are you using to ensure that climate actions, plans and policies effectively take into consideration the needs and vulnerabilities of both genders?

Answer by Netherlands

To ensure that climate-smart policies and actions are gender-responsive, the Climate Team of the Inclusive Green Growth Department of the Ministry of Foreign Affairs (IGG Climate Team) focuses on:

- 1. Integration of gender in its own portfolio of climate activities
- 2. Promotion of the integration of gender together with climate in other development activities
- 3. Promotion of the gender-responsiveness of international climate funds
- 4. Promotion of the integration of gender in the UNFCCC negotiations
- 5. Promoting the integration of gender in the NDC-Partnership
- Ad 1. Integrating gender in the climate activities managed by the IGG Climate Team

These activities focus on improving access to renewable energy, halting deforestation, reducing the risks of disasters, enhancing knowledge on the link between climate change and development, and mobilizing private climate finance. Among other targets, The Netherlands aims to provide 50 million people, at least half of them women, with access to renewable energy in 2050. Particular attention is given to the energy access needs of women and to achieving an optimal balance between access to electricity and clean cooking technologies.

The IGG Climate Team is integrating gender as a cross-cutting issue in its policy documents and activities. In principle a gender analysis is conducted in the design of new activities to ensure that they contribute to gender equality and in no case worsen it. Gender considerations based on these analyses will where relevant be made explicit in the activity's logical framework, objectives and indicators.

Ad 2. Promoting the integration of gender together with climate in other development activities supported by the Ministry of Foreign Affairs

IGG's Climate Team promotes the integration of climate change as a crosscutting theme in other thematic priorities of Dutch development policy. To this end it has developed tools and instruments such as guidelines, climate change profiles, regional climate workshops and an online climate change course. Through these instruments, and more specific also a 'Quick Reference Guide on Integrating Gender in Climate Smart Development', the Climate Team stresses the importance of, and provides guidance in, integrating gender into climate-relevant activities.

Ad 3. Promoting the gender responsiveness of international climate funds

Through IGG's Climate Team, the Netherlands contributes to important multilateral climate funds such the Green Climate Fund (GCF) and the Climate Investment Funds (CIFs), as well as to the Global Environment Facility (GEF), that is also highly climate relevant. Given their important role in the financing of climate activities, the Netherlands uses its influence in these funds to ensure that gender is integrated well in their policies and activities, in order to achieve better results for women on the ground. The goal is that gender is integrated throughout the project cycle, from project formulation, to project implementation, monitoring and the evaluation of results.

Ad 4. Promoting the integration of gender in the UNFCCC negotiations

With the adoption of the Lima Work Programme on Gender in 2014, parties to the UNFCCC have recognized the importance of involving women and men equally in UNFCCC processes and in the development and implementation of climate policies and actions that are gender-responsive. This recognition is also present in the 2015 Paris Agreement that includes numerous direct and indirect references to gender, in particular in relation to adaptation action and capacity building. Moreover, at COP23 in Bonn the Gender Action Plan (GAP) was adopted, which seeks to advance women's full, equal and meaningful participation and promote gender-responsive climate policy and the mainstreaming of a gender perspective in the implementation of the Convention. In 2019 and 2020, the Netherlands has actively participated in the review of the GAP and the negotiations on the renewal of the Gender Work Programme and GAP under the UNFCCC.

Ad 5. Promoting the integration of gender in NDCP

The NDC Partnership (NDCP) is a coalition of more than 130 countries and institutions working to mobilize support and achieve ambitious climate goals while enhancing sustainable development. From the outset, the NDC Partnership has identified gender parity as one of its ten guiding principles, with new Members signing on to the principle as part of the Partnership's efforts to

accelerate sustainable, equitable, country-driven climate action. While there has always been attention for gender in the NDCP, the Netherlands, as co-chair, has placed gender more prominently on the agenda through the development of a gender strategy and a more solid integration of gender in the NDCP's results framework. The gender strategy will aim to integrate gender considerations throughout the NDC Partnership's Work Program and its work streams of Country Engagement, Knowledge & Learning, and Communications.

Question by New Zealand at Monday, 07 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Progress towards target and key mitigation processes

As stated on page10 of BR4, in June 2019, the Dutch government announced measures in order to comply with the court ruling in the 'Urgenda' case to reduce emissions by 25 per cent in 2020 compared to 1990. Is the Netherlands on track to meet this target, and what have been the key mitigation processes which have assisted in progressing towards this target?

Answer by Netherlands

As reported in the NIR 2020, greenhouse gas emissions for the year 2018 were 188,2 Mt CO $_2$ -eq. Greenhouse gas emissions for the year 2019 are estimated to be 182.5 Mt CO $_2$ -eq, which is 18% below 1990[1].

Recently Statistics Netherlands (CBS) started to estimate CO $_2$ emission on quarterly periods. Since the start of the COVID19-pandemic in 2020, emissions have decreased significantly. On quarterly basis, CO2-emissions fell with 8.7% in the 1st quarter compared to the same quarter in 2019[2]; for the 2nd quarter CO2-emissions were even 21.1% lower[3]. This drop in emissions is mainly the result of a lower demand for power, resulting in less production by coal fired power plants. Also, transport activities significantly fell such that CO $_2$ - emissions from transport halved in this period.

In the coming National Climate and Energy Outlook (publication is foreseen in November 2020), a projection for 2020 will be included.

[1] <u>https://www.clo.nl/indicatoren/nl0165-broeikasgasemissies-in-nederland?ond=20880</u>

[2]

https://www.cbs.nl/nl-nl/nieuws/2020/26/uitstoot-co2-fors-lager-in-het-eerste-kwartaal-van-2020

[3]

https://www.cbs.nl/nl-nl/nieuws/2020/37/ruim-een-vijfde-minder-co2-uitgestoten-in-het-tweede-k wartaal-2020

Question by New Zealand at Monday, 07 September 2020 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 07 September Title: More information on the Green Deal programme

According to page 46 of BR4, the government established the Green Deal programme to stimulate green growth through saving energy and generating sustainable energy, and finding innovative solutions for green growth options in society.

Could the Netherlands provide more information on the details of these organisations, including activities and how the outputs of the deal are being utilised?

Could the Netherlands also explain how the national carbon market for emissions not covered by the EU ETS would potentially influence the price of carbon, and how the programme would mitigate this to ensure the market continues to be accessible to investors in this initiative?

Answer by Netherlands

The Dutch Green Deal program meanwhile (early 2020) encompasses some 230 Green Deals of which the majority are in the areas of energy and climate. Inherent to the nature of this PAM, the focus in deals varies quite a lot and consequently also the type of organizations that participate. Examples: some deals focus on strengthening cooperation between parties such as local governments, companies and their trade/industry organizations to embark on reconnaissance or pilots with new sustainable energy systems (e.g. smart grid or local energy systems) and gain practical knowledge on possible legal and other local bottlenecks; in other deals local/regional governments, renewable energy companies, knowledge platforms and NGO's work together to develop and exchange experiences on participation approaches for deployment of renewable energy systems. In another deal banks jointly develop improved information and guidelines to make application and approval processes for financing smaller renewable energy projects easier and less labour intensive. In the health sector some deals strengthen networks of health care organizations and local government to work on and with integrated approaches on sustainable health care and infrastructure.

Overall an estimated more than 1,000 different organizations participate in one or more of the deals, some as formal participant, others less formally only as partner in specific activities within a deal. The largest group are companies, other large groups are local governments, NGO's (including environmental, consumer and other societal interest organizations), knowledge institutes, financial institutes and health care organizations.

For example in the Green Deal Shipping, Inland Shipping and Ports (Green Deal 230: Zeevaart, Binnenvaart en Havens) that started in 2019 the following organisations are participating: Ministerie van Infrastructuur en Waterstaat, Ministerie van Economische Zaken en Klimaat, Ministerie van Defensie, Provincie Gelderland, Provincie Noord-Brabant, Provincie Overijssel, Provincie Utrecht, Gemeente Nijmegen, Centraal Bureau voor de Rijn- en Binnenvaart, Koninklijke BLN-Schuttevaer, Koninklijke Vereniging van Nederlandse Reders, Groningen Sea Ports (Havenbedrijf Delfzijl/Eemshaven), Havenbedrijf Amsterdam NV, Havenbedrijf Rotterdam, ABN Amro, ING Groenbank N.V., Coperatieve Rabobank, TNO, MARIN, TU Delft, AkzoNobel, Shell Nederland BV, Stichting Projecten Binnenvaart, Stichting ProSea marine education, Vereniging Transport en Logistiek Nederland

As reported in the BR4, the outputs of Green Deals are generally not measured directly in terms of CO₂ reduction or energy saved or generated, but rather in terms of creating better conditions for emission reduction projects, such as improved access to financial resources (e.g. through cooperation on new regional funds or through guidance's for banks on financing projects etc.), providing more space for innovative solutions in permits and regulations (through improved information or through jointly experimenting on options and possibilities for practical changes), reinforcing network cooperation for joint and participatory planning and so on. The results are many fold and often they are used in further follow up projects and approaches that contribute to emission reduction.

Detailed information on Green Deals are available in Dutch on <u>https://www.greendeals.nl/</u> This site also holds summary information in English: <u>https://www.greendeals.nl/english</u>

As stated in BR4 the national carbon market will enable organisations to sell certificates that prove emission reductions and allow other parties to offset their emissions by buying these certificates. This is a voluntary market which is not linked to EU ETS. Therefore, EU ETS does not influence the carbon price in the national carbon market and vice versa.

The Green Deal National Carbon Market (as mentioned in the BR4 on page 45) was signed in May 2017 by the government, companies, local initiatives and nature and environmental organizations. As a spin off The National Carbon Market Foundation (in Dutch Stichting Nationale Koolstofmarkt (SNK) was founded on 24th of December 2019. In this foundation 24 organisations are participating.

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Question by New Zealand at Monday, 07 September 2020 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 07 September Title: Policies in building sector

The Netherlands has a relatively comprehensive policy package to reduce emissions in the building sector. How effective has the tax exemption for electricity generated by landlords and tenants using solar panels been at reducing emissions? On page 41 of BR4, the report states that in 2013 and 2014, emissions fell due to mild winters, resulting in less energy use for space heating and reduced transport emissions. In 2015, emissions increased again, mainly due to a colder winter. What policies and measures are used to become more energy efficient independent from weather influences?

Answer by Netherlands

Net metering of solar power produced by households and land lords was evaluated in 2016. The conclusion was that net metering resulted in a lower pay-back time for small consumers (~7 years instead of ~15 years in 2015). In combination with the significant reduction of production costs of PV panels after 2011, investments in PV panels increased significantly since then.

While in 2005 the electricity production of solar power produced by households and land lords was zero, by 2018 about 8% of their electricity use was generated by 'own' solar power systems. In 2018 2,329 MW solar power was installed on houses and this increased towards 3,237 MW in 2019. For comparison, in 2015 this was 972 MW.

In the figure the development of solar power on (all) buildings in the period 2009-2018 is presented in the electricity production (in PetaJoule) and the installed power (in MegaWatt)



The weather (temperature) has influences on the heating demand for building in the winter. As cooling of building is not a common practice in the Netherlands, the impact on the electricity use in the summer is limited. For many years there are policies and measures to improve insulation of buildings. For new buildings the building regulation enforce already decades higher insulation standard while subsidy schemes stimulated insulation of existing building. As a result by 2018 on average 86% of the roof of houses was insulated, while the 85% of the glazing was at least double glazing.

When evaluating the impact of policies and measures on a national level, the energy consumption is corrected for weather influences. Otherwise changes in policy outcomes would not be comparable to other years.

Question by New Zealand at Monday, 07 September 2020 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 07 September Title: Reductions in methane from enteric fermentation

Reductions in CH₄ from enteric fermentation are largely attributed to the incidental effects of phosphate and manure policies. CH₄ from enteric fermentation is stated to have reduced in the period 2017-2020 due to these indirect policy interventions and is then expected to remain stable until 2030. Are any policy interventions intended to achieve further reductions in CH₄ from enteric fermentation, in particular any that target this source of emissions directly?

Answer by Netherlands

As part of the implementation of the Dutch Climate Agreement an integrated approach to reduce CH 4 and NH 3 emissions is formulated. Regarding enteric fermentation, several research projects have been funded with the aim reduce these emissions by adaptations in feed components or by choosing other cow breeds. Various possible solutions are tested in field experiments on the spot, in cooperation with farmers.

Next to that, innovations aiming to reduce stable emissions using an integral approach and investments in proven concepts are subsidized with the new subside scheme SBV[1].

The overall target in the Dutch Climate Agreement is a reduction of 1 Mton CO₂ eq of CH₄ emissions in the livestock farming in 2030. Detailed information is included in section C4.4 Emissions reduction in livestock farming (page 133-142) of this Agreement, available at https://www.klimaatakkoord.nl/documenten/publicaties/2019/06/28/national-climate-agreement-the-netherlands

[1] https://www.rvo.nl/subsidie-en-financieringswijzer/innovatie-en-verduurzaming-stallen

Attachment: Climate Agreement 2019.pdf

Question by New Zealand at Monday, 07 September 2020 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 07 September Title: Accountability measures for achieving targets under the Agrocovenant

The Agrocovenant is stated to include specific targets for the agricultural sector. Are any accountability measures in place to ensure that the agricultural sector achieves progress toward the targets under the Agrocovenant?

Answer by Netherlands

Indeed, the Agrocovenant followed a programmatic approach, with structural monitoring and reporting of the results. Due to the integrated approach of the different targets, many instruments and policies are involved in these measures. Examples are mandatory energy saving measures, subsidy schemes and tax measures for renewable energy, and integrated manure policies. Overall in the period 2009-2016 about 11.9 billion euro of tax measures for renewable energy, 3.1 billion of green investments and 0.6 billion in the MIA/VAMIL scheme were related to agricultural activities.

More detailed numbers are available on the internet, including the results in greenhouse gas reductions: <u>https://www.rvomagazines.nl/rvopublicaties/2018/01/instrumenten</u> and <u>https://www.rvomagazines.nl/rvopublicaties/2018/01/voortgang</u>

Question by New Zealand at Monday, 07 September 2020 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 07 September Title: Rationale for structure of target

The Netherlands has adopted a target that separates CO_2 and all non- CO_2 greenhouse gases. Can the Netherlands provide additional information on the rationale for the structure of this target, as opposed to splitting the target for each gas or between long-lived and short-lived gases?

Answer by Netherlands

The Netherlands has adapted a target for all greenhouse gas emissions together. For this reason the numbers are mainly presented in CO₂ equivalents. Nevertheless there are policies to reduce non-CO2 greenhouse gases, where relevant, like CH4 and N2O emissions in the agricultural sector or N2O reductions were achieved in nitric acid production.

The targets in the Climate Act for 2030 and 2050 are also relate to all greenhouse gases.

Question by China at Friday, 04 September 2020 Category: Progress towards the achievement of its quantified economy-wide emission reduction target Type: Before 07 September Title: Additional PaMs

According to the TRR, several new PaMs related to the 2030 climate and energy framework were available before May 2019 (which should be included as Netherlands explained) were not reported in BR4. Could Netherlands provide the information?

Answer by Netherlands

The projections described in the BR4 in chapter 5 are based on the National Climate and Energy Outlook (KEV) 2019. The KEV takes assumptions on policies into account up to May 2019. As indicated in chapter 4, new policies and measures were announced in June 2019, both for the 'Urgenda case' as in relation to the Climate Agreement. This meant that the projections were not able to include those new PAM's. The exception was the measure to close the Hemweg coal-fired power plant by 1 January 2020, which is included in CTF table 3 and in both the WEM and WAM projection scenarios. In the KEV 2020 the new policies and measures as announced in June 2019, but also those additional one up to May 2020 will be included.

In chapter five we give a description of all PAMs that were known at the end of 2019, including the new PAM's. Since many details of these new PAM's were not known yet, the descriptions were rather brief.

In the BR4 (page 77-78) in Text box 5.1 we summarized the effects of the Climate Agreement on greenhouse gas emissions, showing what the differences are in the projected emissions by 2030

Sector	2018 ^a [Mton]	Foreca [Mton		
		Emission s in KEV 2019 (WAM)	Reductions from Climate Agreement	Emissions with Climate Agreement
Built environment	24.4	19	1.3 - 3.8	15.2 - 17.7
Mobility	35.6	32.9	1.3 - 3.6	29.3 - 31.7
Industry	57.2	54.2	14.3 ^b	39.9 ^b
Electricity	45.2	13.7	-0.3 - 2.5	11.2 - 14
Agriculture	26.9	24.5	1.7 - 4.3	20.2 - 22.8
Land usec	5.6d	5.6	1.5 - 2.4	3.2 - 4.1
Total	189.3	144.3	18 - 28	116 - 126
Total (including land use)	195	149.9	20 - 31	119 - 130

Table: Greenhouse gas emissions per sector in 2018 and in 2030 based on the KEV 2019 and the expected effects of the Climate Agreement.

^a Provisional figures

⁹ As decisions concerning the design of the set of instruments are yet to be made, these figures serve as a point of reference

for the analysis rather than results.

⁴ LULUCF, Land Use, Land-Use Change and Forestry

"Emission levels for 2017: figures for the emissions from land use in 2018 are not yet available.

Question by China at Friday, 04 September 2020

Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 07 September Title: PaMs details

According to TRR, several PaMs were reported twice in Netherlands BR4. Could Netherlands provide a more detailed and clear classification and implementation status of its PaMs.

Answer by Netherlands

It is correct that several Policies and Measures (PaMs) are reported twice both in CTF table 3 and table 4.2 of the BR4 (e.g. the Agro Covenant, the EU ecodesign framework directive and the energy tax). The reason for this is the changes in the content of PaMs due to the introduction of the 2013 Energy Agreement, while keeping the same name for the PaMs. The PaMs included in the first section of table 4.2 labelled as Non Energy Agreement Policies "groups of PaMs" were already in place before the introduction of the 2013 Energy Agreement. The estimated mitigation impact in 2020 as presented in this section of the table are those from measures prior to 2013 Energy Agreement. Any PaMs that have been adjusted since 2013 owing to the Energy Agreement were

reported separately in the second section section of table 4.2 labelled as Actions under the Energy Agreement 2013. For those "groups of PaMs" the estimated mitigation impact in 2020 in CTF table 3 and table 4.2 of the BR4 are restricted to the additional/adjusted actions included in the Energy Agreement. This means that the impact of these adjustments was reported separately from the impact of the (group of) PAMs before those adjustments were made.

All PAM's mentioned in CTF table 3 are classified as "implemented", except for the ban on the use of coal in power plants which as the status "planned". Implemented means that the PAM officially announced and instrumented (budgets, responsibilities etc). Planned PAM are only announced by government, but not yet instrumented or legally adopted.

We recall that the estimates are based on the KEV 2019, that takes assumptions on policies into account up to May 2019. So not all implemented PAM's could be included in the projections, thus an impacted could not be indicated. More information on this is included in the answer to the question on additional PaMs.

Question by China at Friday, 04 September 2020 Category: Assumptions, conditions and methodologies related to the attainment of its quantified economy-wide emission reduction target Type: Before 07 September Title: Estimation of PaMs

In BR4, Netherland provided an estimation of the mitigation impacts of PaMs in the energy sector, could Netherland estimate the impacts of PaMs in other sectors and explain how it address the cross-sectoral policies?

Answer by Netherlands

In the BR4 the impact of PAM's not only relevant to the energy sector, but also for PAMs that are relevant to other sectors, such as for industry, transport, buildings, and agriculture are reported. Some PAM's have impact on multiple sectors, such as energy taxes, renewable energy subsidies (SDE and ISDE) and fiscal benefits (EIA, MIA/VAMIL). The impact of such policies, which often interact with other (sectoral) policies, were taken together with other (sectoral) policies in order to avoid double counting. It is therefore not always possible to distinguish the impact between interacting PAM's. The impacts by 2020 are summarized in BR4 table 4.2.

Question by China at Friday, 04 September 2020 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 07 September Title: Market-based mechanism

Netherlands reported limited on the use of market-based mechanisms by EU ETS operators in BR4. Could Netherlands provide more information on this issue?

Answer by Netherlands

In the BR4, section 3.1 on page 35, when reporting on the European Union target under the Convention, we reported that on the European leve I a limited number of CERs, ERUs and units from new market-based mechanisms may be used to achieve the target: in the ETS, the use of international credits was allowed up to specific levels set in the EU ETS Directive, amounting to over 1500 million CER and ERU entitlements in the period up to 2020).

Since 2015 the European Commission publish at least once a year the total number of international credits exchanged.

Since 31 March 2015, only credits issued in relation to emissions reductions during the second commitment period of the Kyoto Protocol (so-called "CP2-credits") can be exchanged in the EU Emissions Trading System.

In the most recent publication of May 2020 the European Commission published that the total number of international credits exchanged - European wide - amounts to 479.6 million (since March 2014). This is an increase of around 27.4 million credits compared to the number of international credits exchanged published in June 2019. A total of 94.2 million CP2 credits (Certified Emission Reductions - CERs) have been exchanged since March 2014. On the website https://ec.europa.eu/clima/news/updated-information-exchange-and-international-credit-use-eu-et_s-4_en the European Commission also made available more information on the number and type of credits exchanged by 30 April 2020, by country of origin, project and commitment period. Such overviews were also published together whit the publication of the number of number of international credits in previous years.

The final information on exchange and use of the international credits will be published by the European Commission in May 2021.

Question by China at Friday, 04 September 2020 Category: All emissions and removals related to its quantified economy-wide emission reduction target Type: Before 07 September Title: LULUCF PaMs

No information was provided on LULUCF sector PaMs in CTF table 3. Could Netherlands provide more information on this or explain why the data is omitted.

Answer by Netherlands

We want to recall that the pledge does not include the LULUCF sector, as reported in chapter 2 of the BR4. Nevertheless we reported in the BR4 also on Policies and Measures in the LULUCS, while noting that there were no policies that explicitly aimed to reduce GHG emissions from LULUCF by 2020 (see BR4 page 60). However, other policies with different objectives contributed to the reduction of carbon emissions or improving removals from LULUCF. The 2019 Climate Agreement defines the ambition to reduce emissions from LULUCF by at least 1.5 Mton CO ₂ -eq. by 2030 (in accordance to the EU LULUCF regulation from 2018). Measures will be introduced to lower emissions from peatlands and land use (change), and a strategy will be developed and measures introduced to increase carbon storage in forests. When these measures are known, the impact could be included more explicitly in the modelling and future reporting.

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