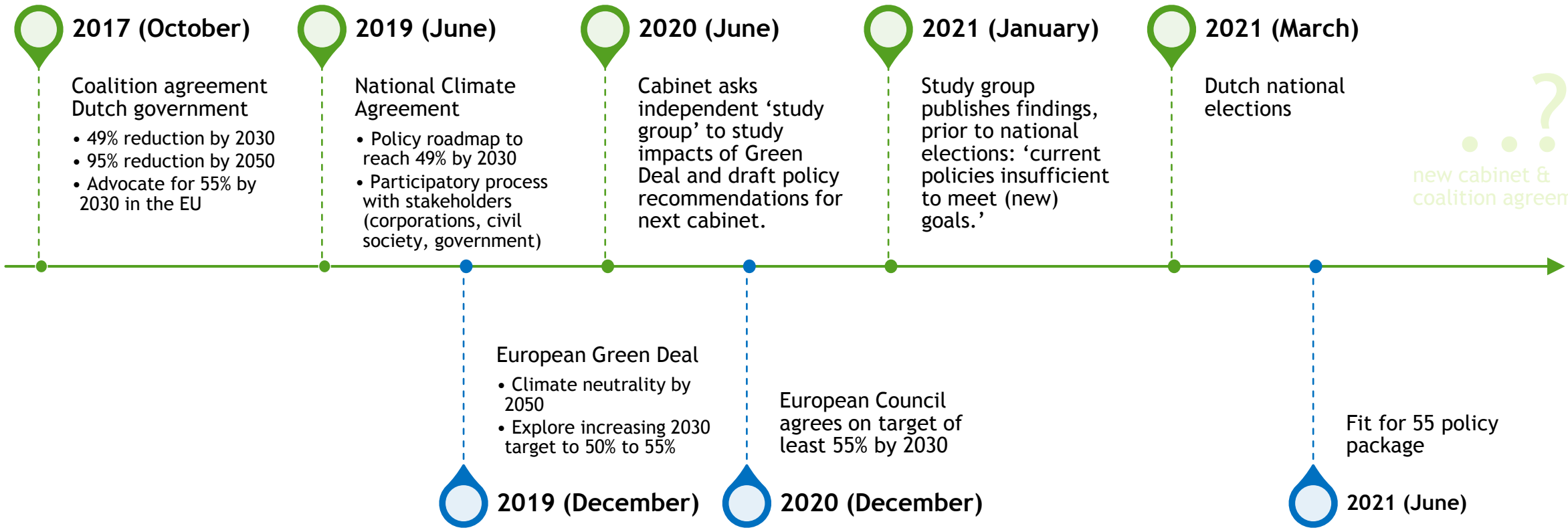
Climate policy in the Netherlands: climate agreement & strategic LT- policy challenges

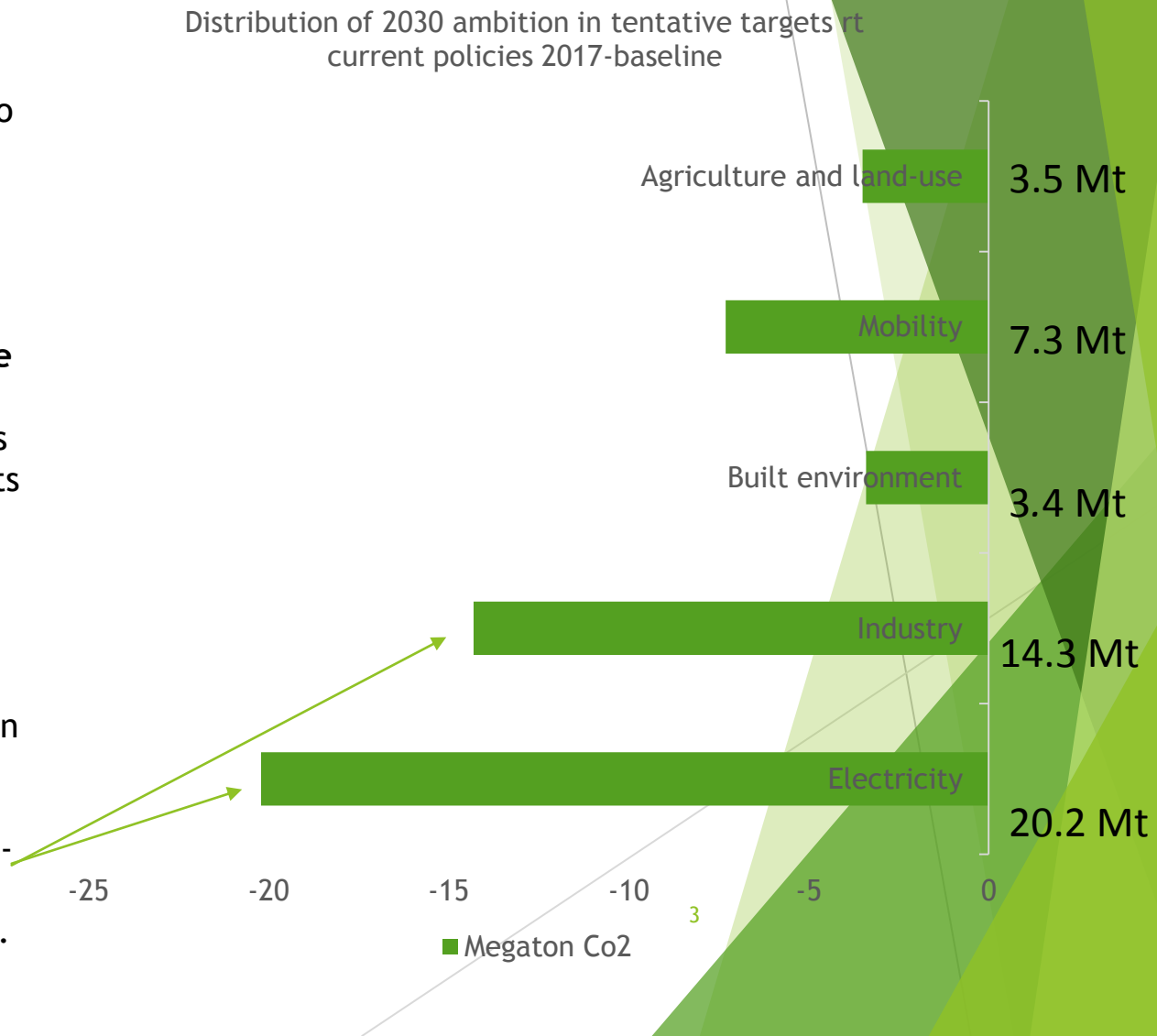
LIFE Climate Path 2050 International Conference
Designing Pathways toward Climate Neutrality

Context


2017 (October)
Coalition agreement Dutch government
• 49% reduction by 2030
• 95% reduction by 2050
• Advocate for 55% by 2030 in the EU
2019 (June)
National Climate Agreement
• Policy roadmap to reach 49% by 2030
• Participatory process with stakeholders (corporations, civil society, government)
2020 (June)
Cabinet asks independent 'study group' to study impacts of Green Deal and draft policy recommendations for next cabinet.
2021 (January)
Study group publishes findings, prior to national elections: 'current policies insufficient to meet (new) goals.'
2021 (March)
Dutch national elections
. . ?
new cabinet & coalition agreement?
European Green Deal
• Climate neutrality by 2050
• Explore increasing 2030 target to 50% to 55%
2019 (December)
European Council agrees on target of least 55% by 2030
2020 (December)
Fit for 55 policy package
2021 (June)

Current NL climate policy in a nutshell: The climate law & first climate plan based on 2019 Climate Agreement

- **National goal:** -49% CO2-reduction by 2030 (relative to 1990), and -95% in 2050, set by law. -49% in 2030 was based on the desiredness of a **gradual (and lineair) transition path towards 2050**.
- For Climate Agreement, **ambition for 2030 was translated into tentative targets in 5 sectors relative to the 2017-current policies baseline** (→pictured right): based on analysis of national cost-effectiveness by the Environmental Assessment Agency (PBL). Targets served as **starting point for talks at each of the 5 'tables'** of the climate agreement.
- Thus, **relative strong focus on implementation of cost-effective techniques towards 2030,** while preparing for 2050 through mission-oriented innovation agenda's.
- **Greatest reductions in ETS** through phase-out of coal-fired electricity, phase-in of renewables, and cost-effective reduction of emissions in industry (e.g. CCS).



Policy changes are on the horizon in response to updated 2030 and 2050 targets

- **Dutch climate Act** will be amended to allign national act with EU-climate act and target of climate neutrality in 2050.

- **Policy changes needed to reach 2030-target(s):**
  - Policy mix insufficient for -49%: Based on the most recent insights, implemented and planned policies will lead to about 43% reduction by 2030.
  - In addition, implement policies to meet higher ESR-target.

- **2050 is the ultimate target: requires (stronger) focus on long-term strategy:** NL policy has to (better) account for preparing for reduction efforts beyond 2030, taking into account the impact of climate neutrality, translating it into short-term policy choices.

Note: political decisions expected as part of new coalition agreement (talks on new cabinet in NL are ongoing since march 2021).

Important challenges

- ‘Incremental (national cost-effective) approach’ vs (planning for) necessary **‘transition of systems’** needed to achieve climate neutrality.
- **Intersectoral coördination & planning** for the spatial, technological & social choices in the **transition of the energy system** (e.g. prioritizing in infrastructure planning, relevant in all sectors but especially for transition in energy-intensive industry).
- Developing **detailed pathways to climate neutrality** in different sectors and account for their cross-sectoral impacts.
- The role of **negative emissions.**
- How to bring about **behavourial change** that is an integral part of every climate neutrality scenario?
- Adressing **just transition concerns** (e.g. in built environment)

END