

Appendix to the letter to parliament containing the annual report on the action plan on policy coherence for development

15 May 2024

The main results achieved in relation to the individual themes included in the action plan on policy coherence for development in the period from 1 April 2023 up to and including 31 March 2024 are presented below.

The report was written on the basis of qualitative and quantitative action plan indicators. Gender aspects have been included wherever relevant. A brief description of the action plan's goals, linked to the relevant Sustainable Development Goals (SDGs), is included for each theme.

Reducing the Netherlands' climate, land and water footprint

Parliament will receive a letter concerning the National Biodiversity Strategy and Action Plan (NBSAP) before summer 2024. If necessary, this goal will be updated next year based on that letter.¹

(SDGs 6, 7, 8, 12, 13, 14, 15)

Sub-goal 1: Dutch financial flows are consistent with the pathway towards low greenhouse gas emissions and climate-resilient development (Art. 2.1.c of the Paris climate agreement).

Indicators and results

1) Measures taken to phase out public financial support to fossil fuel activities abroad

As of 1 January 2023 the Netherlands is no longer providing export support to fossil energy projects. This is when the Glasgow Statement on aligning international public support with the clean energy transition entered into effect. As a result, new applications for projects in the fossil energy sector are no longer eligible for export credit insurance (EKV). The EKV instrument has also been greened. In 2023 Atradius Dutch State Business (ADSB), which implements the instrument, issued 55 export credit insurance policies to companies for transactions that could be classified as green. This represents an increase over previous years (cf. 46 policies in 2022 and 27 in 2021). As of last year, the additional costs associated with a green solution can be fully financed from the Development Related Infrastructure Investment Vehicle (DRIVE).

In addition, various instruments implemented by the Netherlands Enterprise Agency (RVO), Invest International and the Dutch development bank FMO have been greened. As of 1 January 2023 this is the case for the following RVO schemes: SIB (Support International Business), PIB (Partners for International Business) and DHI (Grants for demonstration projects, feasibility studies and investment preparation studies). Currently over half of the projects participating in PIB focus on sustainable themes such as green hydrogen, offshore wind power and sustainable construction. In 2023 over 40% of applications to DHI were for projects or studies described as green. After all applications are assessed, it is expected that around 25% will qualify as green.

¹ The NBSAP will be drafted in 2023, as announced in the letter of 7 March 2023 to the House of Representatives on the outcomes of the UN Biodiversity Conference (COP15). The NBSAP will have a government-wide scope. If all goes to plan, the NBSAP for the Kingdom of the Netherlands will be submitted to the House of Representatives in the first quarter of 2024. Additional efforts may be pursued for this action plan and corresponding new indicators may be formulated in response to the NBSAP, where necessary.

- 2) Number of foreign trade and development cooperation (BHOS) policy instruments that encourage green activities

The Netherlands has worked at international level to improve the conditions for export credit insurance for projects aimed at climate adaptation or mitigation. This has resulted in a revised OECD Arrangement on Officially Supported Export Credits with more generous financing terms and conditions for a broad range of climate-related economic activities, giving ADSB more scope for supporting green Dutch export. In 2023 Invest International and ADSB supported various green projects, including the construction of a green ammonia plant in Morocco. Trade missions and working visits (to South Africa, Namibia and Spain, for example) have also focused on sustainability and climate-related themes, such as the development of green hydrogen.

- 3) Actions taken to phase out tax incentives

See under sub-goal 2, Measures taken to implement the coalition agreement, in which a number of exemptions from energy taxation are phased out.

- 4) Actions taken to develop the policy agenda for sustainable financing

On 8 February 2024 the Minister of Finance, in conjunction with the Minister for Climate and Energy Policy, sent a letter to parliament on progress with the sustainable finance policy agenda.² This letter pointed to major steps that have been taken in the past year to make the financial sector more sustainable. For instance, there has been a public consultation on possible climate legislation for the financial sector, sustainability-related risks have been more firmly integrated into supervisory frameworks for banks and insurers, and negotiations are in progress on regulating sustainability assessments.

Sub-goal 2: Dutch emissions are consistent with the 1.5°C target

Indicators and results

- 1) CO₂ emission reduction in 2030

With the climate policy plans set out in the Spring Memorandum,³ the caretaker government has taken a major step towards the goal, laid down in climate legislation, of achieving a 55% reduction in greenhouse gas emissions by 2030, relative to 1990 levels. A reduction of 46 to 57% is feasible if policy that has been set in motion is continued. Supplementary policy will need to be introduced to achieve a 60% reduction. This will have to be formulated by the new government.

- 2) Measures taken to implement the coalition agreement, in which a number of exemptions from energy taxation are phased out

The government will continue working on a phased increase of the energy tax rate for natural gas applicable to large-scale consumers. At the same time, it will cut down on the number of reduced rates and exemptions from energy tax:

- the reduced energy tax rate for natural gas for the greenhouse horticulture sector will be phased out in 10 years;
- energy tax will apply from 2025 to natural gas used by combined heat and power (CHP) systems for generating heat;

² Parliamentary Paper 33 043, no. 113.

³ Parliamentary Paper 32 813, no. 1230.

- the energy tax exemption for self-produced and consumed electricity will be scrapped from 2025.

The 2024 Budget Memorandum includes a list of tax relief and other schemes that may have the effect of encouraging the use of fossil energy carriers. A more detailed assessment of the scope for phasing out these schemes has been carried out in connection with the formation of a new government. The Netherlands also advocates that such phasing out be included in the revision of the Energy Taxation Directive – part of the EU's Fit for 55 package.

Sub-goal 3: Dutch production, consumption and trade are increasingly taking place within planetary boundaries with a positive impact on combating poverty and inequality

Indicators and results

- 1) Actions in accordance with the position set out in the assessment by the Working Group for the Assessment of New Commission Proposals ('BNC assessment') of the Communication on the Power of Trade Partnerships: Together for Green and Just Economic Growth.⁴ This Communication looks at ways of strengthening commitments on trade and sustainable development in trade agreements.

In the relevant EU forums, the government has spoken of the importance of new trade agreements containing ambitious commitments on sustainability, in accordance with the Commission's revised position. The Minister for Foreign Trade and Development Cooperation also regularly raises this issue in talks with her counterparts in countries with which the Netherlands has trade relations.

* Previous annual reports included a second indicator: the introduction of national RBC legislation. This indicator has been scrapped. It is no longer relevant since the European Parliament's approval of the Corporate Sustainability Due Diligence Directive which has therefore now been formally adopted and needs to be transposed into national legislation.

- 2) Actions in accordance with the position set out in the BNC assessment of the Corporate Sustainability Due Diligence Directive.⁵ This proposal by the European Commission is aimed at encouraging businesses to help respect human rights and the environment in their own operations and in their value chains.

On 14 December 2023, the Council, the Parliament and the Commission reached a provisional agreement in the trilogue on a Corporate Sustainability Due Diligence Directive (CSDDD). On 15 March 2024 an amended version of the agreement received sufficient support from the member states in the Permanent Representatives Committee,⁶ and in April it was approved in a plenary vote by the European Parliament. The new Directive was formally adopted by the Council on 24 May 2024.⁷

The government views the new European legislation as an important milestone in responsible business conduct (RBC) policy. EU-wide rules for multinationals will ensure a level playing field as well as better protection of human rights and the environment within Europe and around the world.

- 3) The introduction of supplementary policy in the form of an RBC support office and policy for sectoral cooperation.

⁴ BNC file 4: Communication on the Power of Trade Partnerships: Together for Green and Just Economic Growth, Parliamentary Paper 22 112, no. 3489.

⁵ BNC file 1: Directive on Corporate Sustainability Due Diligence, Parliamentary Paper 22 112, no. 3393.

⁶ <https://data.consilium.europa.eu/doc/document/ST-6145-2024-INIT/en/pdf>

⁷ Parliamentary Paper 26 485, no. 435.

The RBC support office is the first point of contact for every company in the Netherlands that wants to start implementing due diligence. In addition, sector-wide cooperation will help companies incorporate RBC into their operations. The letter to parliament of 6 November 2023 describes the various strands along which sector-wide cooperation will be developed.⁸ The government will continue fulfilling a role as a partner and financier in promoting RBC and monitoring quality. The Social and Economic Council (SER) will continue supporting negotiations on and implementation of initiatives, while RVO will focus on projects, tools and guidelines on the basis of a grant policy framework.

- 4) The measures taken at international level to encourage a fair transition from a linear to a circular economy, as formulated in the National Circular Economy Programme, which is expected in late 2022.

As stated in last year's annual report, the National Circular Economy Programme was presented to the House of Representatives on 3 February 2023. The programme's international section is being elaborated, so as to incorporate socioeconomic aspects relating to the circular transition at home and abroad, in line with the motion by MPs Stieneke van de Graaf and Kauchar Bouchallikh on charting the effects on developing countries of the transition to the circular economy.⁹ The authors of the motion also emphasised that this should be a just transition. In 2023 the Ministry of Foreign Affairs and the Ministry of Infrastructure and Water Management commissioned the European Centre for Development Policy Management (ECDPM) to conduct a study into the external implications of the circular economy transition of the Netherlands and the EU.¹⁰ The ECDPM's final report accompanied a letter sent to the House on 13 February 2024.¹¹ The study confirmed that a transition to circular production does offer opportunities for improving working conditions and reducing pressure on the environment, but these benefits do not happen automatically. In developing countries, too, the parties involved will have to direct their efforts specifically at fairness in their processes. The Netherlands can support these efforts in international forums such as the EU, the OECD, ILO and WTO, and vis-à-vis companies – for instance by adopting standards on working conditions, materials and production methods. It will be up to the new government to make decisions on the next steps to be taken, based on a closer analysis of the recommendations in the ECDPM's report.

- 5) The indicative interim target and indicators will be specified in more detail in the National Circular Economy Programme which is expected in late 2022.

As stated in last year's annual report, the National Circular Economy Programme (NPCE) was published in February 2023. This programme marks a major milestone in policy on the circular economy.

It stipulates that the set of overarching targets will be worked out in detail in 2023 and 2024, with a final decision scheduled for 2024. A set of targets is needed, including more specific targets for reducing the use of primary raw materials. By reducing use of raw materials, we will contribute not only to meeting the climate and biodiversity challenges, but also to creating a clean natural environment and a clean and safe human environment and to increasing security of supply of raw materials. For this reason, a set of targets is needed that clarifies both the circularity challenge and the major societal issues that circularity will help resolve. The following framework will be used to this end:

Circularity targets, leading to:

⁸ Parliamentary Paper 26 485, no. 430.

⁹ Amended motion by MPs Stieneke van de Graaf and Kauchar Bouchallikh on charting the effects on developing countries of the transition to the circular economy (original motion: Parliamentary Paper 36 200-XII-72), Parliamentary Paper 36 200-XII, no. 102.

¹⁰ ECDPM, *External Implications of the Circular Economy Transition of the Netherlands and the EU* (2024).

¹¹ Parliamentary Paper 32 852, no. 294.

Reduced use of raw materials	Substitution of raw materials	Extended life	High-grade processing
Helping resolve societal issues:			
Combating climate change	Restoration of biodiversity	Cleaner natural and human environment	More security of supply of raw materials

- 6) Actions and results of programmes targeting mining companies and raw material chains (European Partnership for Responsible Minerals (EPRM), Climate Smart Mining (CSM), Extractive Industries Transparency Initiative (EITI))

In 2023 the EPRM issued a new call for proposals with an expanded scope: tin, tantalum and tungsten, and minerals required for the energy transition (lithium, natural graphite, cobalt, copper and nickel). In 2023 graphite was added to the Climate Mineral Explorer tool, developed as part of the World Bank’s CSM initiative. This makes it easier for companies to simulate the carbon emissions of the graphite value chain, so that they can make better informed decisions on their value chain and associated emissions.

In 2023 the EITI adopted a new standard which, thanks in part to the Netherlands’ efforts, includes a more robust gender component. The Netherlands also demands that programmes for mining and raw materials supply chains address the mitigation of negative social and environmental impacts.

For further information on how the Netherlands is working to make raw materials value chains more sustainable, please see the letter to parliament of 22 December 2023, reporting on progress with the National Raw Materials Strategy.¹²

- 7) Actions in accordance with the position set out in the BNC assessment of the Carbon Border Adjustment Mechanism Regulation.¹³ This proposal is intended to prevent the carbon leakage that is undermining EU climate policy and to encourage businesses and countries outside the EU to develop more ambitious climate policy.

The Carbon Border Adjustment Mechanism (CBAM) is being introduced in stages as of 1 October 2023. For the time being it will only apply to six energy-intensive sectors, which will limit its impact on developing countries. The EU is also willing to work with low- and middle-income countries on the decarbonisation of their manufacturing industries and will provide them with the necessary technical assistance. This is explained in the relevant BNC file. During the transitional period, which ends on 1 January 2026, an assessment will be conducted into the scope for extending the mechanism to other sectors, its effects on developing countries and possible circumvention of the regulation.

- 8) Actions in accordance with the position set out in the BNC assessment of the Review of the Generalised Scheme of Preferences (GSP) Regulation.¹⁴ The current proposal is aimed at continuing the current GSP for the 2024-2033 period, while making changes aimed at strengthening the scheme’s social, employment and climate features, among other things.

¹² Parliamentary Paper 32 852, no. 291.

¹³ BNC file 13: Carbon Border Adjustment Mechanism Regulation. Parliamentary Paper 22 112, no. 3197.

¹⁴ BNC file 5: Review of the Generalised Scheme of Preferences Regulation, Parliamentary Paper 22 112, no. 3237.

As no agreement was reached on the revision of the GSP regulation, the Commission extended the current regulation on 23 November 2023 until 31 December 2027. This means low-, lower-middle- and middle-income countries will continue to enjoy tariff preferences for the time being. No political agreement has yet been reached in the trilogue on the revision of the GSP regulation.

Sub-goal 3B: Action to reduce the Netherlands' climate, land and water footprint will take place in combination with partnerships with development cooperation countries (inclusion), sustainable economic development, and combating poverty and inequality

Indicators:

- 1) Actions aimed at putting combating poverty and inequality, combined with reducing the Netherlands' footprint, on the national, European and international agendas.
 - Promoting labour standards via participation in ILO.
 - Participation in discussions, including within ILO, on the importance and definition of 'living wage' and further steps to achieve this jointly with employers, employees and the governments of both producer and consumer countries.
 - Dutch participation in the Living Wage and Living Income Summit, taking place in Amsterdam in June 2024, and ensuring that producer countries can also take part.
 - Further development of knowledge, jointly with Dutch and EU companies and producer countries (including producers and stakeholders), on the relationship between combating child labour and achieving a living wage and living income.
 - Actions against child labour in production and supply chains, such as through the Accel Africa programme (Accelerating action for the elimination of child labour in supply chains in Africa).

- 2) Efforts aimed at incorporating this agenda in tangible and concrete ways in the sustainable transition of specific commodity supply chains, such as for cocoa and palm oil, including through the implementation of new EU legislation (e.g. the Deforestation Regulation (EUDR)).
 - With regard to the palm oil supply chain, actions could include participation in RSPO conferences, addressing not only deforestation but also living income, wages, child labour and the role of trade unions.
 - With regard to the cocoa supply chain, actions could include participation in the World Cocoa Conference in Brussels in April 2024 and engaging in talks with companies involved in the Dutch Initiative on Sustainable Cocoa (DISCO) and similar initiatives in Europe to encourage them to take account of living income, child labour and deforestation in their procurement policies.

Sub-goal 4: Supply chains of agricultural raw materials and wood to the Netherlands which fall under the Regulation on Deforestation-free Products are entirely deforestation-free by no later than 2025. Other supply chains of agricultural raw materials will follow suit in the period up to 2030, as part of the Netherlands' commitment to stop deforestation worldwide in 2030

Indicator and result

- 1) Dutch actions in relation to the EU Regulation on Deforestation-free Products

The EU Regulation on Deforestation-free Products came into force in June 2023. It lays down that products in seven commodity groups may not enter the EU market if they are linked to deforestation or forest degradation. The Netherlands is now fleshing out national and EU rules (Parliamentary Papers 22 112, no. 3281 and no. 358) for the regulation's implementation and enforcement. In the interests of effective implementation, the government is also working with

like-minded partners to strengthen collaboration with producer countries and major consumer countries. The Netherlands provided support and a financial contribution to a new Team Europe Initiative (TEI) on Deforestation-free Value Chains which was launched at COP28. This approach is in keeping with the government's commitment, as described in the Global Climate Strategy, to double its contribution to ending deforestation as of 2025. It also aligns with the stronger focus on biodiversity as part of foreign trade and development cooperation policy (see also sub-goal 6, indicator 2 below).

Sub-goal 5: The business community and financial sector use natural capital accounts and are transparent with regard to their impact and dependence on biodiversity and natural capital

Indicators and results¹⁵

- 1) Relevant actions taken, results achieved and additions made to the Nature-Inclusive Agenda

The Nature-Inclusive Agenda 1.0 has been implemented. The action point on supporting the Taskforce on Nature-related Financial Disclosures (TNFD) has been completed with the launch of the TNFD framework. Development of the Agenda 1.0 continued and has now resulted in a [Nature-Inclusive Agenda 2.0](#), which aims to enlarge, accelerate and strengthen the movement in 2024/25. The ambitions and activities of the parties in this public-private partnership are aimed, among other things, at bringing their reporting in line with the CSRD. The caretaker government and subnational authorities recently presented their response to the Nature-Inclusive Agenda 2.0.¹⁶ The Nature-Inclusive Agenda initiative also commissioned a group of external financial experts to draft an [Agenda for Nature-Inclusive Investment](#), defining points of departure, instruments and measures to help achieve Agenda 2.0.

- 2) Measures taken to support further development and application of the Ecosystem Services Valuation Database (ESVD)

Between 2022 and 2024 the Ministry of Agriculture, Nature and Food Quality awarded another grant to the Foundation for Sustainable Development (the grant period ended on 29 February 2024) to further develop the Ecosystem Services Valuation Database. Activities focused on better meeting users' requirements, including new data points in areas where financial institutions in the Netherlands operate, and improving the quality of data, for instance by establishing expert groups and using automated consistency checks to verify data. All this will boost confidence in and promote the use of the ESVD. Consultations are currently taking place on the next steps and whether there will be a follow-up grant application.

- 3) Measures taken to support MVO Nederland in the field of application

The Ministry of Agriculture, Nature and Food Quality awarded a grant to MVO Nederland for the period up to April 2024 to encourage businesses - especially in the agrifood and construction sectors - to perform natural capital analyses and take natural capital into account in their decision-making, with a view to promoting nature-inclusive business operations. A Community of Practice set up around this issue has helped at least 130 big companies implement the EU Corporate Sustainability Reporting Directive (CSRD), with a special focus on biodiversity. The possibility of a two-year follow-up to the programme is being explored. The focus would in that case shift more towards cross-sectoral activities to further mainstream the issue of natural capital in the transition to a nature-inclusive society. We are also exploring how we could organise support for both big companies and SMEs in complying with the CSRD.

¹⁵ Indicators 3 to 5 were added after the action plan was published.

¹⁶ Parliamentary Paper 33 756, no. 368 and

[Assessment of the Nature-Inclusive Agenda 2.0 by the Association of Provincial Authorities; response of the Association of Netherlands Municipalities to the Nature-Inclusive Agenda; Assessment of the Nature-Inclusive Agenda by the Dutch Water Authorities.](#)

- 4) Measures taken to support the Taskforce on Nature-related Financial Disclosures (TNFD) in developing and applying the TNFD framework

The Ministry of Agriculture, Nature and Food Quality awarded a grant to TNFD to test, jointly with the World Business Council, the measurement and reporting framework in a pilot project with 23 businesses in the agriculture, construction and energy sectors. The findings have been synthesised in a document containing suggestions for improvement and requests for additional guidance on, for instance, setting goals for sectors for which not much data is available, conducting scenario analyses and setting priorities within value chains. A follow-up grant is currently under consideration.

- 5) Measures taken to support the Partnership for Biodiversity Accounting Financials (PBAF)

The Ministry of Agriculture, Nature and Food Quality asked the PBAF to integrate ecosystem services in its standard. Supplemented in this way, the standard will offer financial institutions a harmonised, transparent and targeted approach for determining the impacts, dependencies, risks and opportunities of ecosystem services such as pollination, and expressing these in monetary units. Such information can result in more nature-aware and nature-inclusive financing decisions and the adoption of nature-inclusive investment models.

Sub-goal 6: Dutch policy has no possible negative consequences for food production, access to water, forests and biodiversity in low-, lower-middle- and middle-income countries

Indicators and results

- 1) Measures taken as part of the biobased raw materials implementation agenda¹⁷

The government expects that the use of sustainable, biobased raw materials in high-value applications will play a key role in achieving climate neutrality and circularity in the Netherlands by 2050. Statutory sustainability criteria for biobased raw materials are the best means of limiting the environmental risks of non-sustainable production and processing of biobased raw materials, such as depletion of the soil, pollution of groundwater and surface water, atmospheric pollution and reduced biodiversity. These criteria will apply to biobased raw materials irrespective of their origin and will be laid down in a sustainable biomass decree. Preparations are currently under way to establish an advisory committee that will conduct advance checks of various certification schemes against the Dutch sustainability criteria. Besides this, it is also important to establish retrospectively whether all parties complied with the prevailing sustainability requirements. The process of designating a public supervisory authority is currently in progress. You received extensive information about this in May 2023¹⁸ and December 2023.¹⁹

- 2) Actions taken to mainstream biodiversity within foreign trade and development cooperation (BHOS) policy

In 2023 the Netherlands successfully strove for revision of the Environment Chapter, which includes biodiversity, of the OECD Guidelines for Multinational Enterprises on responsible business conduct. The updated Guidelines contain recommendations on what companies can do to avoid or limit negative effects on biodiversity.

As set out in the letter to parliament of 26 April 2023 (Parliamentary Paper 26 407, no. 147), the government plans to further strengthen action on biodiversity within BHOS. There has been dialogue with partners, including those in implementation, on how instruments/standards aimed at preventing damage to biodiversity could be modified or strengthened.

¹⁷ Parliamentary Paper 32 813, no. 617.

¹⁸ Parliamentary Paper 32 813, no. 1233.

¹⁹ Parliamentary Paper 32 813, no. 1343.

Sub-goal 7: Ensure by 2050 a transformation towards a high-quality, affordable and accessible publicly funded system of health and care provision with a minimal impact on the climate

In 2022 the National Institute for Public Health and the Environment (RIVM) conducted a study into the ecological footprint of the Dutch health and care sector. It found that 7% of the Netherlands' carbon emissions (in CO₂-eq.), 4% of waste and 13% of raw materials consumption (metals and minerals) can be attributed to this sector.²⁰ The government is therefore working on a more sustainable healthcare system²¹ through, among other things, the Implementation Programme for a greener publicly funded health and care sector 2024-2026. The programme aims to accelerate greening processes in the sector.

In addition, the Green Deal on Sustainable Healthcare 3.0 (GDDZ 3.0) defines five goals relating to sustainability:

- Promote health among patients/clients and employees;
- Raise awareness and understanding of the impact of healthcare on climate, and vice versa;
- Reduce CO₂ emissions by 55% by 2030 relative to 2018, and be climate-neutral by 2050;
- Reduce the consumption of primary raw materials by 50% by 2030, relative to 2016, and maximise circularity in healthcare by 2050;
- Reduce the environmental impact of medication

In the coming years, the following indicators will also be included in the annual report on policy coherence:

- 1) Progress with the Implementation Programme for a greener publicly funded health and care sector 2024-2026: interim report expected in the first quarter of 2025.
- 2) Progress with implementing the agreements laid down in the GDDZ 3.0: mid-term review expected at the end of 2024.
- 3) Comprehensive report on sustainability and healthcare: an interim report on targets, progress and effects of efforts to green the sector is expected to be sent to the House in early 2025.
- 4) RIVM's monitor of the ecological footprint of the Dutch health and care sector: follow-up to the 2022 baseline measurement expected in 2026.

Tackling illicit financial flows and tax avoidance

SDGs 16 & 17

Taxes and illicit financial flows are relevant policy themes relating to domestic resource mobilisation. Tackling illicit financial flows and tax avoidance is one of the goals of the revised action plan on policy coherence, and can be broken down into various sub-goals and indicators. Please note that the House will receive annual reports from the State Secretary for Tax Affairs and the Tax Administration on the effects of current and future measures to combat tax avoidance, supplementing the information below.²²

Sub-goal 1: Unilateral, bilateral and multilateral measures have been taken to tackle worldwide tax avoidance, including reducing the use of the Netherlands as a conduit country

²⁰ <https://www.rivm.nl/publicaties/effect-van-nederlandse-zorg-op-milieu-methode-voor-milieuvoetafdruk-en-voorbeelden-voor>

²¹ In December 2023, the Minister of Health, Welfare and Sport sent a letter to the House of Representatives on progress with the greening of the public health and care sector in 2023, and specifically with the Implementation Programme for a greener publicly funded health and care sector 2024-2026. Parliamentary Paper 32 813, no. 1341.

²² Parliamentary Paper 25 087, no. 294.

Indicators and results:

- 1) The number of developing and other countries participating in the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting

The Netherlands works actively with other countries within the OECD/G20 Inclusive Framework (IF) to revise the international taxation system. 145 countries, including a large number of low-, lower-middle- and middle-income countries, are now members of the IF.

- 2) The introduction of a conditional withholding tax on dividends paid to recipients in low-tax jurisdictions and tax abuse situations

A conditional withholding tax on dividends paid to low-tax jurisdictions and in situations of abuse was introduced in the Netherlands as from 1 January 2024.

- 3) Annual interest, royalty and dividend flows from the Netherlands to low-tax countries

The decline in interest, royalty and dividend flows from the Netherlands to low-tax jurisdictions observed last year has been sustained. These flows shrank from €38.5 billion in 2019 to €6 billion in 2022. Dividends (including retained earnings) formed the major part of the remaining flow. A further reduction in the remaining flow is to be expected once the conditional withholding tax on dividends to low-tax jurisdictions is introduced in 2024.²³

- 4) The number of tax treaties with low-, lower-middle- and middle-income countries with anti-abuse provisions in accordance with the minimum standard on the prevention of treaty abuse

The Netherlands has tax treaties in effect with 16 low-, lower-middle- and middle-income countries.²⁴ Agreement has been reached with 13 of these countries on including anti-abuse provisions in the treaty in question (either bilaterally or through the Multilateral Instrument (MLI)). The Netherlands is continuing to work, either bilaterally or through the MLI, towards inclusion of anti-abuse provisions in tax treaties with the low-, lower-middle- and middle-income countries with which this still has to be agreed.

- 5) Overview of countries on the EU list of non-cooperative tax jurisdictions

The list of non-cooperative jurisdictions was updated on 20 February 2024 and now comprises 12 countries. These are: American Virgin Islands, American Samoa, Antigua and Barbuda, Anguilla, Fiji, Guam, Palau, Panama, Russian Federation, Samoa, Trinidad and Tobago, and Vanuatu.²⁵ The following countries have been dropped from the list as of 24 February: Bahamas, Belize, Seychelles and Turks and Caicos Islands.

Sub-goal 2: Worldwide illicit financial flows have been tackled (SDG 16.4), including corruption (SDG 16.5)

Indicators and results:

²³ See also Parliamentary Paper 25 087, no. 320.

²⁴ The Netherlands had tax treaties with 19 such countries when last year's annual report was written. However, Moldova, Indonesia and Georgia are no longer considered developing countries, which the Netherlands defines as countries in the lowest 3 income categories of the OECD's DAC list of ODA recipients (<https://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/DAC-List-of-ODA-Recipients-for-reporting-2024-25-flows.pdf>). This list is revised every three years.

²⁵ The list will next be updated at the ECOFIN Council meeting in October 2024.

- 1) The number of developing and other countries participating in the Financial Action Task Force (FATF)

In 2022, over 200 countries and jurisdictions participated in the FATF or one of its regional sister organisations. There are currently 23 jurisdictions under increased monitoring (on the 'grey list'). These countries work actively with the FATF to address deficiencies in their regimes to counter illicit financial flows. The Netherlands supports a number of these countries by providing technical assistance (see also sub-goal 4).

- 2) The number of developing and other countries committed to implementing the Extractive Industries Transparency Initiative (EITI) standards

By the end of 2023, 57 countries had signed up to the initiative. This means they are implementing the EITI standard in their country by means of multi-stakeholder processes – collaborations between public authorities, civil society organisations and companies. In addition, there are companies, governments (including the Netherlands) and organisations that support the EITI financially or in kind. No new countries joined the EITI in 2023, but several countries – including Australia, Brazil, Burundi, Chile, Malaysia, Namibia, Poland, Romania, Rwanda, Sweden and Uzbekistan – have indicated that they will apply for membership this year. Talks are also ongoing with interested companies and financial institutions. A number of countries have been suspended for lack of progress or inadequate reporting on their progress in meeting the requirements of the standard. With regard to the organisation's goals, they are broadening from a strict focus on fossil resources to also encompass other raw materials and renewable energy.

As corruption often has a transnational reach, the Netherlands considers that harmonisation of minimum standards within the EU would have added value. This would ensure uniformity of anti-corruption efforts and prevention across member states.

- 3) At EU level, the Netherlands is advocating the adoption of an anti-corruption directive containing proportionate and clearly defined corruption offences and criminal sanctions/measures. Sufficient flexibility should be retained on certain points so that member states can implement the directive in keeping with their own legal system and traditions.²⁶

An indicator will be formulated to assess progress on this issue, depending on the final content of the directive.

- 4) Multilateral efforts on combating corruption, i) in the OECD Anti-Bribery Working Group, responsible for monitoring the implementation of the OECD Anti-Bribery Convention, and ii) through participation in the G20 Anti-Corruption Working Group, by invitation.

In 2020 the above-mentioned OECD working group evaluated Dutch enforcement efforts and results, the liability of legal persons and other topics relating to the Anti-Bribery Convention. This led the working group to issue a number of recommendations. In October 2022 the Anti-Bribery Working Group assessed the Netherlands' follow-up to these recommendations and concluded that eight had been fully implemented, eleven partially implemented and six not implemented. The House of Representatives was informed about this on 30 November 2022.²⁷ The Netherlands is continuing work on implementing the outstanding recommendations. In 2023 the Netherlands provided the OECD working group with an update on developments concerning the whistleblower regulations, self-reporting, delays in criminal investigations due to legal privilege claims and various elements of the non-trial resolution framework. The House of Representatives was informed about this in January 2024.²⁸ In February 2024 a separate

²⁶ BNC file 1 – Communication and proposal for a directive on combating corruption across the EU, Parliamentary Paper 22 112, no. 3717.

²⁷ Parliamentary Paper 29 911, no. 382.

²⁸ Parliamentary Paper 29 911, no. 431.

letter was sent to the House on self-investigation and self-reporting of financial and economic crime.²⁹

In 2022 and 2023 the Netherlands was invited to participate in the G20 Anti-Corruption Working Group by Indonesia and India respectively and it has been invited to take part this year by Brazil. In this context the Netherlands is encouraging G20 members who have not yet done so to accede to the OECD Anti-Bribery Convention.

Sub-goal 3: Low-, lower-middle- and middle-income countries have effective tax policies and tax collection systems and are able to combat tax avoidance (SDG 17.1)

Indicators and results:

- 1) Total Dutch expenditure (in millions of euros) on technical assistance with taxation ('domestic resource mobilisation')

In 2023, cash expenditures on technical assistance in the field of taxation amounted to €8.6 million. The Netherlands supports multilateral organisations like the World Bank that work on effective taxation and also works with bilateral partners like VNG International (the International Cooperation Agency of the Association of Netherlands Municipalities).

- 2) Tax revenues compared to low-, lower-middle- and middle-income countries' gross domestic product

In 2023, tax revenues amounted to 13.65% of low-, lower-middle- and middle-income countries' gross domestic product. This was 13.5% in 2022.³⁰

Technical assistance is important in supporting low-, lower-middle- and middle-income countries with their tax systems. Tax revenues are essential for countries' wellbeing, prosperity and development, and the main source of funding for the public expenditure needed to achieve the Sustainable Development Goals. Low-income countries in particular, despite the great progress they have made in recent years, are still unable to collect 15% of domestic income in taxes – regarded as the minimum percentage for a functioning state.

Sub-goal 4: Low-, lower-middle- and middle-income countries are resilient to, and are able to combat, illicit financial flows

Indicators and results:

- 1) Total Dutch expenditure (in millions of euros) on technical assistance with combating illicit financial flows and tax avoidance

In 2023, cash expenditures on technical assistance in the field of taxation amounted to €8.6 million. The Netherlands supports multilateral organisations like the World Bank that work on effective taxation and also works with bilateral partners like VNG International (the International Cooperation Agency of the Association of Netherlands Municipalities).

For reasons of clarity, this indicator will in future reports be merged with the indicator on technical assistance in the field of taxation, with which it has extensive overlap.

- 2) The number of low- and middle-income countries and countries on the FATF grey list that the Netherlands supports via the IMF Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Thematic Fund in implementing the FATF standards

²⁹ Parliamentary Paper 31 388, no. 7.

³⁰ RMTF annual report.

The following 14 low-, lower-middle- and middle-income countries are on the FATF grey list and receive technical assistance from the Netherlands via the IMF Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Thematic Fund in implementing the FATF standards: Burkina Faso, Cameroon, Democratic Republic of the Congo, Haiti, Jamaica, Mali, Mozambique, Nigeria, Senegal, South Africa, South Sudan, Tanzania, Vietnam and Yemen.

Reducing vaccine and health inequalities (SDGs 3, 3B)

Sub-goal 1: The Netherlands will help increase global access to vaccines and medicines by encouraging both knowledge sharing and local production

Indicators and results:

- 1) Dutch advocacy in the World Health Organization (WHO) and the World Trade Organization (WTO) aimed at encouraging and increasing global knowledge sharing

The Ministerial Declaration adopted at the 13th WTO Ministerial Conference (MC13) in February 2024 referred to the broad declaration on the WTO response to the COVID-19 pandemic that had been adopted at the previous WTO summit and, among other things, addressed the role of the multilateral trading system in the production and distribution of vaccines and essential medical products.³¹

In the MC13 declaration, the relevant WTO councils and committees are encouraged to continue their work. In the run-up to MC13, the Netherlands urged EU parties to take a constructive stance with regard to intellectual property rights.

The Netherlands' aim with regard to the development of a pandemic instrument is to strengthen equitable access to essential medical products, so that countries worldwide can combat any future outbreak faster and more effectively, and thus shorten the duration of a pandemic.³²

- 2) Active sharing of knowledge in the partnerships with the business community, the life sciences and health top sector, civil society organisations and knowledge institutions/academia

The Netherlands co-organised, with the WHO, the second World Local Production Forum (WLPF), the first edition to be convened physically, attended by over 800 participants from around the world and from many different sectors. The Netherlands thus created a platform for key stakeholders to talk about local manufacturing in countries worldwide and generated momentum for new initiatives.³³

In the framework of the Global Health Hub, Dutch stakeholders are examining how the Netherlands can help boost local manufacturing in other countries and more closely link R&D with production and distribution.

The Dutch government encourages matchmaking between Dutch stakeholders and public authorities and businesses in Africa. Knowledge exchange with partners in the Global South is essential to initiate and scale up local manufacturing.

Through the Product Development Partnerships fund, the Netherlands is investing in the development of vaccines, medicines and diagnostics for infectious diseases such as malaria, HIV/AIDS and common tropical diseases, as well as in combating antimicrobial resistance.

³¹ Ministerial Declaration on the WTO Response to the COVID-19 Pandemic and Preparedness for Future Pandemics.

³² Parliamentary Paper 25 295, no. 2166.

³³ [Regional Manufacturing - Unitaaid](#)

- 3) Dutch participation in, and progress within, one of the multilateral initiatives on access to / production of vaccines and medicines

The Netherlands supports the establishment by Gavi of the African Vaccine Manufacturing Accelerator, an internationally supported mechanism to stimulate local vaccine manufacturing. Residual funds in the COVAX facility³⁴ will thus go towards more equitable access to vaccines and better preparedness for a future pandemic.

Together with other partners, the Netherlands is encouraging the Global Fund to purchase a larger share of medical products from manufacturers in Africa. As a result, 17% of malaria medication, 19% of impregnated mosquito nets and 98% of co-trimoxazole (an antibiotic) purchased by the Global Fund now come from manufacturers on the African continent.

The Netherlands is a partner in the Team Europe Initiative on Manufacturing and Access to Vaccines, Medicines and Health Technologies (MAV+), launched in 2021 to work with the Africa Centres for Disease Control (ACDC) to develop local ecosystems for pharmaceutical manufacturing in Africa. The Netherlands is focusing on increasing the involvement of African and European private sector parties.

Use of the SDG assessment tool in accordance with the Policy Compass (formerly the Integrated Assessment Framework)

Indicators and results:

Progress with applying the SDG assessment tool, with a specific focus on low-, lower-middle- and middle-income countries at the ministries concerned

Policy coherence and the importance of the SDG assessment as part of the Policy Compass are discussed at both the monthly interministerial meetings on the SDG focal points and the biennial meeting specifically examining the effects of the SDG assessment on developing countries. The mandatory assessment is also brought to the ministries' attention.

As indicated in the letter to parliament reporting on progress with the implementation of the Policy Compass,³⁵ most ministries have appointed a team with operational expertise on the Policy Compass to support their staff in using the instrument. Within the Ministry of Economic Affairs and Climate Policy, work has been done to build a framework for implementing the Policy Compass over the past year. This has resulted in a proposal to establish a team of experts that can answer staff's questions about the Policy Compass and the accompanying assessments, such as the SDG assessment.³⁶

Together with the Ministry of Justice and Security, owner of the Policy Compass, BHOS will examine scope for making the SDG assessment more user-friendly. Other instruments and assessments in the Policy Compass will also be considered. Examples include the impact scan ('gevolgenscan') and the SME assessment ('MKB toets').³⁷

With regard to the SDG assessment of foreign trade and development cooperation policy, readers are referred to the response to the House's questions concerning the analysis by the NCP for the OECD Guidelines of the proposals for the CSDDD and the Netherlands' position in the EU.³⁸

³⁴ COVAX was set up in 2020 to guarantee fair and equitable access to COVID vaccines worldwide, especially in 92 low- and middle-income countries. COVAX was managed by Gavi and closed in December 2023.

³⁵ Parliamentary Paper 36 410-VI, no. 26.

³⁶ This concludes the undertaking given to the House on implementing the SDG assessment, TZ202307-057.

³⁷ [MKB-toets | Knowledge Centre for policy and legislation \(kcbr.nl\)](https://www.kcbr.nl/).

³⁸ Parliamentary Paper 2023Z18492.