

Global Climate Strategy

from ambition to transition

Executive summary

Scientists warn that it is now one minute to midnight in the race to achieve the objectives of the Paris Agreement and the UN Sustainable Development Goals (SDGs). Failure to take swift and meaningful action in the green transition is accelerating the rate of global warming, biodiversity loss and environmental degradation. Each additional increase in temperature, however small, has an irreversible impact on the quality of life on Earth and on human wellbeing. The next few years will be crucial. The short-term investments required pale in comparison with the costs to society of unfettered climate change in the medium to long term.

Scientific consensus on the urgency of the situation has prompted the Dutch government to speed up climate action. At EU level, the Netherlands is committed to rapid, ambitious implementation of the European Green Deal. This first whole-of-government Global Climate Strategy describes how we want to strengthen the Dutch response to the climate challenges, both domestically and globally. The government will step up multilateral and bilateral climate diplomacy, increase climate finance, phase out support for unabated fossil fuel energy activities abroad and make trade missions, embassies' economic services and support for public infrastructure projects in developing countries greener, all in partnership with knowledge institutions, civil society organisations and the business sector.

Climate change mitigation (reducing greenhouse gas (GHG) emissions) is vital. With this aim in mind, the government is exerting pressure on the G20 nations and supporting countries that are preparing for the energy transition, for example by creating green hydrogen hubs. Furthermore, the government's efforts to reduce emissions include making changes in land use and increasing global carbon storage by conserving and protecting tropical rainforests, the budget for which is to be doubled. The Netherlands will provide 100 million people – twice the current number – in developing countries with access to renewable energy by 2030. To accelerate the climate transition worldwide, the government is focusing its multilateral efforts on sectors where the Netherlands has a strong track record, such as energy, agriculture, the circular economy and sustainable transport and mobility. This country is demonstrating that investing in a fossil-free future pays off. By playing to our strengths, we are raising our profile as a strong partner and creating opportunities for Dutch businesses.

Adaptation action is essential, even with the current rise in global temperature. The Netherlands is ensuring that the importance of an ambitious adaptation strategy is high on the international agenda through the United Nations and multilateral conferences such as the Climate Adaptation Summit (2021) and the UN Water Conference (2023). Using Dutch knowledge and expertise, particularly in the fields of agriculture, land use and flood prevention, the government is stepping up adaptation efforts in our partner countries in both rural and urban areas, as well as through humanitarian aid.

Developing countries clearly need financial support for the climate transition, which is why Dutch climate finance will be increased to at least €1.8 billion by 2025. We will double our public adaptation finance, specifically to reach the most vulnerable people – those hardest hit by climate change – and offer them prospects for lasting sustainable development. We will also continue to stimulate private-sector investment in climate projects, for example by launching a follow-up to the successful Dutch Fund for Climate and Development. As a global leader in adaptation finance, we also urge other countries to do more. We take seriously the international agreement to annually mobilise \$100 billion collectively for climate action in developing countries, striking a balance between adaptation and mitigation. In doing so, the Netherlands is also helping to build mutual trust between parties in international climate negotiations.

Collective progress is only possible if there is an equal focus on the three pillars of the Paris Agreement – mitigation, adaptation and finance. At international level, the Netherlands is therefore working hard to raise ambitions and accelerate global, sectoral and national transitions. Both within and beyond Dutch borders, we are striving to achieve a low-carbon, climate-resilient world by 2050.

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Introduction

Greater focus on climate, both at home and abroad

The war in Ukraine and the current geopolitical situation amplify calls for stepping up the pace of the energy transition, while the urgent need to mitigate climate change remains undiminished. In both the European and the Caribbean parts of the Kingdom of the Netherlands, as in the rest of the world, the effects of climate change are tangible and the challenges of the transition towards greater sustainability are huge. If we are to limit global warming to 1.5°C, halt biodiversity loss and restore ecosystems, reduce pollution and deliver the Sustainable Development Goals (SDGs), we will have to achieve the energy transition and significantly step up climate ambitions and climate action in this critical decade leading up to 2030. Calculations show that the investments required pale in comparison with the costs of unfettered climate change.¹ Collectively, the signatories to the Paris Agreement² are not doing enough, however. Countries must be more ambitious and the declared aims must be translated into action more quickly.

In the wake of the Glasgow climate summit in 2021 (26th United Nations Climate Change Conference (COP26)), the Netherlands raised its national ambitions and is now aiming for a 60% reduction in carbon emissions by 2030. The Dutch economy must be climate-neutral, fossil-free, nature-inclusive and fully circular by 2050 at the latest. Fortunately, the Netherlands is not alone in pursuing these ambitions. The European Green Deal sets out the EU's strategy towards a clean, circular and climate-neutral economy. In adopting the European Climate Act in 2021, all member states undertook the legal obligation to reduce GHG emissions by at least 55% by 2030, so as to reach climate neutrality by 2050. Such a fundamental economic transition cannot be achieved in isolation; it demands collaboration not only in Europe but worldwide. It is important that the global transition towards greater sustainability be fair and inclusive. At the same time, climate ambitions generate major economic opportunities for an open, innovative economy like that of the Netherlands, not to mention for our partner countries around the world.

With this first Global Climate Strategy, the Dutch government is blazing a new trail for its climate diplomacy towards non-EU countries. We are translating the urgency of the current

¹ See, for example, '[ECB economy-wide climate stress test](#)', European Central Bank (September 2021, [europa.eu](#)), and [US Council of Economic Advisors](#) (April 2022, [whitehouse.gov](#)).

² The Paris Agreement. United Nations Framework Convention on Climate Change (UNFCCC).

situation into international ambitions for 2050 and plans for concrete climate measures that will be implemented during the present government's term in office. Taking inspiration from our consultations with businesses, knowledge institutions and civil society organisations,³ we will scale up global climate action across all government ministries. This strategy therefore outlines the international plans of the following Dutch ministries: Foreign Affairs, Economic Affairs & Climate Policy, Agriculture, Nature & Food Quality, Infrastructure & Water Management, and Finance, working closely with Defence, Health, Welfare & Sport, and Education, Culture & Science. Part A describes the Netherlands' multilateral and bilateral strategies between now and 2050, for achieving the objectives of the Paris Agreement (under the three pillars of mitigation, adaptation and finance) and the related policy areas of safety, humanitarian aid and health. Part A then continues with our approach to cross-cutting themes such as a just, inclusive transition, gender and young people, and nature-based solutions. Part B outlines how this government will step up its efforts over the next few years, focusing once again on mitigation, adaptation and finance, and examines what adjustments need to be made for greening implementation instruments for foreign trade and investment, and climate diplomacy.⁴

³ The policy document 2022 '[Do what we do best: A strategy for Foreign Trade and Development Cooperation](#)' was partly based on online consultations and roundtable discussions on climate, which included input from the Minister for Foreign Trade and Development Cooperation. The Netherlands' special climate envoy organised a further three roundtable discussions on climate change mitigation, adaptation and innovation to come up with ideas on the whole-of-government Global Climate Strategy. The government would like to thank everyone for their contributions.

⁴ This structure is also used to describe efforts in the agriculture, land use and forestry sectors, but note that mitigation and adaptation actions in these sectors are inextricably linked.

PART A

Compass for 2050: Dutch strategy and ambitions

What is needed?

Climate change is affecting countries and communities around the world. Recent years have seen an increase in extreme weather events, including drought, flooding and hurricanes, which cause immense human suffering and damage to infrastructure. It is highly uncertain whether all of the SDGs will be achieved. Extreme weather hits fragile countries with weak institutions and a limited social safety net disproportionately hard. Climate change has global consequences: loss of biodiversity, countries partly or wholly submerged, new shipping lanes in the Arctic region, shifts in the growth potential and earning capacity of countries and regions (with the corresponding implications for political stability), declining food security, increasing poverty and irregular migration flows.

The required response to climate change, i.e. the green transition through decarbonisation, prompts fundamental political and economic changes and shifts in geopolitical relations. With the EU Global Gateway and the Fit for 55 package, including REPowerEU, Europe is accelerating plans to reduce its reliance on fossil fuels, secure reliable access to critical raw materials for the energy transition and create green markets. Dutch climate diplomacy contributes globally to raising climate ambitions and drawing attention to green opportunities. Besides creating the conditions for a green climate transition, these multilateral and bilateral efforts to strengthen sustainability provide real opportunities for economic growth, jobs and wellbeing, and offer the prospect of open strategic autonomy, economic security and resilience at national, European and international level.⁵

In 2015, all nations attending COP21 in Paris agreed to limit global warming, preferably to 1.5°C, by halving global GHG emissions by 2030. This was reaffirmed at COP26 in Glasgow in 2021.⁶ Around the world, the signatories to the Paris Agreement⁷ are working on translating the commitments made into policy measures and concrete action. It has now

⁵ Technological advances have now made sun and wind the cheapest energy sources, with renewable energy accounting for 81% of newly installed power capacity in 2021. See, for example: [‘Renewables Take Lion’s Share of Global Power Additions in 2021’](#) (April 2022, irena.org).

⁶ Letter to parliament on the outcome of COP26 in Glasgow, Scotland (December 2021, [open.overheid.nl](#)).

⁷ Currently, 193 countries are signatories to the Paris Agreement ([unfccc.int](#)).

become evident, however, that the collective ambition must be ramped up if the Paris goals are to be met. With the current national climate plans (Nationally Determined Contributions, NDCs), our planet is on course to heat up by two to three degrees Celsius.⁸ It is likely that warming will exceed 1.5°C with existing and planned fossil infrastructure. And if we continue on our current pathway, the global carbon budget will be exhausted in less than ten years' time. Even the current warming of more than 1°C has irreversible consequences for humans and land- and ocean-based ecosystems. Each further increase in the Earth's temperature risks irreparable damage to ecosystems, economies and society at large, and threatens to push millions more people into extreme poverty.⁹

Limiting global warming to 1.5°C will only be possible if countries substantially reduce global emissions and improve climate resilience in the next few years. This urgently requires effective multilateral cooperation. The mitigation work programme agreed at COP26 in Glasgow seeks to significantly scale up mitigation actions and results. The Global Goal on Adaptation should help make countries more resilient to the impact of climate change, while the Glasgow Dialogue should spark a meaningful discussion on compensation for loss and damage when adaptation is no longer an option. To meet these objectives, all global financial flows should be brought in line with the Paris Agreement. This is the only way sufficient funding will be mobilised to tackle the challenges of climate change and achieve the SDGs.

Our strategic objectives

As we transition towards net-zero GHG emissions by 2050, the Netherlands, in the wider context of the EU's global leadership role, is seeking to spearhead efforts internationally to achieve the Paris climate objectives and the SDGs. This country sees the SDGs as a universal and unified agenda for ensuring sustainable economic development, alleviating poverty and combating climate change – a common global plan to safeguard future human wellbeing and prosperity. The goals are formulated in such a way as to be mutually reinforcing. We are alert to the risk of any trade-offs and respond accordingly.¹⁰

⁸ IPCC Climate Change 2022: '[Mitigation of Climate Change](#)' (April 2022, ipcc.ch).

⁹ Ibid.

¹⁰ Based on analyses by sector and by geographical region carried out by the Netherlands Environmental Assessment Agency (PBL). See PBL, '[Climate change measures and sustainable development goals](#)' (June 2021, pbl.nl).

The climate crisis is closely linked with the other planetary crises, namely pollution, biodiversity loss¹¹ and land degradation,¹² and we recognise that these interconnected issues require a concerted approach. Dutch national and international climate interventions are closely intertwined. We operate according to the same high standards whether we are working on the domestic, European or world stage. We are making a meaningful contribution to the broad global goals and are endeavouring to prevent greenwashing. We also want to actively guard against Dutch climate action having negative spillover effects on the climate transition in other countries and, for example, the environment or human rights elsewhere. An ill-considered approach to reducing GHG emissions can have adverse consequences, for instance for the socioeconomic security of vulnerable communities or for biodiversity and food security.¹³ When taking climate action, we also consider the local situation and the needs, knowledge and experiences of people in the most vulnerable groups.

The SDGs and the Paris goals serve as a compass for our contribution to the global green transition. Action in the three key areas of mitigation, adaptation and climate finance needs to be stepped up,¹⁴ and a balanced approach will increase the likelihood of real progress and results across the board. International climate action may also help post-pandemic economic recovery and efforts to address the consequences of Russia's invasion of Ukraine.

Until the climate summit in Glasgow, commitment to more ambitious climate action in NDCs and long-term strategies (LTS) was a key part of Dutch climate diplomacy. The Netherlands will continue to advocate higher climate ambition in countries that have not done enough in this respect. At the same time, the government will place much greater emphasis on implementation and the system transitions needed to meet the Paris goals. This concerns both global sectoral transitions and transitions within countries. In the case of the former, the Netherlands is actively involved in setting standards and overall ambitions, primarily on a multilateral basis and usually as part of coalitions of pioneering countries and parties, including from the business community. For in-country transitions, we work with the embassy and with local and international partners. We use our country's knowledge and expertise in this global sustainability transition, operating in all areas and with partners large and small, ranging from young people to civil society organisations. We are actively seeking opportunities to increase the scale and impact of our work via the EU, international financial

¹¹ UN Convention on Biological Diversity (UNCBD).

¹² UN Convention to Combat Desertification (UNCCD).

¹³ For example, afforestation of naturally unforested land can adversely affect biodiversity and food security if carried out on a large scale and in regions with insecure land tenure. See IPCC, '[Climate Change 2022: Impacts, Adaptation, and Vulnerability](#)' (February 2022, ipcc.ch).

¹⁴ IPCC Chapter 1 '[Climate Change 2022: Mitigation of Climate Change](#)' (April 2022, ipcc.ch).

institutions, the UN and NATO, and we are mobilising and greening whole-of-government policy instruments to develop breakthrough projects. In this way, we aim to open up the prospect of a climate-resilient world in 2050.

With its Global Climate Strategy, the Netherlands is primarily helping to achieve SDG 13 (climate action), the sustainable development goal closely linked with the Paris goals.¹⁵ The actions described in this strategy also contribute to, for example, SDG 2 (sustainable agriculture and food systems), SDG 5 (gender equality), SDG 6 (sustainable water supply), SDG 7 (access to sustainable energy), SDG 8 (sustainable, inclusive economic growth and decent work), SDG 9 (industry, innovation and infrastructure), SDG 10 (reduced inequalities), SDG 12 (responsible consumption and production) and SDG 15 (life on land). Partnerships (SDG 17) are a crucial means of putting the ambitions and actions of this strategy into practice. By proceeding as set out in the Global Climate Strategy, the Netherlands aims to have a positive effect on developing countries. The strategy is designed to support these countries in the energy transition and make them more climate-resilient.

Mitigation

Fossil fuels account for 75% of current carbon emissions worldwide, with 45% directly linked to production and consumption.¹⁶ The environmental footprint of the Dutch lifestyle is disproportionately large.¹⁷ What's more, some 40% of the Dutch GHG footprint extends beyond the Netherlands, due to the fact that a large proportion of the goods and services

¹⁵ Dutch climate action covers all targets of SDG 13, i.e. strengthening resilience, integrating climate change measures into national policy, improving awareness-raising and institutional capacity, contributing to the pledged global increase in climate finance (\$100 billion) and helping to build capacity in least developed countries.

¹⁶ Ellen MacArthur Foundation & Material Economics (2019), [Completing the picture: How the circular economy tackles climate change](#).

¹⁷ Parliamentary Paper, House of Representatives 2021-2022, 26407, no. 144 on biodiversity, letter from the Minister for Nature and Nitrogen Policy and the Minister for Foreign Trade and Development Cooperation (October 2019), and Parliamentary Paper, House of Representatives 2021-2022, 2022D15171, Response to questions from Dutch MPs Christine Teunissen and Lammert van Raan about Natural Capital Day (April 2022).

used in this country are imported from abroad.¹⁸ About 60% of the global biodiversity loss that can be attributed to Dutch consumption is linked to GHG emissions.¹⁹

The Netherlands therefore needs to reduce emissions both within and beyond its own borders. Besides striving to achieve climate neutrality for this country,²⁰ we are therefore committed to substantially reducing our international footprint in several areas²¹ and are working on reaching an agreement with foreign partners on how this will be measured.²² With this in mind, the Netherlands has set up a multi-year research programme.²³ In the spring of 2023, the government will announce further details of the measures it plans to take to reduce our footprint, speeding up its efforts wherever possible.²⁴ Greening value chains and making them circular is an important aspect of this, as it contributes to reducing emissions, ensuring more sustainable and more effective mining and use of resources, and preventing deforestation and biodiversity loss.²⁵ The Dutch government's commitment on both fronts is consistent with the sustainability ambition of Dutch businesses to reduce not only their own direct emissions but also indirect emissions associated with their production and consumption chains. The World Bank, the Intergovernmental Panel on Climate Change (IPCC), the International Energy Agency (IEA) and the International Resource Panel (IRP) provide scientific frameworks for achievable, affordable action in all sectors, aimed at meeting the 1.5°C target. It is vitally important that we do not waste these opportunities.

The Netherlands is willing and able to contribute to the global green transition through clear, long-term action and intended outcomes, by removing obstacles and sharing solutions, and by leveraging financial investments. We have earned a reputation – on the world stage and in multilateral organisations – in emission mitigation, partly as a result of our national track

¹⁸ Sustainable Development Solutions Network (SDSN) and Institute for European Environmental Policy (IEEP), '[Europe Sustainable Development Report 2021](#)' (2022, [sdgindex.org](#)). See also Hickel et al. (2022), 'National responsibility for ecological breakdown: a fair-shares assessment of resource use, 1970–2017', *The Lancet Planetary Health*, vol. 6(4), pp. 342-349 ([thelancet.com](#)).

¹⁹ Netherlands Environmental Assessment Agency (PBL), 'Halveren van de Nederlandse voetafdruk: Reflectie op een nieuwe ambitie voor het Nederlandse nationale en internationale natuurbeleid' (2021, [pbl.nl](#)).

²⁰ The PBL has pointed out that, with its current climate neutrality goal, the Netherlands is one of the more ambitious countries in its quest to reduce global GHG emissions and thereby limit warming to 1.5°C.

²¹ The updated Action Plan on Policy Coherence for Development, which is expected in the autumn of 2022, will include some of the proposed measures.

²² Climate footprint, water footprint, land footprint and material footprint.

²³ This research is being conducted by Wageningen University & Research in close collaboration with the PBL (Parliamentary Paper, House of Representatives 2020-2021, 26407, no. 136).

²⁴ Parliamentary Paper, House of Representatives 2021-2022, 26407, no. 144.

²⁵ The Netherlands is focusing on mapping these emissions using carbon accounting, and is also working on incorporating value chain emissions into its instruments so that companies will be rewarded for reducing carbon emissions within their chain.

record and experience. This is particularly true for sectors like energy, agriculture and land use, sustainable transport and mobility, and the circular economy, as is also apparent from the concrete measures set out in Part B of this strategy.²⁶ Our knowledge, expertise and good practice in these areas, at national and international level, can further increase future Dutch innovative and earning capacity. Leading international agencies such as the IEA and the International Renewable Energy Agency (IRENA) have identified potential investment opportunities.

By stepping up its multilateral and bilateral efforts, the Netherlands is helping to accelerate the global climate transition. First and foremost, we are active participants in multilateral forums with the aim of reaching a consensus on more ambitious industry standards and frameworks, including new international commitments for the development and use of technologies. The Netherlands recognises, for instance, that negative emissions and CO₂ storage may be necessary and is calling for the development of adequate international agreements on these issues. In these discussions, the Netherlands regards carbon removal, but not solar radiation management, as an acceptable form of geoengineering.²⁷ We also have high expectations for the various sector-driven initiatives and breakthrough agendas that were launched during COP26. Ultimately, transitions in the energy sector, agriculture, industry and transport will be crucial for achieving the climate goals, and the Netherlands is doing its bit by sharing best practices and engaging in public-private partnerships.

Secondly, the Netherlands pursues bilateral climate diplomacy and green trade policies, especially in those parts of the world that currently have the highest and fastest-growing levels of emissions, as well as the largest transition investments, such as Asia and the Middle East and North Africa (MENA) region. The Netherlands stepped up its national ambitions after COP26 in Glasgow to bring them in line with the 1.5°C target set under the Paris Agreement.²⁸ We expect major emitters in the G20 to raise their aspirations and will

²⁶ EV charging infrastructure and battery innovation, hydrogen, offshore wind power, biodigesters, the energy transition in greenhouse horticulture, circular design, climate-neutral urban solutions, greening of the financial sector, solar production lines and climate data are just a few examples.

²⁷ The Ministry of Economic Affairs and Climate Policy and the Netherlands Enterprise Agency (RVO) commissioned Royal HASKONINGDHV to prepare a report on the need for a research programme aimed at developing negative emission technologies ('Quickscan behoefte naar een onderzoeksprogramma gericht op negatieve CO₂-emissie'); it was submitted to the House of Representatives in June 2022. The government will consider the findings of the report and hopes to propose more relevant research into negative emissions later this year.

²⁸ The PBL has indicated that the goal of reducing GHG emissions by 55% is close to the maximum that the Netherlands can realistically achieve by 2030. By focusing Dutch policy on about 60% reduction by 2030, the government is choosing a goal that represents the maximum feasible level, which it considers to be in line with the 1.5°C goal.

continue to spread this message. Most G20 countries now have ambitious long-term goals (climate neutrality), but often they still need to translate them into short-term plans. The Dutch government is therefore using climate diplomacy to encourage major emitters who have not yet finalised their national climate plans to commit to more ambitious climate action (NDCs). We do this by fostering bilateral contacts and working in partnership with other countries, for example via the EU, the High Ambition Coalition and the Powering Past Coal Alliance. Where relevant and possible, the Netherlands makes use of the EU Global Gateway programme and operates within Dutch and EU Indo-Pacific strategies.

Thirdly, our development cooperation activities in developing countries are giving people access to renewable energy, which helps to alleviate poverty and achieve the SDGs. We encourage these countries to take the sustainable development route as early as possible. In so doing, the Netherlands is already working with partners to ensure local transitions to a low-carbon, circular future.

The Kingdom of the Netherlands faces significant challenges in terms of climate change mitigation and adaptation, and sustainability of the energy supply, not only in the European part of the Netherlands but also in the Caribbean part of the Kingdom: the autonomous countries of Curaçao, Aruba and St Maarten and the three public bodies of Bonaire, St Eustatius and Saba, which are part of the Netherlands. Each of the islands is unique, but like all Small Island Developing States (SIDS), they are wrestling with similar climate- and energy-related issues. The Dutch government recognises the problems faced by SIDS, which are among the countries most vulnerable to climate change. The right approach not only benefits the climate but also creates opportunities to improve quality of life and make economies greener. The independent research organisation TNO has carried out a study for Bonaire, St Eustatius and Saba, and has developed roadmaps for a climate-neutral energy supply. The government plans to have a similar study conducted for Curaçao, Aruba and St Maarten and wants to initiate a dialogue with them on how hydrogen can increase the share of renewable energy and bring sustainable economic growth. In the short term, the government is investing more than €33 million in making electricity production on Bonaire, St Eustatius and Saba more sustainable. This will increase the share of sustainable power in the electricity mix from an average of 30% to 75-80% within a few years. As a result of these measures, the islands will set an example in the Caribbean region and even worldwide in terms of the potential for making isolated island electricity grids completely sustainable. The government's ambition is that the Kingdom should serve as an example for the sustainable development of other small island states.

Adaptation

The Earth's current temperature is already 1°C higher than pre-industrial levels (1850-1900). Even if global warming is limited to 1.5°C, we will still need to adapt to a changing climate in many different ways. The answer lies in reducing the vulnerability and increasing the resilience of people and ecosystems to the effects of climate change. Current adaptation actions around the world are, however, insufficient to cope with the increased climate stress and effectively manage climate shocks. The IPCC concludes that half of the world's population now live in contexts that are highly vulnerable to climate change and that some effects are already irreversible.²⁹ Around the world, food and water systems are coming under increasing pressure, with direct consequences for health, food security, rural livelihoods, the habitability of cities, and achievement of the SDGs. The IPCC reports reflect the severity of the climate crisis and stress the need for drastic, accelerated adaptation and mitigation action to prevent further irreversible damage and loss.

In the wake of the Climate Adaptation Summit in January 2021, the Netherlands continues to make multilateral efforts to draw attention to climate change adaptation and the need for a more ambitious approach. Dutch knowledge, expertise and experience can really contribute to stepping up adaptation action in rural and urban areas, particularly with regard to agriculture & land use and flood prevention, and can also benefit humanitarian aid. Through multilateral channels and in our partner countries, we focus on sustainable agricultural commodities and on implementing approaches such as climate-smart agriculture and food systems. In line with our development cooperation policy, we specifically target the most vulnerable people and communities, taking into account local needs, knowledge and experiences.³⁰ In addition to reducing climate risks and improving climate resilience in the short term, it is important to help developing countries to properly plan and implement adaptation measures for the long term. National adaptation plans (NAPs) are a key instrument in this context.

Adaptation finance will require greater attention and commitment in the run-up to 2050. Estimates of adaptation costs for developing countries are in the range of \$140-300 billion per year by 2030, and \$280-500 billion per year by 2050.³¹ Clearly, therefore, more private

²⁹ IPCC, '[Climate Change 2022: Impacts, Adaptation and Vulnerability](https://www.ipcc.ch/report/ar6/wg2/)' (February 2022, ipcc.ch).

³⁰ The Netherlands subscribes to the 'do good' and 'locally led adaptation' principles, which we put into practice and implement as part of our development cooperation policy, particularly with regard to decision-making, group involvement and adaptation finance.

³¹ UNEP, '[Adaptation Gap Report 2021](https://www.unep.org/adaptation-gap-report)' (2021, unep.org).

capital for climate change adaptation will have to be mobilised worldwide. The Netherlands is a frontrunner when it comes to improving the quality, quantity and accessibility of adaptation finance, for example via the Champions Group on Adaptation Finance, which was launched in September 2021.

Finance

Worldwide, much greater investments are needed from numerous sources and channels and from a variety of donors if the mitigation and adaptation goals of the Paris Agreement are to be met. The government therefore stresses the importance of Article 2.1(c) of the Paris Agreement to make finance flows consistent with the Paris Agreement (Paris Alignment). We believe that it is vitally important for global cooperation under the Paris Agreement that developed countries should honour the pledge they made at the COP15 climate summit in 2009 to annually mobilise \$100 billion for climate action in developing countries between 2020 and 2025.³² The Netherlands wants to make a meaningful contribution here.

With our climate finance and contributions to international financial institutions (IFIs), we are increasing the quality, quantity and accessibility of funding for climate action and green investment. Furthermore, with regard to its financial investments, the Netherlands focuses, on the one hand, on phasing out support for fossil fuel energy activities and, on the other, on further removing obstacles to and enhancing the benefits of green international activities, particularly for small and medium-sized Dutch businesses (SMEs). Both commitments are consistent with the COP26 statement on the green energy transition and ending international public support for the unabated fossil fuel energy sector.³³ We are also making an additional investment in green public-private market development strategies and we are greening our support for public infrastructure projects in developing countries.

Whole-of-government approach to climate policy

Led by the Minister for Foreign Trade and Development Cooperation, various government ministries are stepping up their efforts to work together at international level. Our approach is strategic, concerted and adaptive. The climate lies at the heart of our policy in three specific areas.

³² This should be a combination of public and mobilised private finance.

³³ UNFCCC, COP26, '[Statement on International Public Support for the Clean Energy Transition](https://www.unfccc.int/news/statement-on-international-public-support-for-the-clean-energy-transition)' (November 2021, [ukcop26.org](https://www.ukcop26.org)).

Climate and humanitarian aid

The Netherlands is helping to improve the efficiency and effectiveness of the international humanitarian aid system, for instance by placing more emphasis on anticipatory aid and disaster preparedness. We support not only the ambitious plan of the United Nations Secretary-General (UNSG), which should ensure that citizens worldwide are protected by early warning systems against extreme weather and climate change,³⁴ but also reducing the footprint of humanitarian organisations. Our government strives to provide sustainable solutions and a better future for refugees, internally displaced persons and vulnerable migrants, focusing on social and other forms of protection, education and decent work, and operating in partnership with multilateral and local partners and with due regard for climate sensitivity. This is done within existing international frameworks and in line with the Global Compact on Refugees and the Global Compact on Migration.

Climate and safety

The climate transitions and the impact of climate change will be incorporated into Dutch safety and security policy, while climate risks and climate resilience will be addressed in strategic context analyses, conflict analyses and programming. The Netherlands contributes its expertise in specific areas like water, land use and food security to strengthen climate vulnerability analyses and risk assessment. We endeavour to persuade multilateral and international partners and partner organisations of the importance of adopting a conflict-sensitive approach to their climate action.

Climate and health

The Netherlands has a strong international reputation for sustainable healthcare applications and bringing circularity into healthcare. As part of efforts to improve health systems and pandemic preparedness worldwide, the Dutch Global Health Strategy will comprehensively consider the link between health and climate. For one thing, climate change increases the risk of infectious diseases spreading, with developing countries and regions that have a weak health infrastructure being hit disproportionately hard. The Netherlands uses its expertise in the One Health approach³⁵ and focuses on innovative solutions and courses of action at international level (e.g. development cooperation, economic diplomacy and deploying the network of diplomatic missions).

³⁴ United Nations News, <https://news.un.org/en/story/2022/03/1114462> (March 2022).

³⁵ One Health is a transdisciplinary approach to human, animal and environmental health issues, working at local, national and international levels.

Inclusive, action-oriented approach and collaboration on cross-cutting themes

Five key aspects determine the Dutch strategic approach and contribution to climate-relevant interventions across all policy areas.

1. Just and inclusive transition

The Netherlands is mindful of the impact that the sustainability transition can have on individuals and society and ensures that the load is distributed. Various reports (e.g. by the PBL and the African-Dutch platform INCLUDE) point out that greening national economies creates new green employment, but that this calls for careful transition pathways and a particular focus on education and training geared towards a sustainable economy and decent jobs.³⁶ The Netherlands can make a contribution here with its expertise in the areas of living wages, training and ending child labour. We stress the importance of the ‘Leave No One Behind’ pledge in the 2030 Agenda throughout the climate transition process. The sustainability transition will only be truly successful when everyone, wherever they are, has access to a sustainable, affordable and reliable modern energy supply.

2. Gender, young people and indigenous communities

The Netherlands has a particular interest in the specific impact of climate change on women and girls and on indigenous communities because these groups are disproportionately affected. We also pay special attention to young people because they are at the forefront of the fight against climate change and represent the largest proportion of the population in many of the countries where we work. Our approach is to always apply the Youth at Heart principles³⁷ and set a good example, for instance with the Youth Advisory Committee and the UN youth representatives in the Dutch UNFCCC delegation, and the We Are Tomorrow Global Partnership in 12 partner countries. The generational impact assessment set out in the coalition agreement, whereby all new legislation is assessed in terms of its effects on future generations, also informs our whole-of-government global climate action. The Netherlands is working to amplify the voice of civil society organisations and is specifically committed to ensuring that women, young people and indigenous communities can meaningfully participate in negotiations, policymaking and policy implementation on an equal footing, and to improving access to climate finance. We stress that sexual and reproductive

³⁶ PBL, ‘[Nederland op weg naar een circulaire economie: Kansen en risico’s voor lage en middeninkomenslanden](#)’ (2022, pbl.nl). Various INCLUDE Platform reports ([includeplatform.net/publications](#)).

³⁷ Parliamentary Paper, House of Representatives, 2020D06643, letter to parliament on the ‘Youth at Heart’ strategy (February 2020, [open.overheid.nl](#)).

health and rights (SRHR) and education are important for climate change adaptation and resilience, particularly for girls and for young people with fewer opportunities. By adopting a feminist foreign policy, the government is pursuing its efforts to advance gender equality in climate action. The Netherlands will routinely carry out gender analyses and a generational impact assessment when devising new international climate programmes and policies.

3. Nature-based solutions

The Netherlands recognises there is a close relationship between climate and nature and actively seeks solutions that help address global climate issues and at the same time make a positive contribution to protecting and restoring biodiversity. We do this by ambitiously focusing on nature-based solutions (NBS) and building with nature (BWN), via Invest International instruments, trade promotion activities, etc. We actively share NBS and BWN knowledge and expertise with third countries, for example through embassies and agricultural counsellors and at multilateral gatherings. The Netherlands also adheres to the precautionary principle of ‘do no harm’ so as to prevent or reduce any unintended negative effects of its activities, such as climate action that may be detrimental to biodiversity and ecosystems. It is important to us to improve environmental impact assessment (EIA) systems which provide scope for appraising the non-financial effects of investment decisions on the environment, the climate and biodiversity. Particular attention should be devoted to the implementation of protective measures based on EIA analyses.

4. The ‘Dutch Diamond Approach’

The Netherlands has a great deal of experience working with financiers and partners in the business community, civil society, knowledge institutions and the public sector on all sorts of policy issues. The Dutch typically take a comprehensive approach to social issues and national and international challenges, as is evident in the national Delta Programme, for example. Where possible and relevant, we adopt this unique ‘Dutch Diamond Approach’ to jointly iron out problems in the green and circular transition and capitalise on opportunities to accelerate climate action. The same approach characterises our collaboration with partners internationally to tighten and scale up global industry standards, as in the Plastic Pact NL coalition, for example.³⁸ Dutch climate action is science-based and focuses on sharing knowledge and innovating together.

5. EU cooperation

³⁸ See Plastic Pact NL (meermetminderplastic.nl).

Lastly, we firmly believe that our national commitment to global climate policy will be stronger and more effective if we take concerted action with other EU member states. Where possible, the Netherlands therefore seeks this kind of cooperation and advocates an active EU external climate policy, specifically on the three pillars of the Paris Agreement. We do this both through diplomatic channels and through the Team Europe initiatives and the EU's external funding instrument, the Neighbourhood, Development and International Cooperation Instrument (NDICI). Where EU-wide action is not feasible, we actively seek to work with like-minded EU partners.

PART B Actions during this government's term in office

Mitigation

Across the globe, the Netherlands is accelerating the transition to net-zero carbon emissions and a fully circular economy by 2050 in the energy sector, sustainable transport and mobility, agriculture and land use, and is positioning itself as a green solutions partner.

Energy

Our climate ambitions are closely linked to our energy policy, both at home and abroad. To achieve those ambitions, existing technologies for generating renewable energy will be scaled up, and new technologies developed. The Netherlands wants international cooperation in this area to have win-win outcomes. The government is therefore planning to increase its investment not only in countries with major potential for renewable energy development so that the energy transition can be accelerated locally and some of the energy produced can be exported, but also in countries where renewable energy adoption has considerable potential to alleviate poverty and promote development, obviating the need for them to follow the polluting development trajectory of industrialised countries (known as leapfrogging).

The government wants to mobilise international cooperation projects with breakthrough potential, which will require closer working relationships with other countries, but also between Dutch and foreign companies and knowledge institutions. With this aim in mind, we will foster public-private dialogue at home on our international climate challenges and on ways to achieve the objectives of the Paris Agreement, focusing particularly on the innovative capacity of the top sectors and our strategic contribution to sustainability transitions.

Sharing Dutch knowledge and expertise can speed up the energy transition in other countries and enhance our own capacity to find innovative solutions that lead to sustainable economic growth. The Netherlands is stepping up international collaborations on innovative topics such as hydrogen, geothermal energy, biorefining, and carbon capture and storage (CCS). We are focusing, for example, on artificial intelligence (AI) and cleantech innovations

to accelerate the Dutch climate and energy transitions for transport and electricity systems.³⁹ The global Innovation Attaché Network also plays a role in these endeavours.

The Netherlands is setting up import chains for clean energy, especially green hydrogen, and is helping to develop a number of green hydrogen hubs in priority producer countries to meet European and Dutch energy needs. This contributes to sustainable economic growth locally. The first imports from outside Europe are expected around 2025/2026. Together with our neighbouring countries, we are striving to develop the north-western European market within the global hydrogen market. Cooperation with Germany is particularly important in this context, so the Netherlands is currently exploring the possibility of getting actively involved in the German initiative H2Global.

The four Dutch ports involved in storage, processing and transit of fuels and raw materials for the north-west European market will increasingly be used for sustainable, hydrogen-based fuels and raw materials. Preserving their role as an energy hub will guarantee renewable energy supply security in the long term.

Compared with energy generation from fossil fuels, renewable energy technology makes intensive use of metals and minerals. The transition to a clean energy system is the fastest-growing factor contributing to the rising demand for critical raw materials such as rare earth metals and lithium.⁴⁰ This presents challenges for security of supply of raw materials and how sufficient quantities can be sustainably extracted, used and reused. Supplementing the EU's Action Plan on Critical Materials, the Dutch government is therefore working on a national raw materials strategy.

We are building green energy partnerships in 'combination' countries with the aim of developing their renewable energy potential to create investment and trade opportunities.⁴¹ The Netherlands seeks added value by working with other European countries as part of the Team Europe initiative, and contributes to Just Energy Transition Partnerships, following the example of the COP26 partnership with South Africa. We are also working with the Dutch

³⁹ Innovation cooperation on CCS and geothermal energy with the US, hydrogen applications and technologies with Japan, South Korea and China, and biorefining with India.

⁴⁰ IEA, ['The Role of Critical Minerals in Clean Energy Transitions'](#) (May 2021, [iea.org](#)).

⁴¹ In these 'combination' countries, we are adopting an approach combining trade and development cooperation activities. Policy document 2022, ['Do what we do best: a strategy for Foreign Trade and Development Cooperation'](#) (June 2022, [government.nl](#)).

Entrepreneurial Development Bank (FMO), Invest International and multilateral development banks to mobilise the required finance at scale.

The energy transition brings specific challenges for developing countries. The Netherlands promotes just and inclusive energy transitions and supports the roadmap launched by the UNSG (and UN-Energy) to accelerate action on SDG 7, the goal aimed at ensuring access for all to affordable, reliable, sustainable and modern energy as a means of achieving global net-zero emissions. The government is doubling the renewable energy goal set out in Dutch development policy in order to tackle the lack of access to basic energy worldwide. This means we are now working to provide 100 million people with access to renewable energy by 2030. To this end, we are developing a new approach of providing direct support to the poorest countries in Sub-Saharan Africa. In addition, we are increasing the involvement of the private sector by further expanding the NL Energy Compact. In all our activities, we also strive to double the job prospects for women and young people.

By investing sustainably in this way, the Netherlands is working hard to achieve just and inclusive energy transitions in other countries, directing our efforts at those areas where we can bring specific added value. Together with local partners and local governments, we promote inclusive green job creation with a view to developing a circular, renewable energy-based economy that creates opportunities specifically for women and young people. Investment in training, skills and jobs can drive sustainable climate choices, such as closing mines and coal-fired power stations, combating deforestation and initiating projects for renewable energy and circular solutions.

Circular economy

Besides a green energy supply, the government emphasises the mitigation benefits of making the transition to a circular economy. The implementation of circular solutions would reduce the use of virgin raw materials and maximise reuse. As a result, materials would be circulated in value chains for as long as possible and waste would be all but eliminated. This would reduce emissions associated with production, consumption and waste processing throughout the chain. The National Programme for a Circular Economy 2023-2030 contains international measures,⁴² complementing European initiatives such as the EU Circular Economy Action Plan⁴³ and its external aspects, as well as the EU Action Plan on Critical

⁴² Ministry of Infrastructure and Water Management report, '[Circular Economy Implementation Programme 2021-2023](#)' (October 2021, [government.nl](#)).

⁴³ European Commission, '[Circular Economy Action Plan](#)' (March 2020, [ec.europa.eu](#)).

Raw Materials.⁴⁴ The Netherlands will also aim for progressively lower ceilings for primary metals and fossil-based resources used and will raise the required percentages of renewable/recycled content of various materials. To enhance global mitigation benefits, the government promotes the circular transition through multilateral channels, with the aim of seeing circularity targets incorporated into NDCs. We are also driving circular innovation abroad by making Dutch circular expertise available. We do this by sharing knowledge, conducting feasibility studies, participating in demonstration projects, fostering partnerships and setting up circular hubs.

To make emissions in value chains more transparent and reduce Scope 3 emissions,⁴⁵ the government is stepping up its multilateral and multistakeholder efforts via the EU and organisations such as the World Economic Forum (WEF) and the Platform for Accelerating the Circular Economy (PACE). Transition processes in partner countries determine which sectors are the focus of attention, but for the Netherlands these are the built environment, chemicals industry, textiles, plastics and electronic equipment, including automotive parts (batteries) – all sectors where significant mitigation benefits are possible or that rely heavily on scarce raw materials, for example. The government is scaling up existing public-private partnerships such as the Denim Deal⁴⁶ and the Plastic Pact NL, exploring the potential for new partnerships in other energy-intensive sectors, e.g. chemicals, and considering the scope for applying circularity principles in other sectors, for example circular agriculture.

Lastly, the Netherlands advocates a fair and inclusive circular transition where opportunities and risks for developing countries are adequately taken into account when formulating policy. Working with local partners and local governments, we promote the development of circular revenue models that provide opportunities specifically for women and young people, thereby contributing to fair, accelerated transitions and climate benefits.

Sustainable mobility and transport

The transport sector accounts for about a quarter of all global carbon emissions,⁴⁷ and current scenarios suggest that this figure will rise even more, driven by economic and population growth.⁴⁸ Strong international commitment will be vital to exploit opportunities and

⁴⁴ European Commission, '[Critical Raw Materials Resilience: Charting a Path towards greater Security and Sustainability](#)' (September 2020, eu-lex.europa.eu).

⁴⁵ Scope 3 covers all indirect GHG emissions resulting from a company's activities in the production chain.

⁴⁶ Rijkswaterstaat, '[Green Deal on Circular Denim](#)' (2022, afvalcirculair.nl).

⁴⁷ World Resource Institute, '[Everything you need to know about the fastest-growing source of global emissions: Transport](#)' (October 2019, wri.org).

⁴⁸ OECD, '[International Transport Forum Outlook 2021](#)' (2021, oecd-ilibrary.org).

accelerate the global transition to net-zero emissions in the transport sector for all infrastructure, including rail, road, shipping and aviation. The Netherlands has a great deal to offer in this area, such as knowledge about building EV charging infrastructure networks, digitalisation, smart mobility, zero-emission zones, policy on smart, active mobility (bicycle infrastructure), the development of sustainable fuels and the multistakeholder approach to multimodality. Although the technology is well advanced, there are still too few zero-emission trucks and buses on the roads. The Netherlands is committed to increasing demand for and supply of zero-emission light-, medium- and heavy-duty vehicles and, together with 14 other countries, initiated the Global Memorandum of Understanding (MoU) on Zero-Emission Medium- and Heavy-Duty Vehicles (ZE-MHDVs) at COP26. The goal of the signatories to the MoU is for 30% of new MHDVs sold to be zero-emission by 2030, and 100% by 2040. The government is striving to increase the number of signatory countries by between five and ten.

The Netherlands is also committed to global knowledge-sharing on active mobility, and is working with other member countries of the United Nations Economic Commission for Europe (UNECE) to develop a toolkit for implementing the Pan-European Master Plan for Cycling Promotion. Through the Dutch Cycling Embassy, the Dutch cycling industry promotes its unique knowledge and experience on cycling worldwide. The government is working on an international strategy to capitalise on the potential returns of the transition to sustainable mobility. Worldwide, investment in sustainable and healthy cities is on the rise, in which cycling has an important part to play. This presents opportunities for the Dutch cycling industry.

Efforts to make the aviation sector more sustainable pursue two tracks with a horizon of 2050-2070. The first is mainly aimed at the development of more sustainable jet engine technology and the use of sustainable aviation fuel (SAF);⁴⁹ the second focuses on innovation and technological change, for example in energy carriers (electricity, hydrogen) and propulsion systems (electric). One cross-cutting theme of the sector's sustainable development is more efficient flight operations. As a collaborative partner, the Netherlands is involved in ongoing technological innovation programmes.

⁴⁹ This means sustainably produced kerosene (e.g. using the power-to-liquid or Fischer Tropsch process).

The aviation sector, including in the Netherlands, aspires to achieve net-zero emissions by 2050.⁵⁰ To support the sector in its efforts, the government is seeking to have this ambitious objective laid down globally, through the International Civil Aviation Organization, in the form of a long-term carbon reduction target. This will include developing a roadmap focusing on the two tracks mentioned above. To raise international standards, the Netherlands will continue to pursue the European intermediate target of a 55% reduction in GHG emissions by 2030, which will include an overhaul of the EU Emissions Trading System (ETS), a blending obligation for SAF, sustainability criteria and further internalisation of social costs.⁵¹ The government and the sector will jointly invest in ultra-efficient aircraft, electrical and thermal propulsion systems and the relevant research required.⁵² We will also continue to make the case for sustainable fuels and will seek to go further than the agreements reached at European level.

The Netherlands is working with parties worldwide to achieve a climate-neutral maritime shipping sector by 2050, and will strive to raise ambitions in this area before the GHG strategy of the International Maritime Organization (IMO) is revised in 2023. This is in line with the findings of the IPCC report, the Fit for 55 package and with the national policy approach. To elaborate this ambition in operational terms, IMO member states are working on a package of technical and economic measures for the medium and long term. One technical measure concerns setting standards for GHG emissions of fuel, which involves developing a life-cycle assessment (LCA) method to determine the GHG intensity of fuel. In this multilateral process the Netherlands and its European partners are aiming to ensure that both well-to-tank (WtT) and tank-to-wake (TtW) emissions are quantitatively taken into account. As regards economic or market-based measures, a choice will have to be made between an emissions trading system and a levy system.

Impact of agriculture, land use and forestry on biodiversity

Agriculture and changes in land use (agriculture, forestry and other land use, AFOLU) together account for almost a quarter of global emissions and are the main factors driving biodiversity loss.⁵³ The Netherlands is working internationally to cut emissions from

⁵⁰ In line with the Waypoint 2050 (global, ATAG (2020)) and Destination 2050 (European, ASD (2021)) roadmaps.

⁵¹ As proposed in the Fit for 55 package (EU Green Deal).

⁵² [Luchtvaart in Transitie](https://www.luchtvaart.nl) (2021, [vaartindeluchtvaart.nl](https://www.luchtvaart.nl)).

⁵³ IPCC, p.11 '[Special Report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems](https://www.ipcc.org/reports/special-reports/special-report-on-climate-change-desertification-land-degradation-sustainable-land-management-food-security-and-greenhouse-gas-fluxes-in-terrestrial-ecosystems/)' (2019, [ipcc.org](https://www.ipcc.org)); IPBES, '[Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services](https://www.ipbes.net/global-assessment-report-on-biodiversity-and-ecosystem-services-of-the-intergovernmental-science-policy-platform-on-biodiversity-and-ecosystem-services/)' (May 2019, [ipbes.net](https://www.ipbes.net)).

agriculture, reduce land-use changes and enhance biodiversity. The government is therefore stepping up its strategic efforts for sustainable farming, with the SDGs, the Paris Agreement and the UN Convention on Biological Diversity serving as important policy frameworks. We are developing an international agenda in this area.

Furthermore, the Netherlands is helping to reduce emissions caused by land-use change and to increase global carbon sequestration and storage by conserving and protecting tropical rainforests and other valuable ecosystems. The government remains firmly committed to stopping deforestation and forest degradation around the world by 2030 and protecting biodiversity in forests, for example by promoting the development of sustainable, deforestation-free agricultural commodities supply chains, working within the Amsterdam Declarations Partnership, for instance, and supporting ambitious EU legislation on deforestation-free EU production and consumption. These initiatives also involve dialogue with soya, palm oil, cocoa, coffee, timber and meat supply chain actors. Supplementary policy and closer working relationships with other consumer and producer countries are, however, needed to truly halt global deforestation and comply with the international undertakings made by both the Netherlands and the EU to protect and restore the world's forests. The government is aiming to strengthen coalitions with like-minded countries, focus more on influencing policy through the EU and in multilateral organisations, scale up public-private partnership programmes targeting specific areas, and make financial services more sustainable and innovative.

In 2025, the government will double its financial commitment to eliminate deforestation in the three tropical rainforest regions, following the example set by the Leaders' Declaration on Forests and Land Use, the Global Forest Finance Pledge and other related pledges made at COP26 in Glasgow, the aim of which is to step up international efforts to end deforestation by 2030. This underlines the fact that the Netherlands is making a greater contribution to preserving international biodiversity, one of the government's general priorities. We will actively seek more synergy between climate and biodiversity policy, focus more strongly on nature-based solutions in the next few years and take steps to ensure that our foreign trade and development cooperation policy does not adversely affect biodiversity in any way. As part of this, Dutch trade policy devotes particular attention to biodiversity.

Adaptation

Worldwide, the Netherlands works to reduce the climate vulnerability of people and ecosystems and to increase their adaptive capacity and climate resilience.

The IPCC argues that as the Earth's temperature increases, so too does the need for climate change adaptation. The Netherlands is therefore committed to pursuing a robust cycle of adaptation action both at home and abroad and, in fact, leads the field in adaptation finance, devoting at least half of its public climate finance to this theme. We are working on integrated, locally led adaptation projects that use Dutch knowledge of a variety of sectors and stakeholders to co-create solutions and opportunities. Nature-based solutions can play an important role in climate change adaptation and biodiversity conservation. With our climate adaptation-related knowledge and expertise, our characteristic integrated approach and the international outlook of our businesses, knowledge institutions, civil society organisations and young people, we can offer unique added value in sectors like water, agriculture and land use, and healthcare. Our efforts are primarily targeted at vulnerable areas and 'climate hotspots'⁵⁴ in Asia, the MENA region and, especially, Africa. Our aim is to use our integrated approach to development cooperation to make a real difference in the poorest countries, while in middle-income countries, we work with local partners to build greater climate resilience through innovation and investment.

Water

Pressure on water resources is increasing due to climate change, population growth, pollution, industrial production, agriculture and urbanisation. Estimates suggest that if the current trends continue, 45% of global GDP, 52% of the world's population and 40% of global grain production will be at risk by 2050.⁵⁵ At present, more than two billion people live in countries experiencing high water stress and it is likely that demand for fresh water will outstrip supply by 2030. Two-thirds of the global population is expected to live in cities by 2050, including 800 million people in coastal cities vulnerable to rising sea levels.⁵⁶ These developments will disproportionately affect poor, vulnerable and marginalised population groups that usually live in informal structures (e.g. shanty towns).

⁵⁴ IPCC, Chapter 3 Table 3.6, '[Special report on the impact of global warming of 1.5°C](#)' (2018, [ipcc.org](#)).

⁵⁵ UN Water, '[SDG 6 Synthesis Report 2018 on Water and Sanitation](#)' (June 2018, [unwater.org](#)).

⁵⁶ World Economic Forum, '[The Global Risks Report 2019](#)' (January 2019, [worldeconomicforum.org](#)).

The UN 2023 Water Conference, which the Netherlands will co-host, will provide a unique opportunity to enhance cooperation within the Dutch water sector, with a view to improving innovation, knowledge exchange and earning capacity abroad. This will strengthen the Netherlands International Water Ambition (NIWA),⁵⁷ which aims to improve global water security. To increase its multilateral efforts to push forward with the implementation agenda on water and climate change adaptation (for example in NAPs), the Netherlands took the initiative to establish the Champions Group for deltas and coastal areas, in which we will play a visible coordinating role.

The Netherlands also helps developing countries draw up and implement their NAPs, specifically focusing on increasing climate resilience by making improvements in river basin management and taking action to ensure safer deltas. In the face of increasing water scarcity, we will also do more to optimise the use of water in farming, which accounts for 70% of freshwater withdrawals.⁵⁸ Digital information systems and nature-based solutions should help improve agricultural water efficiency. Our approach is both multilateral and local, closely interlinking policy, science and implementation. Existing programmes on integrated water management will be scaled up in the years ahead, so that at least a further four million people will be less vulnerable to climate change by 2030. The Netherlands will endeavour to prevent conflict by providing additional support for organisations developing systems that will use big data to gain insight into potential water-related conflicts and solutions for them. By scaling up our efforts, we will ensure that an extra seven million people have access to a climate-resilient drinking water supply and sanitation facilities.

Land use and food systems

Climate change leads to global warming and degradation of agricultural land worldwide. In arid regions of Africa, in particular, intrinsically fragile food production systems are less and less capable of feeding a growing population. The Netherlands is well placed to contribute to climate change adaptation initiatives around the globe, thanks to its position in the food production and supply chain and the knowledge and expertise of Dutch agricultural businesses and knowledge institutions on topics such as climate-smart agriculture and plant breeding (more resilient crops). To ensure continuity and long-lasting impact, our present efforts will be continued, reinforced and, where necessary, adapted. The government

⁵⁷ Parliamentary Paper, House of Representatives 2018-2019, 32605, no. 217 on the Netherlands International Water Ambition (2016, open.overheid.nl).

⁵⁸ FAO, p.9 '[Towards a water and food secure future: Critical perspectives for policy-makers](https://www.fao.org/publications/02/04/default.asp?lang=en&_id=50393)' (2015, [fao.org](https://www.fao.org)).

recently committed a further €150 million to multilateral research on agricultural and food systems to tackle the climate crisis. The Dutch scientific community also receives support to enable it to make a significant contribution in this field in partnership with the Consultative Group on International Agricultural Research (CGIAR). The Netherlands therefore contributes in a very tangible way to the global and local knowledge base on climate change adaptation (e.g. diversification and drought resistance), biodiversity (e.g. promotion of agrobiodiversity) and mitigation (e.g. rice cultivation and cattle farming) for vulnerable food systems.

The government has set aside additional funding in its budget for food security (increasing to €100 million structurally), intended for improving access to food for people in climate-vulnerable areas. We are working to enhance the resilience of subsistence farmers, particularly in the Sahel and the Horn of Africa, by improving productivity and making food systems more sustainable. The extra budget will be used over the next few years to directly reach an additional four million people annually with activities aimed at ensuring access to better food, and an additional two million small-scale food producers annually with activities aimed at increasing their productivity and income; and to convert a further one million hectares of farmland a year to more sustainable use.

The Netherlands is also participating in the international debate on climate-related vulnerabilities in food systems, for example within the context of the UNFCCC. Specifically, the Netherlands advocates a coherent approach to the various components of these systems (food, water, soil, biodiversity, land rights, poverty, economic growth, safety, etc.), thus encompassing the entire context.

Finance

Worldwide, the Netherlands is accelerating the climate and energy transition by using public funds to mobilise more private finance for climate action and climate change adaptation.

The IEA and IRENA have indicated that global investments of \$5 trillion per year until 2030 will be needed to give the world an even chance of staying within 1.5°C global warming. This will mean a sharp increase in the level of energy investment worldwide, combined with a drastic shift from fossil fuels to renewables. Although renewable energy is often cheaper, the initial costs and integration costs demand additional funding, most of which will have to come from the market, although public money will be an important driver. In climate change adaptation, public funding often plays an even more significant role because the economic benefits mainly accrue in the form of avoided costs.

In accordance with Article 2.1(c) of the Paris Agreement, the Netherlands is committed to providing better incentives for sustainable investments, combating greenwashing and promoting credible climate action in the financial sector. The government is also working hard to ensure that financial institutions make climate risks and climate impact transparent, reporting on and incorporating them into their broad policy, which involves these institutions actively mitigating risks and aligning their investments with the Paris Agreement.

Developing countries cannot finance the energy transition and climate change adaptation entirely on their own, due to limited public finances, existing debts, a shortage of institutional capacity, lack of access to clean technology and muted interest from Western markets. International climate finance can make a significant contribution.⁵⁹ At COP21, the developed countries' pledge to developing countries to make \$100 billion in climate finance available annually was enshrined in the Paris Agreement. During COP26 in Glasgow, developed countries agreed to double the funding specifically earmarked for climate change adaptation by 2025.⁶⁰ The Netherlands' contribution to global climate finance for developing countries is growing steadily – both public finance for climate action development programmes and private climate finance mobilised through public resources. By 2025 total Dutch climate finance is expected to be more than €1.8 billion, with at least half of the public funds to be

⁵⁹ This relates to public and mobilised private finance.

⁶⁰ The Glasgow Pact includes an agreement to double adaptation finance from \$20 billion in 2019 to \$40 billion by 2025.

used for adaptation.⁶¹ We are seeking to take advantage of global climate investment opportunities such as the EU Global Gateway and Just Energy Transition Partnerships, for example by contributing to initiatives that also generate private investment (such as Invest International, FMO and trade promotion activities).

Internationally, the Dutch government demonstrates leadership for further scaling up adaptation finance ambitions. The Netherlands focuses on achieving a better balance and improving the quantity, quality and accessibility of this finance specifically for least developed countries (LDCs) and Small Island Developing States (SIDS), for example through the Champions Group on Adaptation Finance. We support the UNSG's initiative for an Adaptation Pipeline Accelerator, which aims to help developing countries implement their own adaptation priorities. The Dutch Fund for Climate and Development (DFCD) leverages private-sector investment in impactful projects aimed at climate change adaptation and mitigation. The Fund's Water Facility, for example, has attracted \$675 million in public and private capital for investments in water and ecosystems. With the follow-up to the DFCD, the government will give an additional boost to the development and funding of climate projects by the private sector.

The multilateral financial system can contribute significantly to the green transition. Within international financial institutions (IFIs) the Netherlands will ambitiously call for their portfolios to be aligned with the Paris and Glasgow agreements and for pursuing low-carbon, climate-resilient development pathways. This should apply both to direct portfolios and to investments through financial intermediaries. In this context, it is important for IFIs to include climate change considerations in their risk management strategy and as part of their policy-making and decision-making processes. As a member of the International Monetary Fund (IMF), the Netherlands is firmly committed to implementing the climate strategy adopted in 2021,⁶² which integrates climate change into all of the IMF's activities. The government is also asking IFIs to end support for the unabated⁶³ fossil fuel energy sector by 1 January 2023, except in limited and clearly defined circumstances that are consistent with a 1.5°C warming limit. By fostering policy dialogue and technical assistance, IFIs are well placed to

⁶¹ Any repercussions of the Global Climate Strategy for the national budget will be incorporated into the budget of the relevant line ministry, in accordance with the budgetary discipline rules.

⁶² IMF, '[IMF Strategy to help members address climate change related policy challenges – Priorities, modes of delivery, and budget implications](#)' (July 2021, imf.org).

⁶³ Pollution abatement refers to technology or processes (like carbon capture and storage) applied to reduce pollution. So, 'unabated' refers to industrial processes without the application of pollution control measures. [https:// www.e3g.org/news/explained-what-does-unabated-coal-mean/](https://www.e3g.org/news/explained-what-does-unabated-coal-mean/).

help countries develop policies and plans that will steer them onto a green transition pathway. In line with Dutch policy priorities, the Netherlands invests in transformative and innovative programmes of multilateral development banks to accelerate their potential to leverage climate finance. Together with Circle Economy and the Inter-American Development Bank (IDB), the Netherlands has developed a circular finance roadmap for IFIs, designed to ensure that lending and investment practices are based on circular, climate-neutral principles. Relevant lessons learned from this roadmap will be shared with stakeholders in the world of international finance, including IFIs.

Implementation instruments

The Netherlands: a partner for fossil-free growth

Achieving the ambitions set out in this Global Climate Strategy will not only require additional finance as described above; the range of implementation instruments available will also need to be adapted in order to contribute more effectively to government policy.

We will do this, first and foremost, by phasing out support for international unabated fossil fuel energy projects, in accordance with our endorsement of the COP26 ‘Statement on international public support for the clean energy transition’ and the coalition agreement.⁶⁴ We will also make additional investments to exploit green export opportunities and will encourage and support organisations that are committed to pursuing projects centred on greening initiatives and achieving the SDGs. Our approach will be to make existing instruments greener and target them more at the sectors that are central to our Global Climate Strategy. Lastly, significant challenges exist in a growing number of high- and middle-income countries, where Dutch expertise and investments could be deployed. The government has identified 14 middle-income countries (‘combination countries’) that offer excellent opportunities for the Netherlands to use its knowledge and skills to contribute to transitions in the areas of sustainability and digitalisation. These two transitions will play a major role in the economy of the future, increasing resilience to climate change and connecting people to digital infrastructure. In the combination countries the government will take an approach combining development, trade and investment activities, for which it will make additional human and financial resources available, both in The Hague and at the missions abroad. This will give Dutch businesses a strong export and investment position in these markets and the combination countries themselves a sustainable economic boost. The combination countries are: Bangladesh, Colombia, Egypt, Ghana, India, Indonesia, Ivory Coast, Kenya, Morocco, Nigeria, Senegal, South Africa, Ukraine and Vietnam.⁶⁵

Greening funding instruments

The threshold for green activities will be lowered for SMEs and they will also enjoy greater benefits to help them make the most of green export opportunities (including lower interest rates and favourable conditions). We will also invest additional resources in green public-

⁶⁴ Parliamentary Paper, House of Representatives 2021-2022, 31793, no. 202 on international climate agreements and the COP26 statement on aligning international public support for the clean energy transition (November 2021, open.overheid.nl).

⁶⁵ Policy document 2022, ‘[Do what we do best: A strategy for Foreign Trade and Development Cooperation](#)’ (June 2022, government.nl).

private market development strategies for the import of clean energy (such as green hydrogen) from a number of countries. Furthermore, the government is greening its support for public infrastructure projects in developing countries (through the Development-related Infrastructure Investment Vehicle (DRIVE) and Develop2Build (D2B) programmes) and is aiming to have 70% of the contracts under each of these instruments implemented by Dutch businesses, with a special focus on SMEs. We are doing this to drive sustainable economic development and make maximum use of the Netherlands' innovative capacity the world over.

The government's intention is to make climate-relevant investments in developing countries within all the public funds that FMO manages on behalf of the state. This is consistent with the motion submitted by Dutch MP Tom van der Lee (Parliamentary Paper 35830-XVII, no. 6) on making all these funds more climate-relevant.

Greening trade instruments

The government sets great store by responsible business conduct (RBC) and seeks to include climate risks under the appropriate due diligence requirement in European RBC legislation. We are also working to make trade missions and economic services organised by embassies greener. It is important to ensure that our climate and economic diplomacy efforts to support the energy transition are directed not only at Asia, but also at major fossil-fuel energy producers in the Gulf region, the US, Mexico, South Africa, Australia and Brazil.⁶⁶ The transition in these countries creates opportunities for Dutch companies. We will organise trade missions to support the sustainability and digitalisation transitions, targeting sectors and themes such as offshore wind, hydrogen, sustainable transport and mobility, the circular economy, fintech and agritech. We are organising more and more trade missions focusing on hydrogen, water, coastal protection and port development, and will step up these activities.

The transition to sustainable, inclusive trade requires adjustments and efforts in developing countries, and the Netherlands is in a position to provide support in these areas by initiating multistakeholder dialogue and cooperation and facilitating contact with our partners, including the Sustainable Trade Initiative (IDH), the trade unions CNV and FNV, the International Labour Organization (ILO) and the Power of Voices partnerships. The government is also working on trade facilitation programmes to achieve a more efficient,

⁶⁶ See AtlasBig, '[Countries by Fossil Fuel Electricity Generation](https://atlasbig.com/countries-by-fossil-fuel-electricity-generation)' (2022, atlasbig.com).

more effective and more sustainable internal market in Africa. We will ensure that producer countries also benefit from the new European legislation designed to make supply chains more sustainable, and are therefore scaling up impact analyses and improving collaboration with European partners and civil society organisations with a view to taking supplementary measures to ensure a fair and inclusive transition.

The Netherlands conducts an active trade policy, focusing on a future-proof trading and investment system. Within the EU, we remain committed to strengthening and reforming the World Trade Organization (WTO) to achieve, inter alia, a level playing field and sustainability. At EU level, we advocate high standards for sustainability in the context of trade agreements, key instruments for facilitating access to the EU market, and dialogues on climate change.

Fossil-free

The instruments of the Netherlands Enterprise Agency (RVO) are already completely fossil-free as of 2022. In response to the wishes of the Dutch House of Representatives and the COP26 statement on ending direct public support for international fossil fuel energy projects by 1 January 2023, the government will phase out trade promotion (instruments and economic diplomacy) of fossil-fuel energy activities. Exceptions will only be made if energy supplies are at risk, or on other specific grounds. The government will continue to be ambitious with a view to ensuring a level playing field and maintaining Dutch competitiveness.

Climate diplomacy

The Netherlands works on climate diplomacy with like-minded countries and within alliances with businesses, knowledge institutions and civil society organisations, with the aim of encouraging other countries to increase their mitigation and adaptation ambitions through their NDCs and NAPs and translate these ambitions into national policy. We also exercise economic diplomacy to capitalise on mitigation and adaptation opportunities for the Dutch business sector.

Furthermore, the Netherlands uses international conferences and negotiations to put certain climate themes on the agenda and increase pressure on other countries. For instance, we strongly advocate placing water at the heart of climate action. The Netherlands will make every effort to ensure that Water for Climate and Environment is one of the themes proposed for the interactive dialogues at the UN 2023 Water Conference in March next year, which it

will be co-hosting. Our efforts at the COP27 climate summit will focus on the preparations for this Conference and on lobbying the global climate community to accelerate and scale up SDG 6 actions.

The UNEP World Conservation Monitoring Centre, with Dutch support, has set up a platform for collecting area-specific pledges from non-state parties. This platform not only allows the parties themselves to share experiences but also promotes transparency and accountability at a global level.

Diplomacy is about people and effective diplomacy demands a strong network of missions. The government will also use the extra funding for its diplomatic missions to step up climate diplomacy. Moreover, missions will be given support to speed up national transitions, for example through funds from the Netherlands Enterprise Agency's new instrument, the Climate and Energy Response Facility.

Abbreviations

AFOLU	Agriculture, forestry and other land use
BWN	Building with nature
CCS	Carbon capture and storage
CGIAR	Consultative Group on International Agricultural Research
COP	United Nations Climate Change Conference
COP26	2021 United Nations Climate Change Conference
DFCD	Dutch Fund for Climate and Development
EU	European Union
EU ETS	EU Emissions Trading System
FMO	Dutch entrepreneurial development bank
GHG	Greenhouse gas
ICAO	International Civil Aviation Organization
IEA	International Energy Agency
IFI	International financial institution
ILO	International Labour Organization
IMF	International Monetary Fund
IMO	International Maritime Organization
IRENA	International Renewable Energy Agency
RBC	Responsible business conduct
INCLUDE	African-Dutch platform of researchers, practitioners and policymakers
IPCC	Intergovernmental Panel on Climate Change
LCA	Life-cycle assessment
LDC	Least developed country
LTS	Long-term strategies
MENA	Middle East and North Africa
EIA	Environmental impact assessment
SME	Small and medium-sized enterprise
MoU	Memorandum of Understanding
NAP	National adaptation plans
NBS	Nature-based solutions
NDC	Nationally Determined Contribution
NDICI	EU Neighbourhood, Development and International Cooperation Instrument
NIWA	Netherlands International Water Ambition
PACE	Platform for Accelerating the Circular Economy
PBL	Netherlands Environmental Assessment Agency

RVO	Netherlands Enterprise Agency
SAF	Sustainable aviation fuel
SDG	Sustainable Development Goal
UNSG	United Nations Secretary-General
SIDS	Small Island Developing States
SRHR	Sexual and reproductive health and rights
UNECE	United Nations Economic Commission for Europe
UNFCCC	United Nations Framework Convention on Climate Change
UN	United Nations
WEF	World Economic Forum
WTO	World Trade Organization