

To the Minister of Infrastructure and Water Management
Mr M.G.J. Harbers
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Date: 15 November 2023 **Contact person:** R. Hillebrand
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Enclosure(s):

Subject: Rli Work Programme 2024-2025

Dear Mr Harbers,

The Council for the Environment and Infrastructure (Rli, "the Council") met a number of times during the past year to discuss possible subjects for its 2024-2025 work programme. At those meetings, the Council bore in mind the interests expressed by the ministries and during discussions with you and your colleagues. Because the challenges in the physical living environment are so closely intertwined, most of the Council's advisory reports transcend the boundaries of the four ministries in the physical domain.

The following three advisory processes from the 2023-2024 work programme will continue into 2024:

- Long-term spatial consequences of climate adaptation
- Juridification of the social debate on sustainability and the environment
- Overall well-being in environmental policy practice

The "sustainable construction" advisory process from the 2023-2024 work programme is expected to be launched in early 2024. In addition, the Council has the following unsolicited advisory reports in hand; these will be published by the end of 2023 or during 2024:

- Implementation capacity (end of 2023 or first quarter of 2024)
- System failures in policy on the living environment (mid-2024)

Finally, at the request of the Ministers of the Interior and Kingdom Relations (BZK), Infrastructure and Water Management (IenW), and Agriculture, Nature and Food Quality (LNV), the Council is currently preparing an advisory report on "the national approach to foundation problems". This advisory report will be delivered by no later than 1 March, as per the request for advice.

In this work programme we propose drawing up five new advisory reports in 2024-2025:

1. How can we comply with the Montreal Pledge?
2. Main Energy Structure
3. Future-proof drinking water supply
4. Inclusive sustainability



5. Working for a sustainable living environment through government shareholdings

We also plan to organise a conference in mid-2024, on the occasion of the appointment of new Council members. The title of the conference will be:

6. The Netherlands after remodelling, conference

This letter gives a brief explanation of these six topics. When starting work on each new report, we will ask ourselves where and how our advice can provide the greatest added value. This may lead to changes in our programming. We will naturally continue to properly inform all the relevant ministries regarding these matters.

We also wish to note that for several of the Council's advisory reports, the question arose of whether the Caribbean Netherlands – the BES islands – should be included in the scope of the report. In each case, the conclusion is that it is not appropriate to include these three municipalities in the regular advisory processes, due to their very specific living environment issues, which differ greatly from those of the European Netherlands. But because the issues addressed in our advisory reports are also relevant (or may be) to the Caribbean Netherlands, we will launch a preliminary study in early 2024 on how to include that part of the Kingdom in policy on the living environment.

In addition to the above topics, the Council will in the coming years supplement its regular work with advice based on the interim and final outcomes of evaluation of the Environment and Planning Act. For this purpose, the Council has been temporarily supplemented by two Council members who are also members of the Environment and Planning Act Evaluation Committee. Arrangements will be made with the Minister of the Interior and Kingdom Relations on the programming of these advisory reports and the questions to be addressed.

Advice topics for 2024-2025

1. How can we comply with the Montreal Pledge?

The climate agreement reached in Paris in 2015 turned Dutch climate and energy policy upside-down. Commitment to halting the loss of biodiversity – the other major threat to life on earth and also an essential component in counteracting global warming – lags far behind the country's commitment to reducing greenhouse gas emissions. The lack of internationally set biodiversity targets has certainly played a role in this.

Hope is however dawning for restoring biodiversity. On 20 December 2022 – at the conclusion of the UN Biodiversity Conference (COP 15) in Montreal – four targets and 23 sub-targets were agreed on that aim to address overexploitation of the earth, pollution, fragmentation of nature, and unsustainable agriculture as early as 2030, as well as promoting society's inclusiveness as regards nature. The Netherlands was one of an ambitious leading group of countries in Montreal and wholeheartedly endorsed the agreement. In its advisory report *Nature-inclusive Netherlands: nature everywhere and for everyone* (2022), the Council already made recommendations for a change of course in nature policy. With the signing of the Montreal Biodiversity Convention, it has become all the more urgent for Dutch public authorities to take account, in good time, of the consequences that the international agreements have for the Dutch situation, and that the international targets are implemented effectively in the Netherlands. Some of the 2030 targets are quantifiable:

- Reduce food wastage by half
- Progressively phase out or reform at least \$500 billion each year in subsidies that are harmful for biodiversity
- Cut by half the risk associated with pesticides and hazardous substances

How can the Netherlands ensure that it achieves the Montreal targets? What must the country do to ensure it does so in good time?

2. Main Energy Structure

Making the Netherlands' energy supply more sustainable requires major changes to the necessary infrastructure. This applies to the infrastructure for transporting electricity, heat, renewable gases, and CO₂.

Huge infrastructure problems are already apparent. For example, it is no longer always possible to connect up large solar farms or to provide businesses with electricity connections. At the local level, there are many ways of combining and controlling the supply and demand for energy (Expertteam Energiesysteem 2050, 2023). To that end, tens of thousands of additional transformer stations will need to be built and the road surface in one in three streets in the Netherlands will need to be torn up. Large-scale offshore wind power requires cables to be routed through the coastal dunes, i.e. through sensitive Natura 2000 areas. Pipeline corridors and high-voltage lines require new routes, either above or below ground. Heat networks are a complex and expensive infrastructure and getting them up and running is problematical.

In the Regional Energy Strategies, public authorities, residents, businesses, grid operators, energy cooperatives, and civil-society organisations are investigating how and where solar and wind energy can be generated on a large scale. The resulting plans will in part determine the necessary infrastructure. Where the major clusters of industry are concerned, central government has taken over control of this matter. The Multi-Year Programme on Infrastructure and Climate (MIEK) and the resulting Industry Climate Agreement Infrastructure Taskforce (TIKI) are working on national infrastructure planning for industrial clusters.

The Main Energy Structure Programme (PEH) is intended to ensure spatial integration and incorporation in the new National Spatial Strategy [*Nota Ruimte*]. In a provincial multi-year programme (pMIEK), the provinces identify key energy infrastructure projects that must be prioritised in grid operators' investment plans.

Decision-making involves a large number of parties with diverse interests, and interaction with other spatial planning issues is complex. As a result, decision-making takes too long and problems pile up.

How can creation and integration of the necessary new energy infrastructures be speeded up effectively? How can further development of the main energy structure be designed in such a way that it best supports and does not hinder the energy transition?

3. Future-proof drinking water supply

Provision of the country's drinking water depends on the availability of sufficient fresh surface water and good quality groundwater. The Water Framework Directive also emphasises the need for a good quality and quantity of ground and surface water for drinking water preparation (Rli, 2023). In September 2022, the National Association of Water Companies in the Netherlands (VEWIN) informed central government that the drinking water system is reaching its limits due to salinisation, drought, and increasing demand.

Recent research by the National Institute for Public Health and the Environment (RIVM) (2021, 2023) indicates that water quality and water quantity problems are affecting more than half the current water extraction sites. Finding new extraction sites is a major problem due to the

deteriorating quality of current sites and increasing demand for water from both households and agriculture.

Water boards and drinking water companies regulate the quality and quantity of fresh water by issuing permits to companies. Central government wishes to bring about a 20% reduction in drinking water consumption by households and businesses, but how that is to be achieved is still unclear. In area-specific processes, agreements need to be made on the quantity of groundwater that can be extracted by whom each year. How measures will be implemented must to be worked out in detail with the parties concerned. Permits and other arrangements for groundwater extraction need to be amended if the balance between the groundwater system and groundwater-dependent functions is disturbed. The provinces set a groundwater ceiling for this purpose (including for small extraction sites), with this needing to be monitored and enforced. However, no general permit requirement for groundwater extraction will be introduced, nor a ban on groundwater extraction near water-depleted Natura 2000 areas. New ways of pricing water are being investigated. The use of drinking water for cooling purposes by large-scale commercial water users will be restricted.

Given more frequent water shortages, stalled quality improvement and the increasing need for fresh water, how can drinking water supplies be made future-proof? What preconditions does this set for Dutch water systems?

4. Inclusive sustainability

In its assessment of the state of the living environment in 2020 [*Balans voor de leefomgeving 2020*], the Netherlands Environmental Assessment Agency (PBL) noted that the quality of the living environment is still not good, and that policy ambitions regarding sustainability can only be achieved if government succeeds in connecting with the public. This calls both for an equitable distribution of the benefits and burdens – an issue currently high on the social and political agenda – and for fair decision-making in which people have been able to participate and perceive the weighing of interests to be fair. The Netherlands Scientific Council for Government Policy (WRR) (2022) concluded that if the distribution of benefits and burdens is not equitable and if people perceive it as not having been arrived at reasonably, that can lead to public opposition and can undermine support for climate policy.

At the moment, elements of the sustainability policy that is being pursued – i.e. climate, nature, and energy policies – still seem to unintentionally increase socio-economic inequality. In many cases, sustainability policy aimed at households takes the form of incentive schemes for technological innovation (electric cars, solar panels, and home insulation). These schemes often involve a tax component, require pre-financing, and must be funded partly from householders' own resources. As a result, such schemes often benefit people who have a lot to spend rather than people on a tight budget. The challenge is how to achieve broad social inclusion in the sustainability transitions and what that requires of sustainability policy itself and any accompanying socio-economic policy.

As has been indicated, for sustainability to be inclusive, paying attention to socio-economic inequality alone is not enough. People must also be able to identify with the policy decisions, and feel that they have been seen, heard, and involved in creation of the policy. What is necessary for sustainability policy to be owned by and for everyone? To what extent can paying attention to regional and cultural differences and connecting to community strengths and people's own initiative help with this?

How can sustainability policy be developed so that it includes wider society? What demands does that make as regards distribution of the benefits and burdens and the way they are balanced up?

5. Working for a sustainable living environment through government shareholdings

Activist shareholders play an important role in the debate on sustainability. That role can promote sustainability (e.g. Follow This) but can also delay it (for example in the case of activist shareholders calling on Unilever's board to pay greater attention to short-term financial returns).

The Dutch state holds shares in 32 companies. That includes 17 state holdings, with the shares being managed by the Ministry of Finance. Some of these have a direct relationship with the domain of the living environment, including Air France-KLM and KLM, the Port of Rotterdam Authority, Dutch Railways, Schiphol Airport, and TenneT. Other public authorities also participate in numerous enterprises with a relationship to the domain of the living environment. For example, municipalities and provinces participate in port operators, airports, energy network operators, heat companies, waste processors, and operating companies.

An important aspect of managing stock in government shareholdings involves ensuring the continuity of the company and maintaining a sound financial position. When voting on holdings such as those in KLM, Schiphol Airport, and the Port of Rotterdam Authority, the Dutch state usually votes in line with the advice of the Supervisory Board. The public interest in sustainability would appear to need to be shaped mainly outside the general meeting of shareholders.

A basic question is whether it is desirable for government to hold shares in commercial companies that have a significant impact on the living environment. If that is deemed desirable, the question then arises of whether control via the position of shareholder can be broadened to include making the living environment more sustainable, given that the government has made safeguarding and increasing overall well-being a central goal for the Dutch economy. A sustainable living environment forms part of that. In our advisory report *Finance in Transition* (2022), we wrote:

"We believe that the Dutch government, as a shareholder in state holdings, should set an example by holding the organisations concerned to account not only for their financial returns, but also their societal returns."

Another question is whether expansion of government shareholdings is desirable for future-proofing the Dutch economy, for example in strategic companies that shoulder responsibility for constructing energy infrastructure or companies that work with sensitive technologies.

Subject to what conditions it is desirable for government to hold shares in commercial companies with a significant impact on the living environment? How can public authorities as shareholders exert control in order to promote the contribution of the companies concerned to a sustainable living environment?

Conference at the end of Council's 2020-2024 term

6. The Netherlands after remodelling, Council 2020-2024 conference

The Netherlands is being radically remodelled, and our challenges on the path to the sustainable economy are numerous: new homes and places to work; renewable energy; space for food production, biodiversity and greenery; water security, water retention and water storage;

accessibility of facilities, and optimal exchange of raw material flows. Everything is going to be different!

Bearing in mind the know-how gained from periods of urban development through the growth centres policy and the "Vinex" housing estates policy – with their associated strengths and weaknesses – it is now time to look ahead so as to envisage what kind of Netherlands will emerge as a result of the ongoing remodelling. What kind of Netherlands do we see, what qualities will the living environment have and what weaknesses? Will the Netherlands provide what is needed for the lives of all of us in the future?

With the decentralisation of spatial planning policy, spatial design and thinking competences have disappeared at national level. Instead, spatial planning policy now all too often seems to be merely the sum of sectoral claims to space, which it is assumed can be rolled out pragmatically. History shows, however, that the reality is problematical as regards this point.

In a number of its reports, the Council has argued for restoring the design-based approach (*The Connecting Landscape*, 2016; *Give Direction, Make Space!*, 2021) and for politicians to place a kind of "dot on the horizon" as a desirable target for a sustainable future for us all (*The Sum of the Parts*, 2019; *Towards a Sustainable Economy*, 2019). Policy-makers and politicians would seem to be reluctant to do so. Perhaps the necessary "push" needs to come from the civil society and from the government's many knowledge institutions.

In August 2024, the composition of the Council will change, and this time the Chair will also be stepping down. To mark the occasion, the Council is organising a conference at which a number of speakers will be invited to reflect on the idea of that "dot on the horizon" as the target for a sustainable society. The questions on which we will invite them to reflect are (provisionally): *What are the prospects for the Netherlands after remodelling? What kind of rules, standards, and values do we want to apply? What will that mean for how government, businesses, and the public see their role? How will we relate to the living environment? How different will our economic model be? What will be deemed to be of value in the new model of society? How can we, as a society, advance in the right direction, and what can we learn from previous remodellings of the Netherlands? How "overall" will the well-being of our children be, and of their children?*

The conference will conclude with a presentation by the outgoing Chair of the Council, during which he will set a "dot on the horizon" on behalf of the Council itself.

Yours sincerely,
The Council for the Environment and Infrastructure,



J.J. de Graeff
Chair

Dr R. Hillebrand
General Secretary