THE DUTCH ECONOMIC INTEREST IN INVESTING IN THE ENVIRONMENT

The Netherlands, like Germany, Sweden and Austria, is a major net payer to the EU Budget. In 2010, Netherlands paid (net) EUR 3.6 billion to the EU Budget.\(^1\) Its net paying position gives Netherlands a key role in the EU budget debate. The Dutch position towards the EU budget is characterised by the desire to ensure that EU policies finance those sectors and regions that need it the most and to ensure as much efficiency and effectiveness of financial investments.

The environment plays a key role in the Dutch economy especially within the agriculture sector where it directly or indirectly makes up 10% of the Dutch economy.\(^2\) In 2010, the Netherlands received EUR 1.85 billion of EU money of which EUR 1.01 billion (55%) was spent on agriculture policy.\(^3\) This was above the EU average of 49%.

The awareness for environmental issues is relatively high in the Netherlands, including the willingness to pay for the environment. The Netherlands has, in the past, invested in nature, such as in ecological infrastructure throughout agriculture landscapes. Over the last years, these investments have been beneficial for biodiversity conservation. However, due to the current financial crisis, the Dutch government axed its national environmental funding line.

The current public debt crisis in the EU and the Netherlands’ contribution to it will clearly limit the availability of Dutch public funds for the environment. At the same time, it is an opportunity for a debate on the most efficient and wise use of taxpayers’ money and for the phasing out of environmentally harmful subsidies.

NATURA 2000 COVERAGE IN THE NETHERLANDS

1. Noordduinen
2. Veluwé Nature Park

COMPARISON OF COSTS AND BENEFITS OF INVESTING IN NATURE CONSERVATION IN NETHERLANDS AND AVAILABLE EU FUNDING FOR NATURA 2000\(^4,9\)

**FACTS**

1. The terrestrial Natura 2000 network covers 13.8% of the total area of the Netherlands.\(^4\)
2. The gross welfare benefits of all Dutch Natura 2000 areas (1.1 million ha) is around EUR 4.5 billion per year.\(^5\)
3. Veluwé Nature Park receives EUR 188,000 per year, which is very small compared to the benefits provided by the park to society, around EUR 10.8 million per year.\(^6\) Natural areas, such as Veluwé with mosaïc and old heritage landscapes, are very popular places in which to live, work and spend free time. For example, the total annual turnover of the recreation sector in Veluwé is estimated at EUR 1 billion.\(^7\)
The Netherlands, a small country with a high population density, has prevailing natural conditions and relatively fertile soils in a flat landscape which favours a varied and productive agriculture. In monetary terms, the Netherlands ranks second, behind the United States, as net exporter of agricultural products. Governmental policy strongly supports the intensive agricultural sector, including the availability of inexpensive natural gas supporting greenhouse horticulture and floriculture as well as the production of cheap fertilisers. The high productivity of the agricultural sector comes at a destructive price to the environment with high levels of external inputs including mineral fertiliser, manure, pesticides and energy, which rank among the highest in the world. Priority environmental issues for the Netherlands such as loss of biodiversity, climate change and over-exploitation of natural resources reflect pressures on the environment deriving from the Netherlands’ development choices, such as intensive agriculture and transport.10 These environmental issues have economic consequences for Netherlands and Europe. It will cost the EU EUR 1.1 trillion every year by 2050 for the lack of policy implementation towards halting the loss of biodiversity.11

HOW EU FUNDS CAN BE INVESTED INTO FUTURE BENEFITS

The Netherlands has had several EU funded projects that have integrated management of habitats with other economic sectors, including agriculture and construction. Due to intensification and lower market prices of agricultural products in the last few decades, a large number of farmers sought diversification of income by applying far agri-environment subsidies under the European Agricultural and Rural Development Fund (EARDF). An initiative “Farming for Nature” was created to stimulate diversification in the rural area away from intensive agriculture, as means of preserving and enhancing its natural and cultural values.12 Currently one farmer out of seven delivers “agri-environment services”. In 2009, LIFE financed a project to revitalize the Noordoostpolder, an area that has been intensively used for agriculture, military purposes and water extraction. The area faces desiccation of the dune slacks and eutrophication, as a result of agricultural use and atmospheric deposition. The project will transform farmland into valuable natural habitat, create and restore natural dunes by removing buildings and concrete from the former military site and invasive alien species. It will also help the economy of the area by improving the infrastructure for attracting visitors and a new system of fences and gates for people and cattle.13

EU policy

1. Increase the total budget of the EU’s environmental fund “LIFE” from 0,23% to 1% of the total EU Budget (circa 1.5 billion EUR per year);
2. Balance the two pillars of the Common Agricultural Policy (CAP) and ensure 50% of its total budget delivers towards the Rural Development Programme;
3. Ensure the EU Budget delivers 20% of climate action, especially through climate mitigation under cohesion policy;
4. Establish a tracking system that documents specific positive and negative effects of EU funds for climate and biodiversity;
5. Support the establishment and financing of the Voluntary scheme for Biodiversity and Ecosystem Services in Territories of the EU Outermost Regions and Overseas Countries and Territories (BEST).

National planning & programming

1. Establish clear earmarking of EU funds for the financing of the Natura 2000 network, based on national or regional priority action frameworks;
2. Ensure sufficient funding is available for well targeted and well designed agri-environment schemes and other environmental measures under rural development;
3. Finance Green Infrastructure and projects on energy efficiency under regional development;
4. Involve all relevant actors, including environmental NGOs, during national planning and implementation of European funds (including partnership contracts).

1. In 2010, NL contributed a total of EUR 5.6 billion after rebate (including customs and trade duties collected on behalf of the EU of which 25% was renotalied, NL, and received EUR 2.153 billion, NL, website Operational budgetary balance calculated according to the EC methodology for 2010).