The background of the slide is a composite image. The left portion has a light orange tint and contains faint, semi-transparent text of chemical formulas: CO<sub>2</sub> in the top left, PFCs repeated three times in the top center, HFKs in the middle left, and CH<sub>4</sub> repeated three times in the middle right. A faint image of a wind turbine is visible on the left. The right portion of the slide is a vertical strip showing a close-up of a wind turbine's blades and tower against a clear blue sky.

# Dutch lessons as GHG Buyer

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25TH of June New York

CO<sub>2</sub>

# Following Issues I want to discuss

- Dutch Climate Policy
- What were the smartest decisions?
- What we would do differently?
- What advice we would give to RGGI?



# Dutch Climate Policy

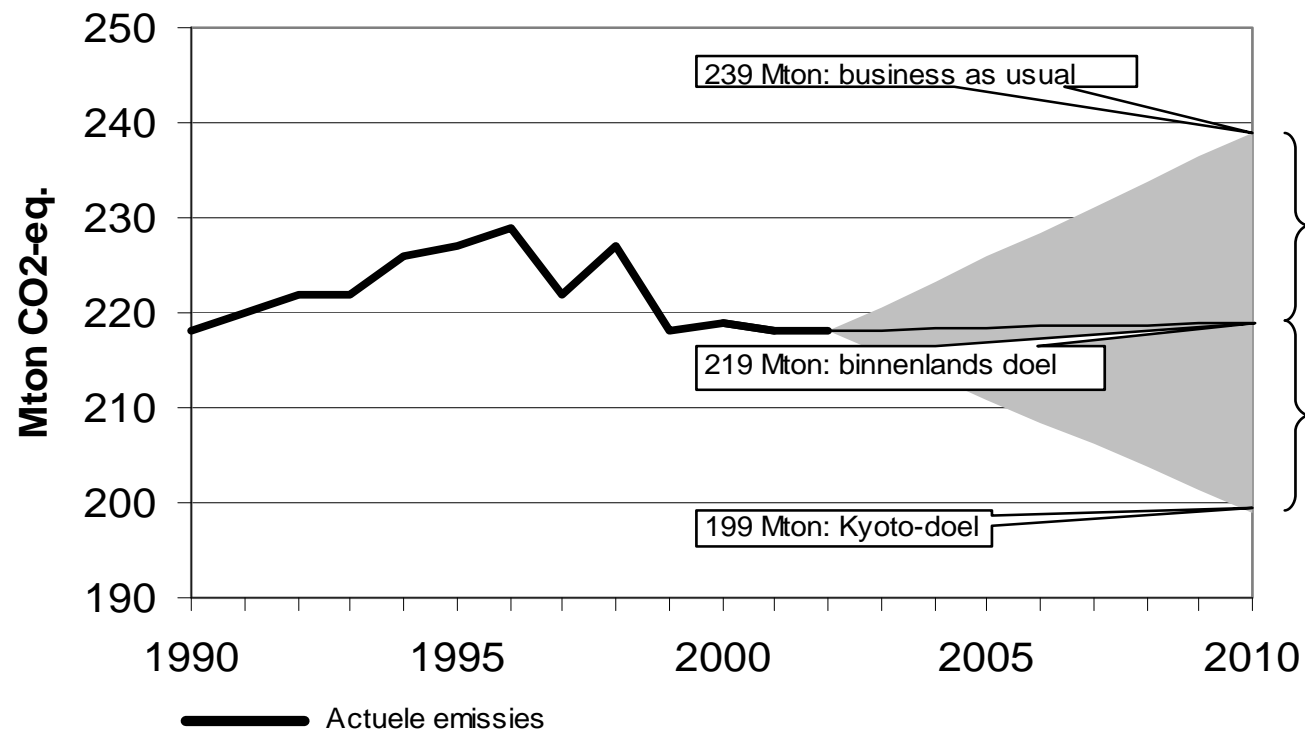
- -6% CO<sub>2</sub> reductions  
in period 1990 - 2008/2012
- 40 Mton a year (-20% BAU)
- 50% National Instruments
- 50% Flexible Instruments  
(JI/CDM and IET)

Target 100 Mton CO<sub>2</sub> reductions in  
period 2008-2012 with Flex. Int.



CO<sub>2</sub>

# Kyoto target



International  
measures  
JI/CDM 50%

National  
measures

CO<sub>2</sub>

# What were our smartest decisions?

- Early decision in 1999 to do 50% with JI and CDM and 50% Nat. Inst.
- Get a Government budget of about 900 mln. dollar available from 1999.
- Try to get a CO<sub>2</sub> market price by introducing tender where we buy CO<sub>2</sub> reductions
- Good mix of Environment and Economy
- Cooperate with Companies and Host Governments, e.g. in PCF





# What we would do differently?

- Rules for CDM and JI should have been clear from the start.  
What is additional/what is baseline?
- CDM Executive Board (EB) is not a competent regulator yet.
- No real demand for CDM and JI from private sector because they have no cap!
- That will be changed with EU Emissions Trading System (ETS) and the “linking directive” that allows use of CDM and JI credits.
- Too much expected from CDM
  - big investments in Dev countries/ sustainable development
  - expensive renewable / cheap “high-GWP” gases



CO<sub>2</sub>

## What advice would you give to a RGGI offsets program? (1)

- Look at EU ETS
- Focus Cap and Trade System on a small group of sectors and one gas.
- Allocation is difficult, but afterwards there is a clear market.
- You can add sectors and gases later if you want.
- Link with projects possible: “linking directive”



## What advice would you give? (2)

- Start with a clear cap and trade system
- Look if you can add sectors and gases, voluntary or mandatory to that system
- Then add existing offset program JI and CDM or
- Have clear rules from the start for new offsets program within the US
- Offsets can be price reducer, but also can lead to leakage!!
- Have long term target and crediting period (10 year)





CO<sub>2</sub>

## Lessons learned form JI and CDM

- Project selection takes too long
- A lot of projects fall off during tender or development phase( 80%)

Big risks:

- Kyoto risk
- Executive Board: baseline risks for CDM/JI
- Institutional Problems and Host countries

Consequences

- Companies not active as buyer, only Governments



# More info about Dutch JI and CDM and ET policy

[www.ez.nl](http://www.ez.nl)

and

[www.carboncredits.nl](http://www.carboncredits.nl)

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