NETHERLANDS

Overview

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| Population *(specify date)* and territory | 17 813 121 (November 2022) - 41,543 km2 |
| Administrative structure *(unitary/federal)* | Unitary |
| Regional or state-level governments *(number)* | 12 |
| Intermediate-level governments *(number)* | N/A |
| Municipal-level governments *(number)* | 342 (January 2023) |
| Share of subnational government in total expenditure/revenues (2021) | 29.0% of total expenditure  30.9% of total revenues  [Source: [Subnational governments in OECD countries: key data, 2023 edition](https://stats.oecd.org/Index.aspx?DataSetCode=SNGF)] |
| Key regional development challenges | See further details below |
| Objectives of regional policy | See further details below |
| Legal/institutional framework for regional policy | No explicit regional development framework. |
| Budget allocated to regional development (i.e., amount) and fiscal equalisation mechanisms between jurisdictions (if any) | N/A |
| National regional development policy framework | There is no explicit regional development framework. The Netherlands currently does not have an explicit regional policy but applies a regional focus to several policy domains. The focus on regional strengths and attention to regional differences has been followed up and strengthened by the new government formed in October 2017. The new Regional Budget, for example, is a financial instrument that allows co-operation and collaboration between the national government, regional governments, the business community, academia and civil society on addressing specific regional challenges. In addition, the Ministry of Interior and Kingdom Relations co-ordinates the National Urban Agenda (*Agenda Stad*), which includes measures to boost economic growth, quality of life and innovation in Dutch cities and supports the  creation of city deals. |
| Urban policy framework | There is no explicit national urban policy framework. |
| Rural policy framework | Rural Development Program |
| Major regional policy tools (e.g., funds, plans, policy initiatives, institutional agreements, etc.) | See further details below |
| Policy co-ordination tools at national level | See further details below |
| Multi-level governance mechanisms between national and subnational levels (e.g., institutional agreements, Committees, etc.) | See further details below |
| Policy co-ordination tools at regional level | See further details below |
| Evaluation and monitoring tools | N/A |
| Future orientations of regional policy | See further details below |

Recent policy developments

The Netherlands is a small and densely populated country with a rich urban structure. Cities and particularly functional urban areas are key pillars of the Dutch economy, hosting almost 75-80% of the national population. The structure of cities comprises a rich and very polycentric urban structure. In addition to the urban structure, the Netherlands is known for its polders and meadows. Almost half of the surface of this densely populated country has an agricultural function. The Netherlands has a diverse set of landscapes, with varying water and soil structures. The different landscapes face different challenges, related to its functions and water and soil structures.

The Netherlands is a decentralised unitary State. It consists of national government, 12 provinces, 342 municipalities, 21 water boards, 2 metropolitan areas and many functional urban areas. There are housing associations and there is more regionalism along the lines of public order and safety, mobility, labor, health (not always congruent). The central government creates the legal framework and pre-conditions (including laws, regulations and funding).

The decentralisation reinforced the provincial role in regional development and the municipal role in social and welfare services. However, the decentralisation did not (yet) go hand in hand with broad fiscal reforms, which provide more income and spending autonomy to the subnational governments.   
The Netherlands has a tradition of close cooperation between different layers of government in planning including the Dutch ‘polder model’ and cooperation between governmental levels. Public-sector authorities, companies and knowledge institutes join forces across sectors by means of permanent partnerships (each partner has its own role). Cooperation is based on policy and task orientation. The Dutch Approach is a combination of fostering self-reliance and protect/caring for the vulnerable whilst striving for economic growth.

In a letter to Parliament[[1]](#footnote-2), the current government has expressed the need to take back control on spatial planning. This means that national government has the final say in the field of energy structures, urbanisation and rural areas.

Urban and Rural strategy

There is no explicit national urban policy framework, it is part of a broader policy. Next to the urban and rural areas, there is also attention for networks of areas. Many departments and levels of government and stakeholders are involved. Involvement of civil society is pursued. The energy transition and circular economy are aspects that are difficult to fit in both urban and rural areas.   
The national government creates the legal framework and preconditions *(Environmental Planning Act (2022)*) that determines the responsibilities of individual actors. It works based on a principle of subsidiarity, i.e., it gives powers to the lowest level of government if possible and to a higher level if necessary.

The [National Strategy on Spatial Planning and the Environment](https://denationaleomgevingsvisie.nl/publicaties/english+french+and+german+version/default.aspx) ('NOVI')is the long-term (30 years) vision on the future development of the living environment in the Netherlands. The current government will update this strategy, in part due to increased challenges and complexity in accommodating current and future spatial claims to accommodate the energy and agricultural transitions and provide enough housing and working locations for an increasing population.

* With an integrated approach to spatial (and urban) planning.
* National strategy, place based.
* Shared responsibility and good governance.
* Now working on an (adaptive) implementation agenda.

On urban and rural matters, the strategy focusses on two priorities: (1) urban strategy ‘Strong and healthy cities and regions’ and (2) rural strategy ‘Future proof development of rural areas’. The strategy has two special points of attention/s: (1) urban strategy ‘Strong and healthy cities and regions’ and (2) rural strategy ‘Future proof development of rural areas’:

* *Urban strategy:* The Netherlands continues to work towards the development and expansion of the Netherlands Urban Network, with the aim of creating an easily accessible network of cities and regions.[[1]](" \l "_ftn1) (integrated urbanization strategy for development and quality improvement; urbanization ladder; urban regions: seven regional strategies for a coherent approach to housing, working/employment, mobility, and quality of the living environment in these regions; in these regions 17 development areas for large scale additional housing + ca. 400.000 in 10 years.)
* *Rural strategy:* Important to recognise the critical thematic fields such as agriculture, nature, water and biodiversity and cultural heritage.Goal is to a) contribute to optimal and integrated planning of all functions in these areas (for example agriculture, living, tourism, nature/biodiversity, energy transition); b.) to Influence the design of living environment in the rural areas towards & with public and private parties involved. This government started a long term program ‘national program rural areas’ (i.e., to meet international goals for nature, water and climate and to solve the nitrogen problem that blocks nature restoration).

In the updated NOVI, in addition to Urban and Rural, a third corner stone will be the necessary infrastructure for the energy transition and a transition to a circular economy. The Netherlands recognises the importance of the connection between urban and rural areas to seize opportunities for rural areas.

Land is scarce in the Netherlands, so the whole of the country (land, water and airspace) is needed to cope with current challenges, such as climate change adaptation, energy transition and sustainable development. These are issues of enormous size and complexity. It is therefore very important that attention remains for the balanced development of all parts of the country. An area-specific effort is required for a longer period, because the resolving capacity differs per area depending on (among other things) the location, culture and the composition of the population.

Today, the challenges that we face in the living environment have gotten more urgent. The demographic growth, economic growth and changing climate, combined with the challenges towards a climate neutral and circular economy and the international laws and regulations lead to an accumulation of spatial challenges. Therefore the national government is working on a new spatial strategy, an updated version of the NOVI. This new version, the ‘Nota Ruimte’, has three goals:

* Taking control of national responsibility in spatial planning;
* Working on the execution of spatial vision towards a new time;
* Values towards spatial quality.

The water and soil system, the landscapes and the country’s rich urban structure will be the basis for the spatial strategy. The Netherlands will move towards a new balance between a thriving rural area, agricultural sector and nature. A future-proof transition regarding energy, raw materials, the circular economy and mobility is needed. The Netherlands strive towards strong cities and region with space for living and working.

**Three-pronged approach to urban and rural policy**

The Netherlands’ policy approach to urban and rural development rests on three pillars:

* *Pillar 1 – Generic policy development:* sectoral approach to laws/regulations/funding.
* *Pillar 2 – Place-based approach*: integrated, multilevel with a combination of the physical domain and economic and social aspects, such as:
  + As part of the execution program of the National Strategy on Spatial Planning and the Environment (NOVEX), the national and provincial governments work towards ‘spatial arrangements’ in which the main challenges concerning spatially accommodating different developments (amongst others urbanisation, nature and agricultural transition, energy transition and circular economy) are identified and agreements are made how to accommodate these developments in a way that spatial quality is maintained and increased;
  + Regional energy strategy and agenda;
  + National programmes, e.g., Rotterdam South and Groningen;
  + “Regiodeals”: former government EUR 1-billion deals aimed to increase social/physical living environment, based on regional specific insights in growth, prosperity beyond GDP and multilevel cooperation. The new government MEUR 900 deals to 2025 aim to strengthen regions beyond GDP based on regional specific co-financing.
  + Action programmes, such as for ‘Demographic decline areas’ and for Border areas (incl Crossborder area agendas), notably the 2022 combined programme ‘Regions at the border’.
  + Housing deals: 1 million houses needed by 2030. Performance agreements building, transformation and renovation per region as part of the Building Programme, which includes financial instruments[[2]](" \l "_ftn2) and looks at speeding up building process/regulations.
  + (New) deprived areas (in cities) approach: it will integrate spatial, social, economic and safety dimensions, based on the 2022 National programme ‘Liveability and Safety’. In 20 districts, the goal is to increase the liability and safety of the most vulnerable areas in the Netherlands over the next 20 years, based on the experience of Rotterdam South.
  + NOVEX areas: As part of the NOVI execution program (NOVEX), 16 NOVEX areas have been appointed where the national government provides additional execution force in cooperation with regional and local governments to cope with spatial challenges. In these areas, a combination of spatial challenges leads to a complex interaction between several domains in which close cooperation is needed to provide solutions. In 2023, implementation agendas will be drawn up[[2]](#footnote-3). NOVEX areas are generally divided into three types:
    - Urbanisation NOVEX areas, mostly related to challenges of housing, accommodating working locations, energy transition, climate change and nature development.
    - Rural NOVEX areas, mostly related to challenges of soil subsidence, agricultural transition and livelihoods, shortages of water and (re)development of nature.
    - Harbor areas, mostly related to the energy transition and transition to a circular economy (physically and environmentally) in already densely build up areas.
* *Pillar 3 – Thematic partnerships & innovation City Deals****:*** Like within the EU, with the Urban Agenda for the EU Thematic Partnerships, the Netherlands has an national urban agenda and city deals (total 25 ongoing/ended). Examples include [[3]](" \l "_ftn3):
  + Follow-up programme for 4 years – start 2021 (Based on experience with 25 city deals);
  + City deals for regions/big/medium and small cities: coalition of willing & frontrunners, multi-level cooperation/stakeholder incl. business, new issues that cannot be resolved in the classic way; learning by doing, action orientated.
  + The objectives of City Deals are to strengthen growth, innovation and quality of life in Dutch cities. In City Deals, concrete cooperation agreements are anchored between cities, central government, other authorities, companies and social organizations. These deals must lead to innovative solutions to social issues and / or contain measures to strengthen the economic ecosystem of the urban region(s). The aim is to connect ambitious and powerful players in the urban network
  + In contrast to the Regio Deals, in the City Deal the central government does not provide co-financing for project/execution but makes process money available.

In the Netherlands, deal-making has become an important multi-level governance instrument with which different layers of government can form a partnership to address common socio-economic challenges at the regional level. One of these challenges is the recovery from the impact and inequalities brought forth by COVID-19.  Characteristics of regional dealmaking in the Netherlands that contribute to the recovery of the COVID-19 impact include:

* The main focus is the well-being of citizens in a broad socio-economic sense that goes beyond GDP (‘brede welvaart’). The instrument is deployed as a means to tackle complex multi-faceted challenges on the regional level which existing sectoral policies are unable to adequately address.
* The approach is bottom-up: the objectives and plans have been drawn up by the regions themselves. The central government facilitates with co-financing, knowledge networks and sometimes by allowing some degree of flexibility in specific laws and regulations. This approach does justice to the existing regional differences and strengthens the vitality of the region at the same time.
* Co-financing from the central and local governments work as a catalyst for additional private investments.

1. [Ruimtelijke Ordeningsbrief, 22th of May 2022.](https://open.overheid.nl/documenten/ronl-0b9aacc522c561fc898c43812fec9d8a759259d0/pdf) [↑](#footnote-ref-2)
2. NB: f and g part of National Housing and Building Agenda: Minister Housing and Spatial Planning.

   NB 2: Minister of Interior responsible for d and e.

   [[1]](#_ftnref1) “sustainable cities and regions that make an optimum contribution to the strength of the Netherlands as a whole and that offer a healthy and climate-resilient environment for everyone who lives, works and spends time there. These major tasks are so intertwined that in every city and region, they require a more integrated approach and a quality boost in a number of aspects of the urban living environment.”

   [[2]](" \l "_ftnref2) Woningbouwimpuls, het gebiedsbudget/volkshuisvestingsfonds en het Mobiliteitsfonds

   [[3]](" \l "_ftnref3) In 2020, a number of cities from the G40 network jointed national government and the private sector and knowledge institutions to sign the City Deal ‘A smart city, that’s how it’s done’ (‘Een slimme stad, zo doe je dat’). This City Deal is investigating how digitalisation and the spreading of technology are leading to change in our cities, regions and villages and which tools we need to improve the liveability of our cities, while guaranteeing our democratic values. [↑](#footnote-ref-3)