

Evaluation of Green Deals

Final report

Summary

The Green Deals represent an interactive approach by which the government provides scope for innovative and sustainable initiatives originating in the community. The central idea is that the government should facilitate initiatives by businesses, groups of citizens, civil society organisations and local and regional authorities by removing bottlenecks. These bottlenecks may present themselves in laws and regulations, the absence of market incentives, innovation and networking. Since 2011, when the first Green Deal was launched, 201 Green Deals were agreed up to the end of April 2016, focusing on nine themes: biobased economy, biodiversity, construction, energy, raw materials/circular economy, climate, mobility, water and food.

The KWINK consultancy firm was asked by the Ministry of Economic Affairs (EZ) to carry out the evaluation of the Green Deals. The policy evaluation was conducted using document research, data analysis of the monitoring information from the Netherlands Enterprise Agency (RVO.nl), a survey amongst parties in the field (n = 57) and official liaison officers (n = 49), 30 telephone interviews with parties in the field and 27 group and individual interviews with ministries, experts and other stakeholders. The evaluation was carried out between November 2015 and May 2016.

The aim of the Green Deals is to "facilitate dynamism in society with the aim of generating innovative initiatives in the field of green growth". This objective has been achieved.

Without the Green Deals, fewer innovative initiatives would have been generated that contribute to sustainable and economic growth ("green growth"). More than 1300 parties have contributed to achieving green growth as part of one or more Green Deals. Roughly 70% of the parties in the field and official liaison officers are positive about the added value the Green Deals bring to the implementation of their initiative. In addition, the Green Deals inspire parties that have signed up to the deals as well as other parties to participate in more sustainable initiatives. A final indication for how Green Deals facilitate dynamism in society is that the approach is being copied domestically in other sectors in the form of Health Deals and City Deals, for example, and outside the Netherlands in the form of Innovation Deals, among other things.

Under the Green Deals approach, covenants are made more accessible as a policy instrument and are systematically used to support a large number of bottom-up initiatives. The systematic and accessible use of covenants means that Central Government now has more to offer to innovative bottom-up initiatives than was previously the case. With regard to several different themes, the distance between Central Government and initiators in society has been reduced as a result. The applicability of covenants has been improved for the policymakers concerned, since they can rely on a supporting structure (legal support, formats, coordination, interdepartmental consultation). In addition, the implementation of initiatives is facilitated by the fact that official liaison officers feel legitimised to leverage the Green Deals in developing solutions for problems confronting parties in the field. Finally, the Green Deals lead to increased and improved cooperation within the government.

The context in which the Green Deals are implemented differs from one theme to the next. The context influences the types of Green Deal that are agreed and how the Green Deals are set up.

There are significant differences between the nine themes. The initiatives around biobased economy and food, for example, are largely situated at the beginning of the innovation curve and are experimental in nature, while the initiatives on the themes energy and construction are more advanced and focus on roll-out and upscaling. There are also differences in how sectors are organised. For themes involving several large, institutionalised players (such as water, for example) there is less need for a Green Deal, since the parties are well aware of the other actors in the field and the parties often already have their own well-established access to Central Government. Consequently, fewer Green Deals are agreed on these themes than on themes with multiple small players that are less experienced in dealing with Central Government (such as biodiversity). We also note that, for some themes, Central Government has many instruments at its disposal for stimulating green growth, of which the Green Deal is just one. For the theme "energy", for example, an Energy Agreement has been concluded and a relatively large amount of financing is available. Biodiversity, raw materials and biobased economy, on the other hand, are themes for which fewer alternative instruments are available for stimulating

green growth. There are also clear differences in the approach and culture of the departments responsible for a theme (for example, their positioning relative to the market).

Some Green Deals lead to the removal of structural barriers to green growth. In other deals, important process steps are made that can lead to system results. Limited information is available on the quantitative sustainability impacts and economic effects of Green Deals.

In this evaluation, a distinction is made between process results, system results and quantitative results. Almost all the Green Deals facilitate the parties that have signed up to the deal in achieving process results, such as knowledge exchange by establishing a working group, for instance, organising a conference, carrying out research or formulating an action plan. There are also many examples of system results; these are Green Deals in which structural barriers are removed, thereby accelerating the innovation process. It is plausible to assume that the system results in these Green Deals will ultimately lead to sustainable economic growth. As monitoring is focused in particular on the progress and categorisation of Green Deals, no information is available on the quantitative sustainability impacts and economic effects of most deals.

Parties in the field and official liaison officers are positive about the possibilities for the wider application of the results ("upscaling"), because multiple parties in a sector use an innovation, for instance, or because the statutory framework is adapted or an innovation can be rolled out more rapidly thanks to a Green Deal. There is greater potential for upscaling, although there are signs that not all the possibilities for upscaling are being fully utilised at the moment.

We conclude, finally, that Green Deals are mostly innovative initiatives and therefore have an above-average risk of failure. However, the results of the successful deals compensate for the efforts put into all the deals combined.

The added value of the Green Deals for parties in the field consists in particular in the legitimacy and recognition the initiatives gain thanks to the Green Deal label and having a point of contact within the government.

In just a few years, the Green Deal has developed into a strong brand in the green growth landscape. Initiatives that result in a Green Deal benefit from that label, since it enables them to take advantage of this strong brand, with the initiative being able to derive legitimacy and recognition from it. It helps the parties involved find partners within a sector or a region, for instance, and facilitates access to investors.

Parties in the field highlight having a single point of contact within the government as a significant benefit of the Green Deals. Many parties in the field greatly appreciate that there is someone in Central Government who is willing to help to implement the initiative and arrange collaboration with other departments and ministries. Based on the actions undertaken in the deals, the government has defined four areas where the government can fulfil a role: laws and regulations, market incentives, innovation and networking. The importance of the four roles and the appreciation for the performance of those roles is considerable.

The Green Deal approach is a learning approach. The continued development of the Green Deals since the first was launched in 2011 makes a positive contribution to the results.

Between 2011 and 2013, the number of themes was increased from one (energy) to nine. The registration process has been improved. Since the Rutte II cabinet was installed, the strategic focus has successfully shifted from quantity to the quality of Green Deals. The number of new Green Deals has fallen significantly since 2013, while the quality of the initiatives has improved. Other improvements in the establishment process are that the agreements on the goals, actions and responsibilities in the Green Deals are clearer and more easily measurable (more SMART) than in the period from 2011-2012. The agreements in the Green Deals have also become more realistic. In addition, upscaling is increasingly taking place within the deal itself, as a commitment is made when the deal is signed to involve as many relevant stakeholders as possible. We also note that internal coordination within Central Government (between policy departments and with the legal departments) has improved and that there is increased attention in recent years for training, peer supervision and knowledge exchange amongst official liaison officers. Finally, the attention paid to external communication and the consistency of communication has increased.

The conclusions lead to five recommendations.

1. Retain the Green Deals instrument. The Green Deals have ensured that the policy instrument of covenants has become more accessible for policymakers and parties in the field. The approach developed within the Green Deals is a valuable addition to other government instruments. We also recommend that the valuable interdepartmental support structure and coordination be continued.

2. Ensure continued development of the Green Deals instrument, taking into account the differences between the nine themes. This evaluation has identified various pointers for professionalising the Green Deals, while stressing the importance of maintaining the scope for "systematic customisation".¹ Operational recommendations in relation to four aspects are listed below:

a. Registration and establishment: the current growth of new deals relies heavily on Central Government's network of existing contacts. Initiatives aimed at kindling the interest in Green Deals of parties that are not in the Central Government's present network have not yet had the desired effect. We advise Central Government and other parties to deals to continue looking for ways of reaching new parties in the field that are not part of Central Government's current network of contacts. We advise Central Government to talk to sector organisations as an important step in identifying which parties are not yet being reached. Regarding the role of the legal department in drafting the wording of the deals, we recommend (1) that, for each department, improved agreements be made with the Green Deal coordinators on the involvement of the legal department; (2) that the allocation of roles between the legal department and the policy departments concerned be better defined; and (3) that the capacity for Green Deals from the legal department be reviewed. The final recommendation regarding registration and establishment is to cease providing scope within the Green Deals for large-scale or other project financing, such as grants for making a business case.

b. Support: we advise Central Government to focus greater attention on the capacity, training and development of official liaison officers. We draw attention in particular to the absence of a contact within Central Government for certain deals (the so-called "orphan deals"). We also recommend reviewing the role of the Green Deal Board and in any event increasing the recognition and visibility of the Green Deal Board, in particular by ensuring that official liaison officers are more aware of what the Green Deal Board can do to support their deal.

¹ Systematic customisation refers to the balance existing in the Green Deals between the systematic use of the covenant instrument and the scope allowed by the approach for customisation at the level of individual themes and initiatives.

c. Implementation and progress: we recommend that, in line with the Socially Responsible Procurement Action Plan,² more attention be paid to the government's role as a "launching customer", since (1) the government, thanks to its procurement volume, can make a real difference to achieving results in individual Green Deals; (2) the government acting as a sustainable purchaser can convince other parties; and (3) procurement policy has an important symbolic function in reinforcing the credibility of the Central Government's wider sustainability policy.³ A further recommendation is to maintain the focus on initiatives originating in the community. Even where Central Government is the initiator of a Green Deal, it is essential that parties in the field are intrinsically motivated.

d. Completion and upscaling: despite the efforts that have been made to provide greater clarity about upscaling, there is still uncertainty amongst official liaison officers about what upscaling is and how it should be facilitated. We therefore recommend increasing understanding of this topic amongst official liaison officers. We also recommend that greater attention be paid to compliance with the agreements about completion and evaluation of individual Green Deals. Finally, we recommend that more attention be paid within policy departments to the overarching reflection on the results and bottlenecks of Green Deals and their potential implications for future policy, since the lessons currently remain too limited to the individual Green Deals.

3. Make monitoring more meaningful. As the Green Deals have developed further, there is a growing disconnect between the process-related monitoring information and the need for insight into results, effect and added value. Amongst the parties in the field and official liaison officers, there is a need for feedback, so that the monitoring information in the Green Deals can be used for learning. In the light of the development of the approach, we recommend that monitoring be reviewed and made more meaningful for the users, without undermining the efficiency of current monitoring.

4. Encourage development and acceptance of other forms of accountability. We recommend giving greater recognition in the policy-related and political accountability cycle to the characteristics of network instruments such as the Green Deals, which differ from regular policy instruments. It is virtually impossible, for instance, to establish quantitative or other relationships between goals and results in the short term. However, few forms of research are available for rendering account for this type of network instrument, despite the fact that the question of accountability is legitimate and understandable from a political and management viewpoint. We therefore recommend encouraging the development of other forms of accountability for such network instruments.

5. Sharing the support structure more widely. In our opinion, other initiatives and sectors could also benefit from the support structure that has been developed within the Green Deals. It makes no sense to reinvent the wheel whenever comparable instruments are introduced. In order to prevent wider application of the support structure being at the expense of the "strong brand" Green Deals, we recommend that the support structure that has been developed within the Green Deals be separated from the brand name in due course. This will make it possible to make the support structure available for initiatives in other sectors far more widely than is the case at present.

² See <https://www.piano.nl/document/11400/plan-van-aanpak-maatschappelijk-verantwoord-inkopen-2015-2020>.

³ We have received indications that, in 2011 and 2012 in particular, commitments were made that conflicted with the public procurement rules or framework contracts and therefore were not realistic. The increased focus on the role of the government as a "launching customer" should naturally take place within the constraints of existing legal frameworks.