



Novem Annual Report 2002

The Netherlands agency for energy and the environment

English summary

Novem turns policy into reality

Novem implements energy and environmental policies for various government authorities, thereby converting ambitions into reality and contributing directly to the sustainable development of society. Novem is an agency of the Dutch Ministry of Economic Affairs (EZ), but also carries out assignments on behalf of other organisations such as the International Energy Agency and the European Union. Novem also works for other Dutch ministries such as the Ministry of Housing, Spatial Planning and Environment (VROM), the Ministry of Transport, Public Works and Water Management (V&W) and the Ministry of Agriculture, Nature Management and Fisheries (LNV).

Novem, The Netherlands agency for energy and the environment

Management Report

From private company to government agency

The year 2002 was a very special year for Novem. After intense preparations the transition from private limited company to government agency was finalised on 1 July, clarifying Novem's position as the agency in charge of implementing government policies with respect to both clients and market operators.

Turnover and result

The volume of services rendered increased during 2002, with a 2% increase in external developments producing a positive result. Novem closed its first financial year as a government agency (second half of 2002) with a positive operating result. Internal cost cutting and several financial windfalls offset the impact of the slightly lower turnover. One-off costs relating to the transfer of activities and staff mean that Novem B.V. closed its last half financial year (first half of 2002) with a negative operating result.

Internal developments

The SAP software package was fully integrated into the organisation during 2002. This will help Novem improve its management information system, as it allows Novem to give clients faster and better information regarding ongoing assignments. Preparations for implementing a skills management system were also finalised in 2002, enabling Novem to match staff skills with client requirements for a specific assignment. Absenteeism was substantially reduced in 2002, partly due to management's policy of actively cooperating with the Dutch Agency for Safety and Health at Work. This resulted in increased productivity by Novem employees.

Novem international

Developments concerning the European Commission are very important to Novem. The start of the Sixth Framework Programme and preparation for the Intelligent Energy for Europe Programme provide excellent opportunities for strengthening cooperation with international partners. Novem was actively involved in various international areas throughout the year, including the following examples.

EXBIC, China and Indonesia

Novem's core business in China and Indonesia, with regard to energy policy, concerns promoting exports and capacity building (EXBIC). Bilateral contacts contribute to an excellent energy-oriented relationship with both countries. Important milestones for 2002 included the support for the new Energy Law and the Energy Outlook in Indonesia.

International conference on sustainable construction

In June 2002 Novem organised the third European Ministerial Conference on Sustainable Construction on behalf of the Belgian government. Current and future EU Member States sent 25 delegations to attend the meeting. In addition to preparing this important conference, Novem also wrote the final report.

New Driving Force Programme

New Driving Force aims to improve energy efficiency and road safety by influencing the driving and purchasing behaviour of motorists, professional drivers and fleet managers. International activities are an integral part of the national programme and include a budget to co-finance European projects, which facilitate participation in strategically relevant international projects. International knowledge transfer is a key aspect of the New Driving Force Programme, and many of its national projects include final reports in English, so that they can be distributed internationally. More information: www.ecodrive.org.

EcoCity

Sustainability concerns all aspects of a city, which is what the EcoCity initiators hope to achieve in seven European cities. During 2002 they drew up a blueprint of the urban structures that allow for ecological developments, with Novem specifically focusing on the efficiency of 'Transport Performance on Location' in foreign planning systems.

MEELS

How does liberalising the energy market influence the energy policy of local authorities? Five European countries, including the Netherlands, are researching this in the Municipalities and Energy Efficiency in a Liberalised System (MEELS) programme. This shows that the joint purchase of energy could be a new task for local authorities. Together with other international energy organisations, Novem ensures that all knowledge gathered is passed on to the target groups.

ERA Bioenergy

The European Research Area Bioenergy programme produces an overview of bioenergy activities within the European Union. EU countries were therefore required to write national reports in 2002. Apart from writing this report for the Netherlands, Novem is also a member of the programme's core team, which makes recommendations based on these individual national reports. This should ensure that biomass research is well organised throughout Europe.

Novem in 2003

Novem expects a modest increase in turnover throughout 2003. Implementing the 'Balanced Scorecard' system in 2003 will help Novem gain better insight into its performance, and furthers pro-active adjustments. This applies to services, target groups and clients, financial management and improving Novem's internal organisation.

Conclusion

The transition to government agency has been accomplished thanks to the enormous dedication of Novem staff, the Dutch Ministry of Economic Affairs and the Novem Works Council. I would particularly like to thank the Novem B.V. supervisory board for the inspiring manner in which they acted as sounding board throughout this repositioning. I thank my colleagues at Economic Affairs for their constructive cooperation in establishing Novem as a government agency. Last, but certainly not least, the members of the Works Council also showed great dedication and commitment to the transition from private limited company to government agency.

Sittard, 14 March 2003

Drs. J.B.V.N. Pleumeekers,
Managing Director

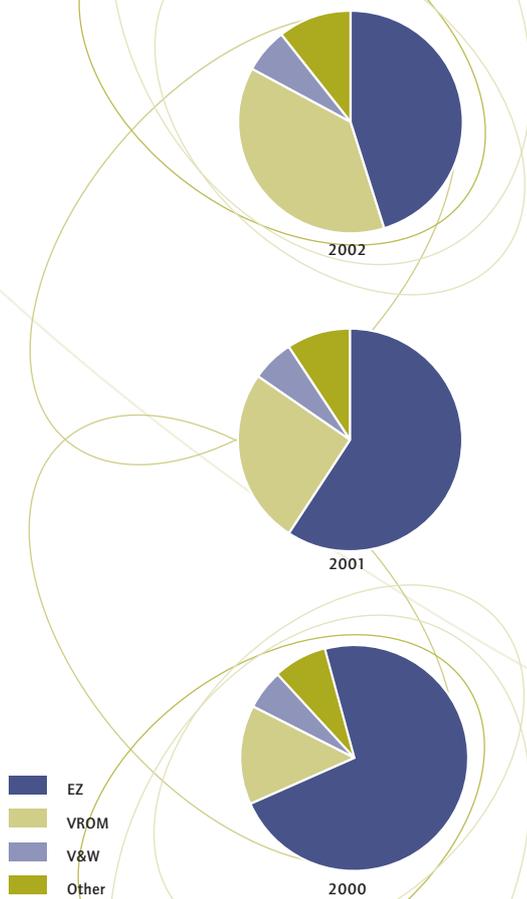


Figure 3: Turnover (per client)

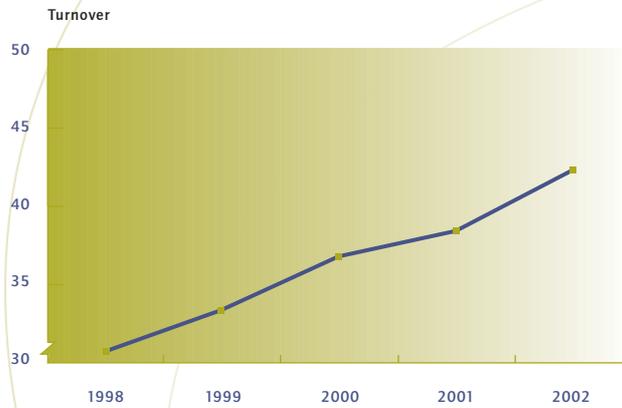


Figure 1: Turnover (millions of euro)

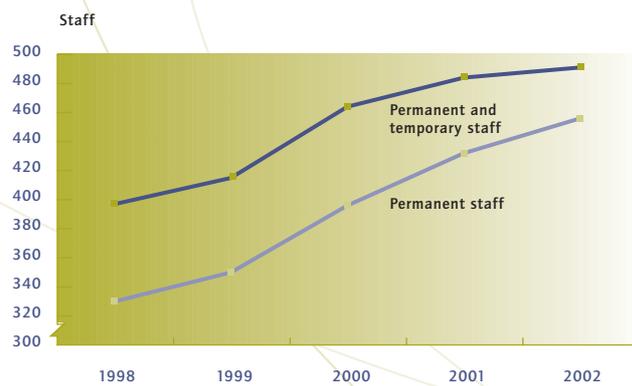


Figure 2: Staff (annual average in FTEs)

Overview of Novem assets and liabilities

(Second half of 2002 / amounts in thousands of euro)

Assets		Liabilities	
Turnover EZ	9,775	Salaries and temporary staff	15,122
Turnover VROM	8,013	Cost of materials	3,632
Turnover other ministries	2,309	Depreciation	1,272
Turnover third parties	266	Reserves	236
Other assets	722	Interest charges	10
Other interest earnings	46		
Extraordinary income	1,080	Balance assets / liabilities	1,939
	22,211		22,211

Improving sustainability

As intermediary, Novem brings together the goals of government and market operators, disseminates knowledge and promotes technological development. Novem offers an array of services, such as:

- advising on government policy;
- developing strategy instruments;
- implementing subsidy schemes;
- building and maintaining networks;
- assisting various energy-related processes;
- increasing and disseminating knowledge;
- monitoring results.

A combination of services

Novem's contribution is maximised by using a combination of these services. This allows Novem to deliver tailor-made services to government authorities and businesses. The 'Transition towards sustainable energy management' programme is a good example. Novem's contribution to the programme – on behalf of the Dutch Ministry of Economic Affairs – consists of providing the knowledge base, advising on policy and using its network of contacts. The following examples of programmes and subsidy schemes illustrate Novem activities in 2002.

Advising on government policy

Kompas

“Kompas increases the efficiency of government policy, as it allows us to fine-tune initiatives. The method is significant: we focus directly on the target groups. Novem plays both an advisory and implementing role. Our strength lies precisely in this combination: advice based on the expertise of the organisation implementing the policy”,
Rob Kool, Novem.

Goal / *To reduce Dutch CO₂ emissions in the built environment sector by three megatons in 2010, compared to 1990.*

Method / *The programme focuses on target groups in both housing and non-residential construction, such as housing corporations, property developers, corporate owners of buildings and houses, local authorities and installers.*

Effect / *During 2002 Novem advised the Ministry of VROM on policy and implementation, by translating a 'strategic framework' on energy saving in the built environment into clear objectives, tangible measures and specific projects. The first effects of 'Kompas' became visible during 2002, i.e.:*

- *developing 'target group change strategies'. Result: greater results from less effort;*
- *establishing the communication platform Sustainable Energy and Energy Saving;*
- *encouraging local authorities to focus on local climate policy;*
- *an Energy Performance Advice (EPA) was issued for over 100,000 homes;*
- *the Positive Energy Prize (PEP) was awarded to corporations, to encourage further energy savings.*

Developing strategy instruments

Transaction Modal Shift

“It is difficult to achieve savings in freight transport. However, thorough consultation with all parties means we have been able to develop successful instruments so that savings can be achieved”,
Anna Falk, Novem.

Goal / To reduce fuel consumption in freight transport, reduce the number of kilometres driven, and to promote modal shift (i.e. shift road transport to other modes of transport, such as rail or water).

Method / In conjunction with road hauliers, shippers, trade organisations and the Ministry of Transport, Public Works and Water Management, Novem has been applying 'modal shift' and other policies to reduce CO₂ and NO_x emissions from road transport since 1995.

Effect / The programme reduces mileage by a spectacular 151.2 million kilometres per year. An average 13% saving in the total transport volume is feasible. The business community is also enthusiastic about these results, as reduced fuel consumption means reduced costs. A manual and a CD-ROM have been developed to allow companies to determine their own savings potential. This 'self-scan' was successfully tested in 2002 and can now be introduced onto the market. More information: www.transactie-modalshift.nl.

Implementing subsidy schemes

New Energy Research (NEO)

“We also call NEO the 'eccentric inventors' programme. We support high risk projects. Even if only one or two out of ten projects result in a specific application, we are happy. I expect we will reach that number”,
Frank Witte, Novem.

Goal / To encourage unconventional energy research projects in the Netherlands.

Method / Novem encourages new ideas that contribute to sustainable energy management. Both corporations and private persons can submit projects to the NEO programme and apply for subsidies.

Effect / The NEO programme was first started in 2002, with Novem actively approaching knowledge and research centres and trade organisations. The NEO team assessed 155 projects during the year, thereby exceeding the original objectives of the Ministry of Economic Affairs, which estimated 100 applications.

Building and maintaining networks

GAVE (Gaseous and Liquid Climate-Neutral Energy)

“Novem's strength lies in its capacity to bring together and support parties wishing to carry out innovative projects”,
Jörg Gigler, Novem.

Goal / To promote the accelerated introduction of clean substitutes for petrol, diesel and natural gas. Sustainable energy should be available after 2010.

Method / A digital newsletter (www.gave.novem.nl) is published monthly to keep parties informed of progress and new initiatives. The GAVE-mail is published in English and Dutch. GAVE also organised two networking days during 2002. Novem provides financial resources allowing market parties to jointly develop initiatives for the accelerated market introduction of climate-neutral energy carriers.

Effect / Approximately € 800,000 in subsidies was granted to four projects during 2002. It is too early to see specific results, but the cooperation achieved in these projects appears to be generating promising initiatives. The GAVE website will be expanded during 2003 into a complete digital knowledge centre.

Assisting various energy-related processes

PIEK (Peak noise levels)

“Our mission is to translate policy into reality. This programme succeeds in developing an approach whereby annoying peak noise levels can be reduced using practical products”,
Robert Goevaers, Novem.

Goal / *To reduce the noise of loading and unloading lorries at retail establishments in built-up areas.*

Method / *Local authorities, together with the business community and Novem, are looking for ways of reducing the noise of loading and unloading.*

Effect / *Solutions have been found that are more efficient than expected. This success is largely due to the joint efforts of manufacturers, hauliers, the retail trade and local authorities. Several solutions will now be introduced onto the market. A follow-up subsidy scheme will encourage the purchase of silent products. Hopefully these products will eventually receive a quality mark. More information: www.piek.org.*

Increasing and disseminating knowledge

Environment and technology: innovation tool kit

“In order to support entrepreneurs it is necessary to resist any ‘product blindness’, so that there is more opportunity for disseminating knowledge”,
Laurens Meijering, Novem.

Goal / *To disseminate knowledge on innovations to Dutch companies and to create conditions whereby they can learn from each other. This increases the innovation success rate, which in turn contributes to sustainable objectives.*

Method / *The Innovation Tool Kit was introduced in 2002 on the Internet as a kind of signpost for entrepreneurs. The Tool Kit is packed with knowledge and information that can increase the success of the market introduction of a product or process. It deals with issues such as drawing up a business plan, information on various financing resources and patents.*

Effect / *The initial reactions to the Tool Kit have been positive, as it helps entrepreneurs to analyse market perspectives and thus prevent ‘tunnel vision’. Hence there is a greater chance of a successful introduction on the market.*

Monitoring

UN report on cross-border emissions and monitoring of greenhouse gas emissions

“Our added value lies in the fact that we compile information from many sources into a consistent whole. This is only possible when you are well informed on content, when you know which parties are involved and which part they play”,
Dick Both, Novem.

Goal / *To recommend measures for reducing emissions that cause acidification of the environment. The Dutch government commissioned this report within the framework of a UN treaty on cross-border emissions.*

Novem also coordinated the establishment of a monitoring system aimed at reducing greenhouse gas emissions. The Climate Change Convention and the Kyoto Protocol dictate that countries measure greenhouse gas emissions according to a number of international standards and report the results.

Method / *In 2002 Novem compiled all the information available on reduction measures with many of the organisations involved. This information was incorporated into a report on cross-border emissions, which complies with the international standards. Together with various industries and institutions, Novem established a series of work processes and protocol methods, so that monitoring and registering of greenhouse gas emissions can begin in 2004.*

Effect / *Novem submitted the report on cross-border emissions and concept protocols for monitoring greenhouse gas emissions to the Dutch government. The Netherlands hereby complies with its international obligations.*



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