

BUILDING BLOCKS FOR THE DELTA PLAN

IMPROVING THE CONNECTIVITY
BETWEEN THE NORTHERN
NETHERLANDS AND THE DUTCH
URBAN NETWORK

PHOTO: THE PROVINCE OF GRONINGEN



provincie Drenthe



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Building Blocks for the Delta Plan: I between the Northern Netherlands

'Building blocks for the Delta Plan' has been developed by the four northern provinces of Friesland, Groningen, Drenthe and Flevoland, in cooperation with the municipalities of Leeuwarden, Groningen, Assen and Emmen. These building blocks are the Northern Netherlands' response to national objectives for housing and the strengthening of the economic structure. Achieving this requires investment in several areas. This document focuses on three parallel core investments in national/inter-national and regional/interregional connectivity.

In the Northern Netherlands, the future starts today. We are leading the way in the energy transition, hydrogen, nature-friendly farming/agrofood, green chemicals, water technology, medical technology, digitization, smart areas and with the University of the North, putting us in the right position to make an extra contribution to national objectives such as accelerated housing development. However, this extra contribution is contingent on improvements to the socio-economic dynamics in the region. We therefore urgently recommend improving the quality of the connections in the northern urban network, in particular between the cities of Groningen, Leeuwarden, Assen and Emmen and, via Almere and Lelystad, with the economic core areas in the rest of the

Netherlands. This requires investment in infrastructure, to ensure that the Northern Netherlands and the Netherlands as a whole can fully benefit from each other.

The pressure on our physical surroundings is forcing us to make use of the development potential of the whole of the Netherlands. For example, an extra one million homes are needed before 2035. For this ambition to be realized, good connectivity is required throughout the Dutch urban network, so that the whole of the country can contribute to meeting this national ambition. The provinces of Friesland, Groningen, Drenthe and Flevoland can, however, make an extra contribution, as the Northern Netherlands has the space to be able to take a coordinated, climate-resilient approach to current issues in society such as home and work, infrastructure and nature/agriculture. Climate-resilient water systems that are able to cope with sea-level rise and increases in both flooding and drought will therefore partly determine the spatial developments in the Northern Netherlands. The result will be high-quality, climate-adaptive homes with clean air and a variety of recreational opportunities in attractive surroundings.

Provided that there are good transport connections, the Northern Netherlands will be able to build around 220,000 extra homes, on top of existing plans and agreements for regional requirements. This will also make it possible to accelerate the required redevelopment of existing homes.



Improving the connectivity of the Northern Netherlands and the Dutch urban network

The region also has a number of successful economic clusters that will benefit from improved connections within the Northern Netherlands and with economic core areas in the rest of the country. Maximizing the economic strength of the Northern Netherlands will considerably increase the value of the regional manufacturing and service sectors. However, such economic growth will not only benefit the Northern Netherlands, but the country as a whole.

Such ambitions are not possible without improving the connectivity with the Dutch urban network, as the Netherlands is too small to have peripheral regions. Only when every region of the country is able to contribute to and share in the country's welfare, will optimal welfare growth be achieved. Recent research shows that the higher the equality is between regions in a country, the higher the country's level of welfare is too¹⁾. Investing in good connectivity therefore means investing in prosperity.

This contribution of the Northern Netherlands to the country's housing problems and economic growth potential is contingent on excellent national/international and regional/interregional transport connections. Three parallel investments are needed to improve connectivity:

- Construction of the Lely rail connection (Lelylijn)
- Improvements to the existing rail network
- Construction of the Lower Saxony rail connection (Nedersaksenlijn)

There is a positive business case for these investments, with which we connect the Netherlands with the future while providing a solid foundation for future investments in homes and the new economy. The future starts today!

Structure of this report

In this report, we first describe the importance of improved connectivity in the light of urban network development and agglomeration impact. Improving connections between the northern provinces and with the rest of the country will help us to make use of the opportunities that the Northern Netherlands can provide in the areas of housing development and economic growth potential. This is addressed in the following two chapters. We then go on to describe how connectivity with and within the Northern Netherlands can be improved with the construction of the Lelylijn, improvements to the existing rail network and the realization of the Nedersaksenlijn. We also discuss the importance of creating sufficient capacity between Lelystad and Amsterdam, to ensure the continued future accessibility of Almere and Lelystad and therefore the whole of the north of the Netherlands, for example with the construction of the IJmeer rail connection (IJmeerlijn). Finally, we describe the required investments in and benefits of the proposed connectivity package.

1) OECD (2019). OECD Regional Outlook. Leveraging megatrends in cities and rural areas; Paris: OECD publishing.

THE IMPORTANCE OF URBAN NETWORKS

Urban networks are the bedrock of socio-economic dynamics

Large towns and cities are the main drivers of economic growth, due to the concentration of people and businesses that are found in them. This creates economic benefits in terms of location factors, labour and sales markets, innovation and improved welfare. This 'agglomeration effect' is intensified by urban networks. After all,

if urban areas are connected, the exchange of expertise and specialities can take place. Urban networks have undergone considerable development in the Netherlands over the years, and people, jobs, knowledge and income have become increasingly concentrated in its metropolitan regions. The four metropolitan regions in the Netherlands²⁾ are together responsible for about 50% of the country's economy.

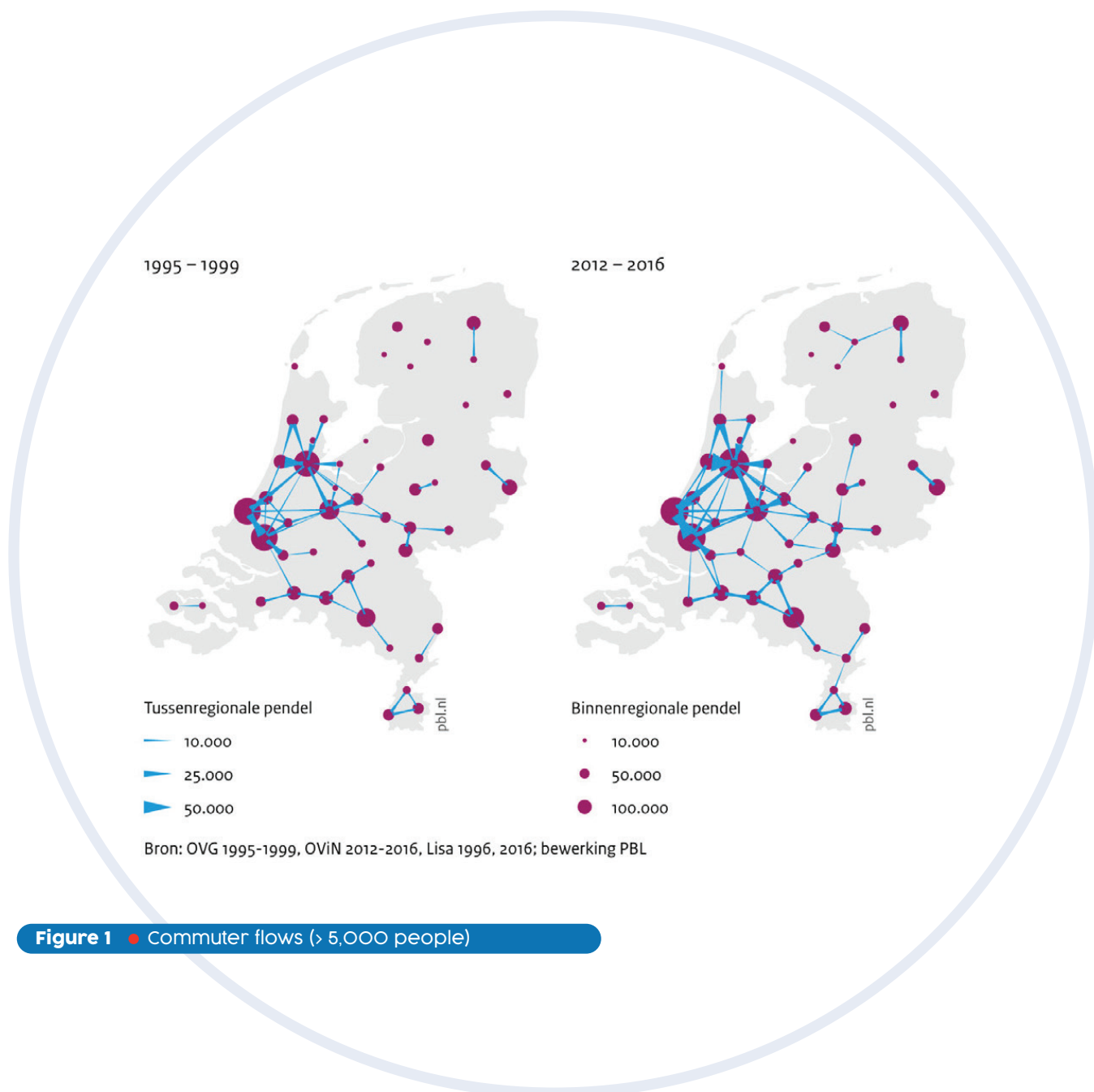


Figure 1 ● Commuter flows (> 5,000 people)

2) Amsterdam metropolitan region, Rotterdam-The Hague metropolitan region, Eindhoven metropolitan region and Utrecht metropolitan region.

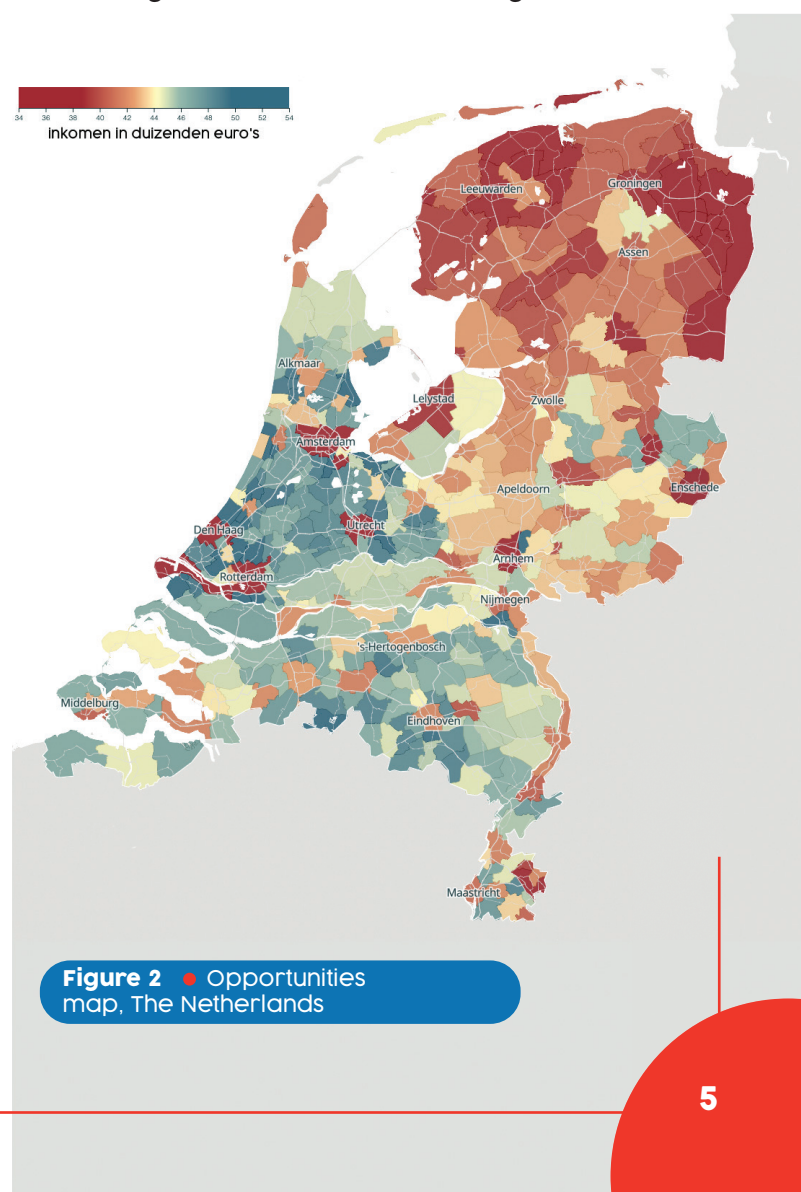
Urban network development in the Northern Netherlands deserves attention

The limits to agglomeration are becoming increasingly apparent in the Randstad (the extended urban area consisting of the four largest cities of Amsterdam, Rotterdam, The Hague and Utrecht and the surrounding areas)³⁾, while there is considerable potential for urban network development in the north of the country. In the Northern Netherlands, considerable agglomeration effects can be seen in the city of Groningen, which is urbanized and has a supra-regional daily urban system. However, these agglomeration effects may be stronger in other cities, for example because the Northern Netherlands is as yet insufficiently connected to the urban network that is found in the Randstad and the centre of the country, and because of insufficient regional connectivity. The Northern Netherlands has a diffuse economic and spatial structure. It has relatively low levels of urbanization and the urban centres are, in terms of accessibility, too far apart. As a result, socio-economic development in the Northern Netherlands lags behind that of the rest of the country. Improving the connectivity within the region and with the rest of the country may also help to close the opportunities gap. The OECD noted that the best way to optimize agglomeration benefits in the Netherlands is by increasing accessibility to all economic areas in all provinces, and advised that investment in this be made a national priority.⁴⁾

Increasing the agglomeration impact through improved connectivity

To further increase the agglomeration impact⁵⁾ of the northern urban network, improved

connectivity is required at two levels: the national/international level and the regional/interregional level. Improved regional/interregional and national/international rail connectivity will help to create the critical mass and density that are needed to achieve the required socio-economic dynamics in the Northern Netherlands. This will optimize use of the economic potential of the Northern Netherlands, while laying the foundations for changes such as a considerable increase in per capita gross regional product. To give an example: this is just 89% of the European average in the provinces of Drenthe and Friesland, while the Netherlands as a whole scores well above this average⁶⁾. A significant increase in connectivity would also help to achieve a considerable improvement in the region's spatio-economic dynamics. The Northern Netherlands will therefore form an integral part of the Dutch urban network, and will contribute fully to sustainable growth in the Netherlands. The Northern Netherlands has made a significant investment in its regional



- 3) This is apparent from increasing congestion and environmental problems such as reduced air quality. Broersma et al. (2008).
- 4) OECD (2019). OECD Regional Outlook. Leveraging megatrends in cities and rural areas; Paris: OECD publishing.
- 5) Agglomeration impact: the benefits associated with the size of an agglomeration or region and seen in the increased productivity of companies and increased welfare due to more amenities and goods. These benefits may be the result of concentration (spillover between companies in the same sector), cluster orientation (spillover between related companies) or market size, determined by the connectivity/geographical accessibility.
- 6) Eurostat (2020). Regional GDP per capita ranged from 30% to 263% of the EU average in 2018.

public transport network in recent years; now is the time to take the next step in national/international and intraregional connectivity.

Contribution to national objectives

Under the right conditions, the potential of the Northern Netherlands in terms of space, innovation capacity and affordability is a valuable resource for solving the urgent societal issues in both the Randstad and the northern provinces. An optimal link between the Northern Netherlands and the Dutch urban network will ensure that the northern provinces can contribute to the urbanization dynamics in the current core of the Dutch urban network. The concentration of activities in this area puts high pressure on space and the environment, and raises the corresponding issues of liveability and affordability. The Northern Netherlands has the solution; a solution that also benefits its own liveability and economy.

SPACE FOR HIGH-QUALITY, HEALTHY AND AFFORDABLE HOMES

The Northern Netherlands welcomes the national housing objective

The Northern Netherlands is characterized by the high quality of its surroundings. For example, it has the cleanest air in the country, and its homes are relatively spacious and affordable, set in attractive surroundings with culturally-rich farmland and valuable natural areas.

It is because of the high quality of the surroundings in the Northern Netherlands that an extra contribution to the national housing objective is possible. The national housing shortage currently stands at 330,000 homes. There are few properties available either for rent or for sale, and the average property in the Randstad now costs over €372,000⁸⁾, compared to about €262,000 for a property in the north of the country⁹⁾. The population in the Netherlands is also expected to increase by 1.4 million between 2020 and 2035¹⁰⁾. This means that the housing stock will need to

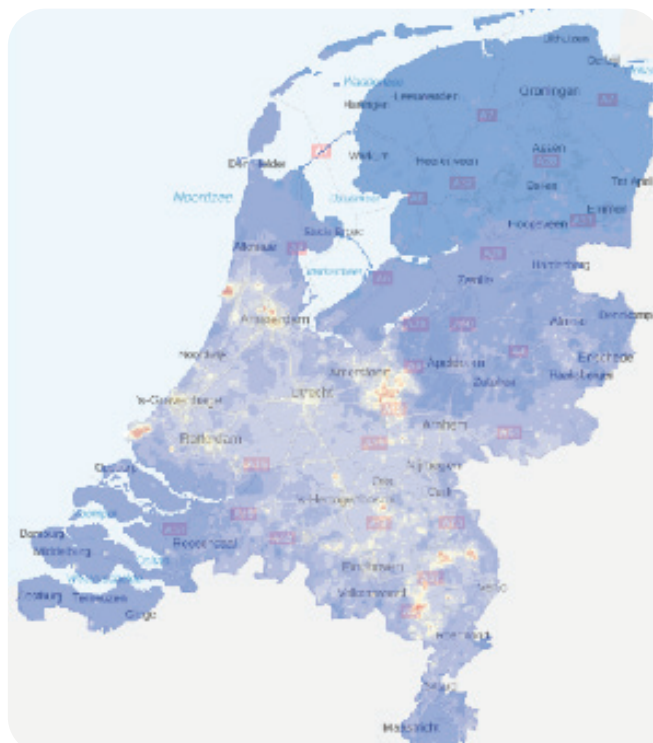


Figure 3 ● Average particulate matter concentrations, The Netherlands⁷⁾

increase by 1.06 million homes¹¹⁾ by 2035, both to solve the housing shortage and to provide homes for the growing population. The Northern Netherlands has the space in many areas to provide a high-quality solution for a large part of this housing demand. Not only can we build considerably more cheaply than in the rest of the country, but more quickly too. We also build in areas that are best suited to the construction of housing, taking soil type and future climate into account, and provide sufficient green/blue infrastructure to store water and therefore prevent land subsidence and heat stress. Circular and sustainable construction are also important measures in the development of new housing and redevelopment of the existing housing stock. Most houses will be built within existing urban

- 7) Atlas van de Leefomgeving (2019).
- 8) CBS (2021). <https://opendata.cbs.nl/#/CBS/nl/dataset/83625NED/table?dl=31C68>.
- 9) CBS (2021). <https://opendata.cbs.nl/#/CBS/nl/dataset/83625NED/table?dl=31C68>; CBS (2021). <https://opendata.cbs.nl/#/CBS/nl/dataset/83704NED/table?ts=1617279577129>.
- 10) Groenemeijer, Gopal, Omtzigt & Van Leeuwen (2020); CBS (2020). <https://www.cbs.nl/nl-nl/nieuws/2020/51/prognose-bevolking-blijft-komende-50-jaar-groeien>.
- 11) Idem.

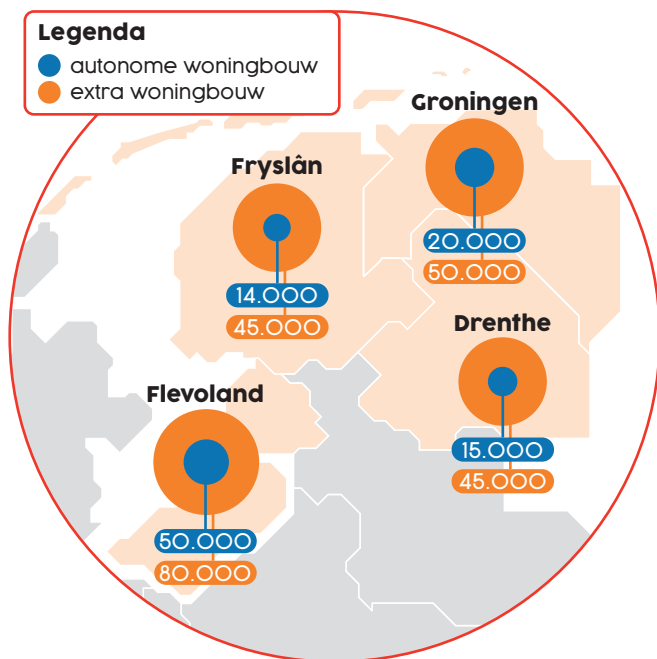


Figure 4 • Number of new houses, for the province and extra

areas, which will also contribute to the required transformation of existing residential areas and urban regeneration.

This housing development will therefore considerably increase the agglomeration impact of the urban areas in the Northern Netherlands. Important focal areas will be accessibility (also by public transport), work, amenities, room for nature and quality of life: we are not building houses, but communities.

Investment in improved connectivity will result in 220,000 extra homes in the Northern Netherlands

We already plan to build about 100,000 new homes in the region. If an optimum connection can be realized between the Northern Netherlands and the Dutch urban network, this may increase to up to 320,000 homes by 2040. And in all of this, there will be a focus on the climate (zero carbon) and circularity, without losing sight of the high spatial quality of the northern provinces.

Housing development is also a response to demographic changes in the Northern Netherlands

New homes and residential developments make it possible for people to move to the region, which helps to maintain the quality of life for people who already live here, and makes the Northern Netherlands even more attractive to newcomers. New housing development will therefore also help to offset the predicted population ageing and the decline in the number of young people¹²⁾ and general population decline in Friesland, Groningen, Drenthe and Flevoland. For some regions, this population decline may be as much as 15% by 2040. However, good connectivity is essential for achieving the desired population developments.

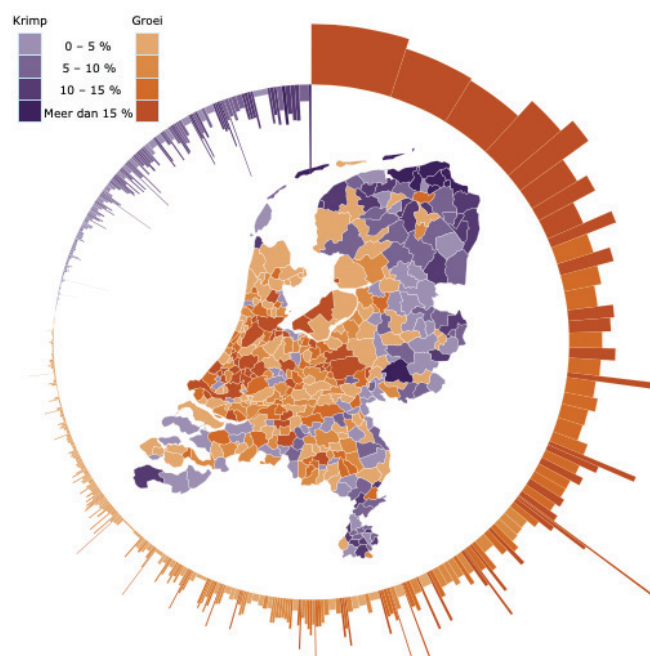


Figure 5 • Regional population and household projections for 2018-2035

12) Decrease in number of young people due to decrease in birth rate and young people leaving because of a lack of suitable work and career prospects in the north of the Netherlands.

SPACE FOR THE NEW ECONOMY IN THE NORTHERN NETHERLANDS

Investment in improved connectivity strengthens the potential for economic growth

Several strong, leading sectors are to be found in the Northern Netherlands, the potential of which can be further strengthened by connecting them to the economic core areas elsewhere in the country, and by improving links within the Northern Netherlands itself. Such improvements in connectivity will also optimize the agglomeration benefits: the Northern Netherlands will become more attractive as a place to live, it will be easier for people who live within or outside the region to commute to work in the four northern provinces, and it will ensure optimum interaction between the clusters. The growth clusters will be able to mature, and full use will be able to be made of the economic potential. The stronger economic structure in the Northern Netherlands will also have a knock-on effect on the national economy. Therefore, it is not just the four northern provinces which will profit from better connectivity, but the Netherlands as a whole.

The Northern Netherlands has strong, leading sectors and promising clusters

Sustainability and innovation characterize the economic clusters in the Northern Netherlands and are part of our DNA: northerners are known for their spirit, inventiveness and sense of history. We have the space for the continued growth of these clusters.

● **Hydrogen and the energy transition**

The share of jobs in the sustainable energy sector is, like the share of renewable energy, rapidly increasing in the Northern Netherlands. The region is also at the forefront of green hydrogen production, transport and applications.

● **Medical and life science technology, the health economy and healthy ageing**

The Healthy Ageing Network Northern-Netherlands has for many years served as an example to the rest of Europe when it comes to active and healthy ageing.

● **Water technology** The Northern Netherlands has a strong and growing knowledge and business cluster in water (the internationally active Water Alliance).

● **Smart areas** There is plenty of room in the Northern Netherlands to experiment with and implement smart initiatives, including SmartMobility, SmartShipping, SmartFlying and SmartFood – from start-up to scale-up.

● **HTSM/digitization/manufacturing**

When it comes to digitization and the high-tech manufacturing industry, leading knowledge institutes, various multinationals and a dynamic start-up scene can be found in the Northern Netherlands.

● **The circular economy** The Northern Netherlands' focus on water technology, sustainable energy, health, agriculture, circular construction and green chemicals supports the transition to a circular economy.

● **Agrofood** The Northern Netherlands has a strong nationally and internationally leading agrofood sector, in particular in dairy, protein, sugar, potato starch and seed potatoes. Characteristic of this sector is the high-tech innovative agriculture system, highly educated farmers and the links with other sectors.

● **Logistics** With its ports, business parks and two regional civil airports for freight traffic, the Northern Netherlands has the logistical infrastructure required for the multimodal and increasingly sustainable supply of the urban agglomerations in the Netherlands.

● **Maritime** Regional authorities and the maritime business community have jointly invested

in improved direct access to the sea through the IJsselmeer dam in recent years. This will ensure growth in short sea shipping, job creation and increased cooperation between shipyards and inland ports.

- **Knowledge** The business sector works closely together with regional education and knowledge institutes in the four northern provinces, as it is aware that knowledge, skills and innovation are key factors in acquiring a firm position in the knowledge economy. The regional education and knowledge institutes have bundled forces in the University of the North.

Improved connectivity will also strengthen the regional labour market

Professionals and specialists are essential for the continued development of the economic clusters in the Northern Netherlands. In Groningen, many young graduates now stay to live and work in the city following graduation. The most important factor for further increasing the attractiveness of the Northern Netherlands as a place to live and work is job availability. Companies also tend to set up business in areas that already benefit from agglomeration effects. Elements such as the accessibility of the area, the presence of knowledge institutes and the quality of the surroundings all play an important role in this. The Northern Netherlands has some leading knowledge institutes and innovation clusters. However, the economic structure is diffuse, and work needs to be done to improve the connectivity between the clusters in the Northern Netherlands and with economic core areas elsewhere. Improving this connectivity will increase the attractiveness of the Northern Netherlands as a place to establish companies, education institutions and knowledge centres. Furthermore, it will boost the synergy within the clusters in the region, increasing their economic value and the number of jobs available.

A second factor of importance for increasing the attractiveness of the Northern Netherlands as a place to live and work is accessibility to jobs. Good accessibility ensures that the knowledge

and innovation clusters are able to attract enough talented and qualified workers. A fast rail link to the Northern Netherlands is therefore essential in the recruitment of talent and skilled workers. Improving the connectivity and therefore strengthening the agglomeration effects will improve access to jobs. More available and accessible jobs will ensure that full use can be made of the economic development potential of the Northern Netherlands.

OPTIMUM CONNECTIVITY IS ESSENTIAL FOR REALIZING OPPORTUNITIES IN THE NORTHERN NETHERLANDS

Ensuring optimum connectivity between the Northern Netherlands and the Dutch urban network will help to increase prosperity throughout the country, will contribute to the solution of major societal challenges, and will ensure that better use is made of the economic and spatial strengths of not just the four northern provinces, but of the whole of the Netherlands. This also provides opportunities for climate adaptation. Think, for example, of a new rail link that also forms the boundary of a water storage area. To achieve these ambitions, investment is required in various areas, including connectivity. As described above, a distinction is made between national/international and regional/interregional connectivity. This therefore requires a broad investment package, which includes additional road and transport hub capacity, access to new residential areas and economic growth sectors, and investment in the rail network. Three parallel investments are required to improve connectivity: in the Lely rail connection (Lelylijn), in the existing rail network and in the Lower Saxony rail connection (Nedersaksenlijn).

Other, related investments in the rail network will also contribute to improved connectivity. This includes improvements to the rail link between Groningen and Leeuwarden as well as the creation of sufficient capacity between Lelystad/Almere and Amsterdam, to ensure the continued

accessibility of Almere, Lelystad and the north of the Netherlands for the long term. The last of these requires the rapid implementation of OV SAAL and of the IJmeer rail connection¹³.

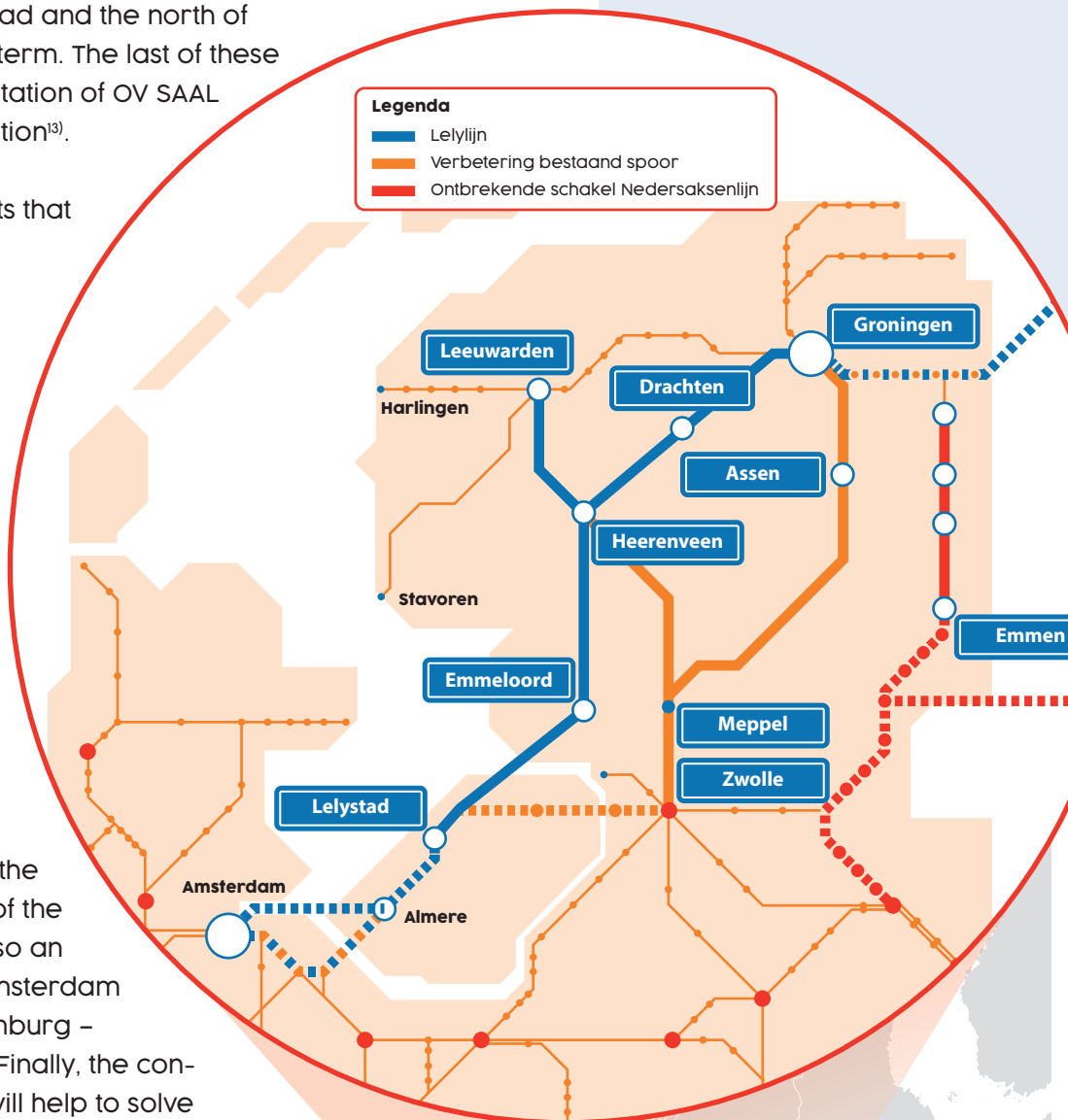
The three parallel investments that are required to optimize the connectivity of the Northern Netherlands are:

1 The Lelylijn

The Lelylijn is the main driver of improved national and international connectivity with the Northern Netherlands. This interregional rail connection will significantly increase the national distribution of work, housing and prosperity, and will make a considerable contribution to the continued earning capacity of the Netherlands. The Lelylijn is also an important link in the future Amsterdam – Groningen – Bremen – Hamburg – Scandinavia rail connection. Finally, the construction of this new rail link will help to solve the bottleneck in the section between Zwolle and Meppel (which has an average of nine hours of disruptions per week). This also necessitates a second point of access to the northern provinces.

With the construction of the Lelylijn, the cities and towns of Groningen, Heerenveen, Drachten, Emmeloord, Lelystad and Leeuwarden – as well as the surrounding region – will be connected more quickly with each other and with the rest of the Netherlands. This new connection will reduce travel time to and from the Randstad by up to 40 minutes. For example, the journey from Leeuwarden to Amsterdam

¹³ The state and regional government considers the IJmeer rail connection to be a promising solution to the urbanization problems in the eastern part of the Amsterdam metropolitan region and for reducing pressure on the existing Flevo rail connection. Agreements will be drawn up between the state and regional government as part of the Amsterdam metropolitan region urbanization strategy (*Verstedelijkingsstrategie Metropoolregio Amsterdam*).



Zuid will be reduced from two hours to one and a quarter hours, and from Groningen to Amsterdam Zuid to one and a half hours¹⁴⁾. This will improve the position of these northern cities in the Dutch urban network, as well as their development opportunities.

2 Improvements to the existing rail network

Improvements to the existing railway lines between Zwolle and Groningen/Leeuwarden and between Zwolle and Emmen are needed, to provide a faster and more reliable connection between the Northern Netherlands and the Randstad and other regions via the Hanze rail connection as soon as possible. This will make frequent, faster rail travel possible on the Groningen/Leeuwarden via Zwolle to Lelystad and Almere connection, as well as between Zwolle and Emmen. This will bring Assen, for example, over 20 minutes closer to the Randstad.

3 The Lower Saxony rail connection

To strengthen the regional connectivity, a focus is also required on the construction of the second missing link in the rail network in the Northern Netherlands: the Lower Saxony rail connection (Nedersaksenlijn). This line represents a game changer for the regional economy and regional connectivity in the north-east of the Netherlands. The Nedersaksenlijn will connect Enschede directly to Groningen via Emmen, and will also have a link with the German rail network. Combined with the existing rail network, this will ensure good regional coverage.

The direct benefits of improved rail connectivity summarized again

The improved national/international and regional/interregional connectivity of the Northern Netherlands has various benefits. For example, it will increase its attractiveness as a business location, for two reasons. First, choosing

a location in the north no longer means choosing a location outside the Dutch urban network but within it, and with the Randstad and Schiphol Airport within a reasonable travel time. Secondly, the reduced travel time due to the increased speed and frequency of trains makes it easier to attract highly educated and skilled workers for jobs in the Northern Netherlands. This will be crucial to maintain the vitality and quality of life in the region, given the future reduction in the working population in the Northern Netherlands.

For both existing and new residents, improved national and regional connectivity will increase the number of jobs within an acceptable travel time, making a job in the Northern Netherlands more accessible. This does not necessarily concern the daily commute, but more the semi-frequent journeys (e.g. twice a week). This will become especially important for highly educated workers, in particular in light of the predicted changes in working patterns due to the coronavirus pandemic. To summarize: improving the connectivity of the Northern Netherlands increases future prospects for the whole of the Netherlands, with more opportunities for more businesses, employees and residents, and ultimately an increase in general welfare.

Agglomeration benefits arise in new and strengthened hubs that benefit the whole region

Agglomeration effects develop at transport hubs, and the faster rail connections will provide the right conditions for a significant improvement in the new and existing stations and intercity stations along these lines. Large-scale, high-quality urban activities will develop and concentrate at and around these hubs, such as homes, jobs and other amenities. This will strengthen the agglomeration effect around these hubs. Combined with the improvements in regional connectivity, not just the cities and towns mentioned above will profit but the Northern Netherlands as a whole. In addition to the hub locations, the municipalities beyond the direct area of influence of the hubs will also profit from the agglomeration effects. This will especially be the case if the regional

14) QuickScan Agglomeratie Noord-Nederland, Studio Bereikbaar (2021).

transport network (in particular, the public transport network and the bicycle network) is harmonized with the new and existing hubs along the rail network. New residents and economic activities also increase the support for amenities and the vitality and quality of life in local villages.

A NEW FUTURE, STEP BY STEP

'Building Blocks for the Delta Plan' is based on a coherent package of measures: the Lely rail connection (Lelylijn), improvements to the existing rail network, and the Lower Saxony rail connection (Nedersaksenlijn). We assume a win-win-win scenario, in which (1) the Northern Netherlands contributes to the solution of a lack of space in the Randstad, (2) the sustainable economic growth potential of the four northern provinces and therefore the whole of the Netherlands is increased, and (3) a contribution is therefore made to reversing the direction of the negative socio-economic spiral in the Northern Netherlands and strengthening the young, immature economy of Flevoland. These are the benefits, and they should be weighed against the necessary investments.

Positive business case for investments in improved connectivity

The material and immaterial benefits of the proposed connectivity package are enormous. While this requires considerable investment in the next Cabinet term and the years thereafter, the business case is extremely positive. The main reason for this is that the potential in the Northern Netherlands is high, as described above. The investments therefore have a rapid and good rate of return. Another reason is that national objectives can be relatively easily and cost-effectively realized in the four northern provinces.

The costs are not insignificant...

The total required investment to improve rail connectivity is estimated at about €9.5 billion. This covers not just developments in infrastructure, but also the necessary improvements to the hubs and local mobility networks. Investments

for the Lelylijn total €6.5 billion¹⁵⁾, for the existing rail network about €2 billion and for the Nedersaksenlijn, €1 billion.

These investments will, however, be spread out over a long period. For the next few years, the focus will mainly be on the consultation and planning phases. The first projects for the existing railway network may be implemented within the next four years, directly followed by the start of construction of the Lelylijn and the Nedersaksenlijn. Most investments are required in the late 2020s/early 2030s.

DELTA PLAN FOR THE NORTHERN NETHERLANDS: THREE TRACK APPROACH

	Cost in € billion
Construction of the Lely rail connection (Lelylijn)	6.5
Improvements to existing rail network	2
Construction of the Lower Saxony rail connection (Nedersaksenlijn)	1
TOTAL PACKAGE	9.5

15) Investment in the Lely rail connection includes capacity expansion near Heerenveen to enable a fast, direct link with Leeuwarden.

...but the benefits are much higher

The return on investment in the infrastructure will be immediate. The regional labour market will receive a considerable boost, which in itself will be enough to increase the attractiveness of the Northern Netherlands. Sending a powerful signal that agglomeration benefits are to increase in the Northern Netherlands will ensure positive energy from day one and will boost the region's image.

The return on investment will be further increased if improvements are first made to the existing rail network, followed by construction of the Lelylijn and the Nedersaksenlijn. In this way, regional businesses will benefit from the increased connectivity and the resulting agglomeration impacts. Clearly, the resulting positive socio-economic effects will be huge.

If full use were to be made of the economic potential of the Northern Netherlands, the value of the regional manufacturing and services sectors would increase by about €24 billion per year¹⁶. Even if just half of this were to be realized, this is still €12 billion per year: a figure that more than covers the required investment in improved connectivity. Furthermore, economically strong regions profit directly from investment in areas with unused potential (trickle-up effect), while the reverse (trickle-down effect) is minimal¹⁷. Therefore, not just the four northern provinces will profit from this connectivity package, but the national economy will also benefit.

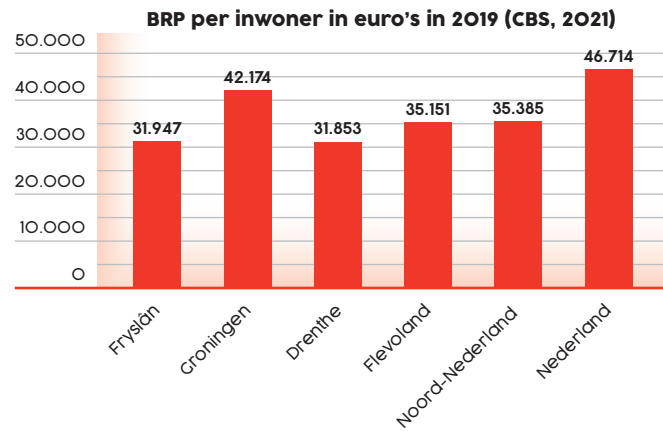


Figure 6 • GRP per inhabitant

Source: *De stand van de Noord-Nederlandse economie* (The state of the Northern Netherlands economy), Economic Board Noord-Nederland, February 2020

The boost that this will give to the economy and to jobs will attract new residents to the region, particularly because the Northern Netherlands can offer a high quality of life which, combined with excellent connectivity, high-quality amenities and vigorous economic clusters, is perfectly suited for accommodating part of the national housing demand. As well as 'boosting' the regional economy, the package will also increase government revenues. Depending on the calculations used, between 40% and 50% of the purchase price of a new home eventually ends up in the state treasury. Homes can be built more quickly in the four northern provinces than in the Randstad, so, assuming 220,000 homes with an average purchase price of €260,000, this ends up in over €25 billion finding its way to the state treasury more quickly.¹⁸

16) €11,274 (difference in gross regional product (GRP) between the Netherlands and the Northern Netherlands) x 2,140,375 (population of Friesland, Groningen, Drenthe and Flevoland) = €24,131,477,750 (2019 data), therefore almost €24 billion p/a potential GRP.

17) PBL (2019), *De economische samenhang tussen regio's in Nederland* (The economic coherence between regions in the Netherlands).

Putting the numbers aside, it is ultimately about the impact on welfare and on people's well-being and happiness. The present increases in economic differences between regions¹⁹⁾ mean that opportunities to ensure general prosperity are being missed. After all, the greater the equality between regions in a country, the greater the prosperity in the whole of the country²⁰⁾. And the aim is to eliminate regional inequalities in opportunity, so that a child growing up in south-east Drenthe, east Groningen, Noordoostpolder or north-east Friesland has the same career prospects as a child raised in the Randstad or north Brabant.

All parties share responsibility for the costs

It goes without saying that the provinces and municipalities in the Northern Netherlands are doing their absolute best to create the necessary conditions and to raise financial support to strengthen the agglomeration impact in the region. Where possible, use will also be made of RRF/EU packages and the National Growth Fund. This will cover part of the cost, but financial input from the state government is essential. However, given the benefits to the state treasury, this is more than reasonable.

THE FUTURE STARTS TODAY

No time should be lost in addressing the challenges that we face in the Netherlands. The housing issue increases in urgency by the day, as does the necessary transition to an innovative and sustainable economy. Local and regional authorities and the business community in the four northern provinces are ready to make the considerable contribution described above to help solve these challenges. However, simply waiting for the new infrastructure to arrive is not an option, which is why we have drawn up an ambitious but realistic plan for the coming years.

1. We aim to make a start straight away on realizing these ambitions, by drawing up a programme (**Rijk-Regio Programma**, 'state-region programme') together with the state government to coordinate further development and realization: taking the decision to start construction of the Lelylijn and the Nedersaksenlijn in the coming Cabinet term is an important part of this. Decisive cooperation between national and regional parties within this programme will help to create the necessary conditions to ensure optimum coherence between the proposed developments in connectivity, the economy and housing.
2. As in other parts of the country, the state government and the four northern provinces will attempt to go through the process from planning to realization of the Lelylijn and the Nedersaksenlijn as quickly as possible.
3. At the same time, a start will be made on preparations for improvements to the existing rail network, so that concrete steps can be taken almost directly to improve national/international connectivity.

This approach will ensure that, step by step, we strengthen the Dutch urban network while connecting the Netherlands to the future. The future starts today!

18) CBS (2009), Municipality of Groningen.

19) PBL (2019); Buitelaar et al. (2016).

20) OECD (2019). OECD Regional Outlook. Leveraging megatrends in cities and rural areas; Paris: OECD publishing.



Berenschot

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