

Evaluation of Dutch policy on hosting international organisations

1. Reasons, aim and focus

Reasons

In 2005, the government published a position paper in response to the 2002 Interministerial Policy Review (IBO): *Policy Framework for Attracting and Hosting International Organisations*. This position paper marked a shift in policy focus: instead of attracting new international organisations (IOs) to the Netherlands, the government would focus on providing more attractive conditions for those already based here. The shift was partly informed by the results of a survey among non-Dutch staff of IOs in the Netherlands. Admission to and residence rights in the Netherlands for foreign nationals, information and communication, privileges and immunity, and infrastructure were identified as sources of dissatisfaction. In 2008, fairly soon after the policy shift, the Policy and Operations Evaluation Department (IOB) published a policy review of the operational budgetary objectives connected to the quality of the Netherlands as a host country for international organisations.¹

It is now more than eight years since the review was published. Initially, there were plans for a new policy review of the themes now falling under policy objective 4.5 of the Ministry of Foreign Affairs budget. However, the House of Representatives and the Minister of Finance have taken the position that the instrument of policy review should preferably be used for an entire budgetary article rather than an underlying policy objective, and only for articles with a considerable claim on the budget. In 2016, the government sent a letter to the House of Representatives confirming its view that IO policy should be regarded as one of the four pillars of policy implementing article 90 of the Constitution (promoting the development of the international legal order).

Since late 2016, the Ambassador for International Organisations (AMIO) and the Protocol and Host Country Affairs Department (DPG), in consultation with the ministry's senior management, have been fleshing out objectives for government-wide IO policy. The AMIO proposes: (1) establishing IO policy as a core task of the Ministry of Foreign Affairs, and (2) giving specific shape to interministerial cooperation by identifying objectives with government-wide support, such as the inclusion of a permanent financial provision for accommodation for international organisations in the homogeneous budget for international cooperation (HGIS), tighter management of implementing organisations and, in acquisition procedures, specific consideration for the economic and political interests of the Netherlands as host country.

The limited foreign ministry funds involved in article 4.5² and the fact that new policy is still in the making were the main reasons for the IOB not to carry out a

¹ IOB, *Be our guests. Policy review on hosting international organisations in the Netherlands*. IOB evaluations, no. 316. Ministry of Foreign Affairs, The Hague, November 2008.

² I.e. policy objective 4.5 of the Ministry of Foreign Affairs budget (Attractive conditions for international organisations in the Netherlands).

policy review as initially planned, but to evaluate the impact of the principal IO activities undertaken since the publication of its 2008 policy review.

Aim of this evaluation

The main aim of this evaluation is to provide the Ministry of Foreign Affairs (including the AMIO, DPG staff and senior management) and the Board of Secretaries-General with timely input for the new IO policy. This means that the evaluation of policy pursued to date will need to be completed by the end of 2017 at the latest, as agreed with the House of Representatives by the Minister of Foreign Affairs.

This evaluation also aims to provide a basis for the wider policy review of policy article 4 of the Ministry of Foreign Affairs budget, i.e. consular representation, representation of Dutch values and interests abroad and provision of attractive conditions for international organisations.

Focus

Many parties are involved in implementing IO policy. The evaluation will largely be confined to the measures and conditions on which the Ministry of Foreign Affairs can exert influence, either directly or indirectly, for example through consultation and coordination with other relevant central government actors and the municipality of The Hague. Its *direct (primary) responsibilities* include relations/communication with IOs, management and application of headquarters agreements and coordination of policy and its implementation. *Indirect (secondary) responsibilities* are inherent to the ministry's role as coordinator and include calling ministries or implementing organisations to account for non-compliance with headquarters agreements or coordinating measures to deal with problems encountered by IOs.

The evaluation focuses on international organisations created by means of an agreement established by treaty to which states are parties.³

The evaluation targets:	The evaluation does <i>not</i> target:
<ul style="list-style-type: none"> • Intergovernmental organisations established under treaty law with headquarters in the Netherlands. • Implementation of headquarters agreements. • Admission and residence rights of IO staff and their dependents. • Information provision on relevant legislation in the Netherlands. • Accommodation and security. 	<ul style="list-style-type: none"> • Foreign embassies. • NGOs. • International businesses/multinationals. • Financial analysis of supposed positive and negative impact of the presence of IOs in the Netherlands (economic, political, image etc.). • Privileges and measures beyond the scope of the headquarters agreements. • Medical services, international schools, conference facilities and accessibility.⁴

³ The definition used for the 2008 policy review, formulated by August Reinisch in 2000, will also apply to this evaluation: 'International organisations are entities consisting predominantly of states, created by international agreements, having their own organs, and entrusted to fill some common (usually public) task'.

⁴ The survey to be conducted among the staff of IOs located in the Netherlands (see elsewhere in these ToR) will, however, be similar to the survey conducted by the IOB in 2008 and will therefore deal with issues such as medical services, schools and so on, possibly bringing problems to light which can be included in the evaluation.

Implementation of headquarters agreements is one of the subjects of the evaluation. Admission and residence rights of IO staff and their dependents, information provision on Dutch legislation, and accommodation and security will also be examined. However, there will be no comprehensive study of the general quality of conditions for IOs in the Netherlands, partly because this was examined in considerable detail in two previous studies, i.e. a 2002 Interministerial Policy Review (IBO), and an IOB policy review of the 2005-2008 period. Moreover, since an attractive (business) climate is also one of the policy themes of the Ministry of Economic Affairs' Netherlands Foreign Investment Agency (NFIA), the quality of the conditions for IOs in the Netherlands is subject to continual monitoring. A financial cost/benefit analysis of potentially positive and negative effects of the presence of IOs in the Netherlands is beyond the scope of this evaluation. However, where possible, information obtained from the desk study will be used to provide policy-relevant information on the supposed effects of IOs on the Netherlands. Unlike the previous IOB study, this evaluation will explicitly examine policy pursued since 2008 to attract new IOs to the Netherlands.

2. Dutch policy on hosting international organisations

2.1. Background

In recent years, the Dutch government has put considerable effort into attracting new IOs to the Netherlands and encouraging existing IOs with headquarters elsewhere to establish regional offices here. As a result, there are now nearly 40 IOs in the Netherlands (see annexe 1). The Netherlands competes in this regard with countries like Switzerland, Austria, Germany and, more recently, Denmark.

In its 2005 position paper, the government again underscored the importance of hosting IOs in the Netherlands. As a host state, the Netherlands would further enhance its reputation as legal capital of the world, as a good host for international organisations – with the necessary infrastructure – and as advocate of the development of the international legal order (article 90 of the Constitution). The presence of more IOs in the Netherlands would also help promote other Dutch policy objectives, as well as the interests of Dutch companies and knowledge institutions. For example, the government felt that the extra consumer spending and employment linked to the presence of IOs, their staff and the latter's family members would serve the Netherlands' economic interests. The Netherlands' image as a country with an international outlook would also be a factor in attracting tourists, foreign companies, academics and NGOs.

In its 2005 position paper, the government shifted the focus from attracting new organisations to improving the quality of both conditions and service provision for IOs already established in the Netherlands. Both were the subject of fierce discussion after publication of the results of a survey in which as many as three quarters of the non-Dutch staff members of IOs in the Netherlands indicated

that they would prefer to work at a different location.⁵ In response, the government wanted to ensure that from now on the Netherlands would no longer merely meet the minimum legal obligations for hosting IOs but develop into an attractive host state. The guiding principle and main policy objective was that the Netherlands should offer IOs conditions that are competitive with those on offer elsewhere and that its policy should be seen as hospitable, generous, effective and solution-oriented.

Measures were formulated to improve the situation in the following four areas:

- admission to and residence in the Netherlands for foreign nationals;
- information and communication;
- privileges and immunities; and
- infrastructure.

In its 2008 policy review, the IOB concluded that the government had moved forward with these measures, launched just over two years earlier. However, it was felt to be too early to draw any definite conclusions and the IOB called for continuing attention for adequate information provision (e.g. through regular contact between IOs and the Secretary-General of the Ministry of Foreign Affairs and timely provision of information – in English – on amendments to policy relevant to expats.) The IOB concluded that the procedure and criteria for granting permanent residence (DV) status still gave rise to problems and that problems were still encountered by IOs relocating to new premises or renovating or enlarging their current ones, and with the security of buildings and staff. Sluggish decision-making processes and red-tape were regarded as the main problems. The IOB called for continued focus on managing relations with IOs through the Desk for International Organisations, on the role of the Ambassador for International Organisations (AMIO) and on interministerial consultations in the Steering Committee on the Netherlands as Host Country.

At the end of 2013, the Cabinet discussed and approved an internal policy memorandum which again prepared for several shifts in focus without fully elaborating them. Since the document was said to contain 'competitively sensitive' information, it was not sent to the House of Representatives and its status remains uncertain. The document was written in response to missed opportunities to host several organisations operating in the field of peace and justice, which is precisely where the Netherlands, and The Hague in particular, wishes to build a strong profile, and thus referred to the need for a renewed commitment to IO policy and to creating scope to actively attract IOs to the Netherlands. It called for rules of play in order to identify opportunities to attract IOs, make separate financial provision for them and reach the necessary decisions. See below under 'Approach'.

In April 2016⁶, the AMIO proposed establishing a Government Working Group on Intergovernmental Organisations (RIO), with an action plan for attracting new IOs. This plan was the outcome of interministerial consultations on a multi-annual financial framework, a protocol for attracting IOs and a model host country (headquarters) agreement to prevent unnecessary differences between these agreements.

⁵ *At Home in Holland? How Staff Members in International Organisations View Life in the Netherlands*, Report on Survey Results, prepared by the Secretariat of the International Organisations' Staff Associations in the Netherlands (IOSA-NL), approved on 12 October 2005.

⁶ In February 2016, the action plan was approved for the establishment of the RIO.

2.2. Policy actors

Various bodies are responsible for IO policy. The main actors are the following.

The Ministry of Foreign Affairs

- *AMIO*
The Ambassador for International Organisations (AMIO) is responsible for ensuring that the Ministry of Foreign Affairs and other relevant government authorities pursue a coherent, strategic IO policy, including policy on attracting IOs to the Netherlands and housing and facilitating them. In consultation with the Host Nation Division of the Protocol and Host Country Department (DPG/NG), the AMIO oversees compliance with the requirements the Netherlands must meet as host country and supervises housing and rehousing projects for IOs, including the permanent premises of the International Criminal Court (ICC) and the Peace Palace. The AMIO works with authorities including the municipality of The Hague to ensure attractive conditions for IOs and to build a positive image of the Netherlands as host country. The AMIO represents the Netherlands in various host country committees.
- *DPG/NG*
The Host Nation Division of the Protocol and Host Country Department (DPG/NG) implements the government's IO policy and acts as the first point of contact for the around 100 embassies and 40 international organisations (with a total of nearly 22,000 employees) based in the Netherlands. DPG is the front office for the other central government agencies involved in IO policy and is responsible for registering IO employees and their family members in the protocol personal records database (PROBAS) and issuing diplomatic ID cards. DPG is also responsible for managing and implementing policy on duties concerning the diplomatic corps and the IO community, including solving day-to-day problems. DPG/NG coordinates the registration of consuls, honorary consuls and military attachés. DPG is also responsible for supervising practical matters relating to new IOs locating to the Netherlands. It also bears responsibilities concerning suspects and witnesses appearing before the various courts and tribunals based in the Netherlands.

Members of the Government Working Group on Intergovernmental Organisations (RIO) and its core groups

- The Government Working Group on Intergovernmental Organisations (RIO), which was recently established by the AMIO, is responsible at executive level for taking the preparatory steps towards attracting new IOs to the Netherlands. All ministries, the Central Government Real Estate Agency (RVB) and the Netherlands Foreign Investment Agency (NFIA) are each represented in the RIO. In establishing the RIO, the AMIO aimed to achieve the government's 2013 policy objective of operating as a better, more proactive host country for new and established intergovernmental organisations. The RIO operates at both policy and executive level. The RIO action plan

states that, as a rule, the working group will meet three times a year. If an IO and/or regional office not yet based in the Netherlands shows an interest in locating here, or if the government actively wishes to attract an IO to the Netherlands, the RIO will, at the proposal of the AMIO, appoint a core group of government stakeholders. In consultation with the AMIO, the core group decides which other actors should be involved in the process of attracting the IO to the Netherlands and keeps the RIO informed of its progress.⁷

Courts and Tribunals core group

- This core stakeholder group has already been appointed and is now occupied with policy on attracting courts and tribunals to the Netherlands. The group is also examining whether courts and tribunals form a separate category of international organisations. While their headquarters agreements already display a degree of standardisation, each needs its own specific agreement.

3. Evaluation framework

3.1 Scope and limitations

Scope

This evaluation relates to the effectiveness, efficiency and coherence of the two components of IO policy, i.e. being a good host for IOs based in the Netherlands and attracting new IOs to the Netherlands. The study will be limited to the aspects of IO policy and conditions for IOs in the Netherlands on which the Ministry of Foreign Affairs can reasonably be expected to or should exert an influence, either directly or indirectly (e.g. in its role as coordinator and through consultations in the interministerial Steering Committee on the Netherlands as Host Country). The study will involve other bodies responsible for implementing IO policy where they can provide a better understanding of problems and success factors.

Period

This new evaluation will follow on from the previous IOB policy review, which analysed policy in the period from early 2001 to the end of 2007 and covered the January 2006 to December 2007 budgetary period, and will study the government's and the Ministry of Foreign Affairs' activities from January 2008, again including the most recent policy developments wherever possible. The January 2008 to December 2016 budgetary period will be used to calculate the budget related to policy.

⁷ The RIO's mandate is as follows: 'The Government Working Group on Intergovernmental Organisations (RIO) is responsible for implementing government policy on attracting IOs to the Netherlands. (ref 2013 Cabinet decision, para 4). The RIO works to intensify efforts to attract IOs to the Netherlands (ref. 2013 Cabinet decision, para 11). The Cabinet memorandum informs decision-making on attracting new IOs to the Netherlands (para 23: "(...) In principle, decisions on attracting an IO to the Netherlands should be taken by the Cabinet. (...)") New projects – for example an IO newly locating in the Netherlands or proposals for radical amendments to the headquarters agreement with an IO already based in the Netherlands – will be coordinated by the RIO. Draft headquarters agreements must always be submitted to the Coordinating Committee on International Affairs (CORIA) and the Cabinet. The RIO may at any time decide to consult the interministerial Steering Committee on the Netherlands as Host Country on a project. IOs that are not intergovernmental organisations do not fall within the RIO's mandate. These organisations will be referred to the NFIA, subject to the latter's agreement.'

Nature of the information

This evaluation is partly based on factual data on service provision by the Netherlands as host country. Analysis of the provisions of headquarters agreements produces tangible information on the conditions that need to be complied with. However, evaluation of the quality of compliance – and whether it has improved or deteriorated – and of service provision itself will partly be based on the experience and views of representatives of the IOs in question. Of course, where possible the IOB will use diverse sources (follow-up interviews) to verify these findings.

3.2 Evaluation questions

This evaluation examines the effectiveness, efficiency and coherence of the IO policy pursued by the Ministry of Foreign Affairs. It will address the following questions.

IO policy

- What is the policy of the Ministry of Foreign Affairs and central government on the acquisition and hosting of IOs in the Netherlands?
- What is the role of the various government parties in implementing IO policy?
- In what way is IO policy embedded in the Dutch government (coherence)?
- What is the relationship between policy geared to keeping existing IOs in the Netherlands and policy geared to attracting new IOs to this country, and on what considerations is this based?

Conditions/hosting

- How does the Ministry of Foreign Affairs fulfil its role as coordinator of central government's IO policy?
- How did the ministry follow up on the recommendations adopted in the policy response to the 2008 policy review?
- What developments have there been in this component of IO policy since the previous evaluation?
- To what extent have policy objectives on attractive hosting of IOs been achieved (effectiveness)? How do the management and staff of IOs view the Netherlands as host country? What has changed since 2008? What factors are important in terms of IOs' opinions on conditions in the Netherlands? Are there positive or negative side effects?
- What is the role of implementing organisations in hosting IOs, and how do they fulfil it?

Attracting new IOs

- What is the main focus of the policy on attracting IOs?
- On what basis are (political and/or official) interests considered and what interests are decisive in decision-making on attracting an IO to the Netherlands?
- How does the Ministry of Foreign Affairs fulfil its role? What role do the diverse actors – including political actors and the AMIO – play in the policy?
- To what extent have policy objectives on attracting new IOs to the Netherlands been achieved?

- How do Dutch bids compare to those of competing countries? What factors were important in successful and unsuccessful bids?
- Where is policy on attracting IOs to the Netherlands in need of improvement?

Loss of tax income and economic advantages

- In the run-up to this evaluation, the House of Representatives requested an overview of lost tax income. This short evaluation will not examine the financial aspects, since that requires a separate study. As far as possible, however, it will attempt to provide an understanding of economic advantages and loss of tax revenue (desk study).

3.3 Approach

Research agency APE Public Economics BV has been contracted to carry out this evaluation under IOB's responsibility. The evaluation report, accompanied by a policy response, will be presented to the House of Representatives. Research for this evaluation will comprise a combination of a desk study, a comparative study of relevant headquarters agreements, case studies, interviews and two surveys. APE will draft an action plan, which, with the ToR as its basis, will give a more detailed overview of the parameters, scope and timeframe of the evaluation, and the following research components.

Desk study

The main written and digital sources (such as letters to the House of Representatives, policy memorandums and annual reports, internal memorandums and correspondence between DPG/NG and other ministries, the municipality of The Hague and IOs) will be analysed in a document study. Reports by the Steering Committee on the Netherlands as Host Country, the Government Working Group on International Organisations, the CORIA and the working groups and meetings with international organisations will also be examined. To gain the necessary understanding of the Netherlands' competitive position as a host country, an internal Ministry of Foreign Affairs study on the scope of and differences between the headquarters agreements of the various IOs based in the Netherlands, which was conducted by Mr A. Cnossen, will be used.

The international legal obligations specified in the headquarters agreements are the minimum requirements to be met by the host country and are as such matters on which countries aspiring to host new international organisations compete. In consultation with the AMIO, the evaluation will also describe the extent to which the memorandum referred to in 2.1 has been implemented or fleshed out.

Case studies

In-depth case studies – to be specified in the action plan – will also be conducted of successful bids, where the IO opted for the Netherlands as host country – despite competition from other countries – and of unsuccessful bids, where the IO opted for one of the Netherlands' competitors.⁸ By interviewing representatives of these organisations, reviewing the negotiation processes and

⁸ The action plan will give further reasons for choices, scope and planning.

comparing competing countries' bid books, it should be possible to discover the reasons underpinning an IO's decision to locate to the Netherlands, or to choose another country.⁹

Interviews

The experience and observations of the people involved are an important source of information on the formulation, effectiveness and coherence of policy. Interviews are therefore planned with staff members of the Ministry of Foreign Affairs, members of the Steering Committee and working groups, and contacts at ministries where problems have been encountered. Staff of relevant implementing organisations (including the municipality of The Hague's International Desk) as well as the management and staff of IOs and the International Organisations' Staff Associations in the Netherlands (IOSA-NL) will be asked for their views.

Survey

To examine whether the policy adjustments set in motion in 2005 and the recommendations issued in the 2008 IOB policy review have been implemented and had any effect, a survey will again be held among the management of the international organisations based in the Netherlands. They will be asked for their views on compliance with the obligations arising from the headquarters agreements and on specific services provided for IOs. Where possible and relevant, the same questions will be asked as in 2005.

⁹ Organisations that located recently in the Netherlands include the International Institute for Democracy and Electoral Assistance (International IDEA, headquarters in Stockholm), the European Air Transport Command (EATC, Eindhoven), the European Cybercrime Centre (housed with Europol, The Hague) and the Mechanism for International Criminal Tribunals (housed in the ICTY building in The Hague).

Annexe 1 – List of international organisations and regional offices of international organisations with a headquarters agreement in the Netherlands (June 2017)

The following is an overview of all international organisations (IOs) currently based in the Netherlands and the year in which they were established.

The Netherlands chiefly focuses on:

- IOs operating within the themes of peace, justice and security;
- IOs with links to the 9 [top sectors](#);
- IOs whose mandate ties in with the mandates of IOs already based in the Netherlands.

Courts and Tribunals

- [International Court of Justice \(ICJ\) \(UN organ\)](#) (1945)
- [Mechanism for International Criminal Tribunals \(MICT\) \(UN organ\)](#) (2010)
- [International Criminal Court \(ICC\)](#) (2002)
- [International Criminal Tribunal for the former Yugoslavia \(ICTY\) \(UN organ\)](#) (1993)
- [Iran–United States Claims Tribunal \(IUSCT\)](#) (1981)
- [Kosovo Specialist Chambers and Specialist Prosecutor’s Office](#) (2015)
- [Permanent Court of Arbitration \(PCA\)](#) (1899)
- [Residual Special Court for Sierra Leone \(RSCSL\)](#) (2012)
- [Special Tribunal for Lebanon \(STL\)](#) (2007)

EU organisations

- [Eurojust](#) (2002)
- [European Parliament Information Office in the Netherlands](#) (1977)
- [European Commission/ Joint Research Centre Petten \(JRC Petten\)](#) (1958)
- [European Commission representation in the Netherlands](#) (1969)
- [European Investment Bank \(EIB\)](#) (1958)
- [European Police Office \(EUROPOL\)](#) (1993)
- Galileo Reference Centre (GRC) (2016)

Other international organisations

- [African Management Services Company \(AMSCO\)](#) (1989)
- [Benelux Office for Intellectual Property \(BOIP\)](#) (2007)
- [Common Fund for Commodities \(CFC\)](#) (1989)
- [EUROCONTROL](#) (1963)
- European Air Transport Command (EATC) (2009)
- [European Patent Office \(EPO\)](#) (1973)
- [European Space Agency/European Space Technology Centre \(ESA/ESTEC\)](#) (1980)
- [Hague Conference on Private International Law \(HCCH\)](#) (1955)
- [International Development Law Organization \(IDLO\)](#) (1991)
- [International Institute for Democracy and Electoral Assistance \(IDEA\)](#) (1995)
- [International Commission on Missing Persons \(ICMP\)](#) (2015)
- [International Organisation for Migration \(IOM\)](#) (1954)
- [Dutch Language Union](#) (1982)

North Atlantic Treaty Organization (NATO)

- [NATO Airborne Early Warning & Control \(NAEW&C\) Programme Management Agency \(NAPMA\)](#) (1978)
- [NATO Allied Joint Force Command Headquarters Brunssum \(JFC Brunssum\)](#) (1953)
- [NATO Communications and Information Agency \(NCI Agency\)](#) (2012)

Organization for the Prohibition of Chemical Weapons (OPCW)

- OPCW-UN Joint Investigative Mechanism (JIM) (2015)
- [Organization for the Prohibition of Chemical Weapons \(OPCW\)](#) (1997)

Organization for Security and Co-operation in Europe (OSCE)

- [High Commissioner on National Minorities \(HCNM\)](#) (1992)
- [Technical Centre for Agricultural and Rural Cooperation \(CTA\)](#) (1983)

United Nations (UN) – see also: Courts and Tribunals

- [High Commissioner for Refugees \(UNHCR\)](#) (1950)
- [UNESCO-IHE Delft Institute for Water Education \(UNESCO-IHE\)](#) (2001)
- [United Nations University-Maastricht Economic and Social Research Institute on Innovation and Technology \(UNU-MERIT\)](#) (1973)

Source: <https://www.government.nl/topics/international-organisations/multilateral-forums>.