



Ministerie van Onderwijs, Cultuur en
Wetenschap

Sector agreement Universities of applied sciences 2018

Amsterdam

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In the *Sectorakkoord hbo-2018* (universities of applied sciences sector agreement 2018), the Minister of Education, Culture and Science (OCW) and the publicly funded universities of applied sciences represented in the Netherlands Association of Universities of Applied Sciences have set down their higher education quality agreements, the way in which the universities of applied sciences profile themselves, and the joint priorities for the term of the present government.

The sector agreement relates to all publicly funded universities of applied sciences and runs from 2019 to 2022. To the extent that this sector agreement relates to quality agreements, it runs from 2019 to 2024. The sector agreement is founded on various documents: the '*Vertrouwen in de toekomst*' coalition agreement (2017), the *Gemeenschappelijke Agenda Hoger Onderwijs LSVb, ISO, Vereniging Hogescholen en VSNU* (LSVb, ISO, Netherlands Association of Universities of Applied Science and VSNU Joint Agenda for Higher Education, 2016), the *Strategische Agenda Hoger Onderwijs en Onderzoek 'De Waarde(n) van weten'* (Strategic Agenda for Higher Education and Research, 'The value of knowledge', 2015), the *Nationale Wetenschapsagenda* (National Research Agenda, 2015) and the *Wetenschapsvisie 2025: keuzes voor de toekomst* (2025 Vision for science, choices for the future, 2014), *Strategische agenda hbo 'Wendbaar en Weerbaar'* (Netherlands Association of Universities of Applied Sciences strategic agenda, 'flexible and resilient', 2015), and the *Strategische onderzoeksagenda Onderzoek met Impact* (Strategic research agenda, Research with Impact (Netherlands Association of Universities of Applied Sciences), 2016).

The agreements in this agreement are based on a number of shared starting points:

- The work of the universities of applied sciences in the field of teaching, applied research and impact is of crucial significance in the strengthening of the knowledge-based society in the Netherlands and in tackling societal challenges. Universities of applied sciences fulfil an important role as far as the accessibility of higher education for first generation students is concerned. The good performance levels at universities of applied sciences are thanks in part to the autonomous position of Dutch universities of applied sciences and the intensive interchange between teaching, research, and the professional field.
- In recent years, the universities of applied sciences have succeeded in achieving many of the ambitions from the previous sector agreement, dating from 2011. Quality has improved. For example, the proportion of teachers with a Master's degree or PhD has risen, as have student satisfaction levels. Moreover, the universities of applied sciences carried out extra investments in the quality of teaching between 2015 and 2017, in anticipation of the making available of revenues from the student loan system. Despite these efforts and investments, it has proved difficult to substantially reduce dropout rates. There is a complex relationship (a trilemma) between raising the standard of the Bachelor's, the level of incoming students, and the improving of student success rates. The aim is to improve student success rates by providing supervision that is more relevant to students' learning careers, but without making concessions to the quality of the degree programmes and, by extension, of the graduates.
- The Veerman Commission of 2010 proposed that substantial investments were absolutely necessary to maintain and strengthen the position of higher education in the Netherlands. This requires good collaboration between universities of applied sciences and the central government, and effective and targeted expenditure of the revenues from the student loan system and research that are now becoming available.
- The Ministry of Education, Culture and Science will ensure that green education is firmly embedded in its system's policies, that administrative consultations on the matter with the education sector will take place, and that the expenditure by green universities of applied sciences will be harmonised from 2019 with universities of applied sciences that have already been funded by the ministry.
- The sector agreement will not become reality without the commitment of teachers and researchers at universities of applied sciences. The agreement offers scope to reduce the pressure of work, while at the same time improving teaching and research.
- This means the agreement that is being concluded will be about measures that could improve the quality of studying and working in the universities of applied sciences in the next few years. This will be done through investments using the revenues from the student loan system and the additional revenues for research, while at the same time the universities of applied sciences will have to carry out efficiency savings imposed by the current and previous government.

The parties also point out that work is continuing on a number of projects from the period of the previous governments, namely:

- The expansion of applied research concerning societal challenges facing universities of applied sciences with other knowledge institutes, the business sector, and social organisations. This is

expressed in the *Nationale Wetenschapsagenda* (National Research Agenda), which has been developed by the broad-based Knowledge Coalition¹.

- The initiatives in the context of the Technology Pact, the Care Pact, and the Green Pact.
- Stimulating entrepreneurial education, by building on the Memorandum of Understanding with StartupDelta, for example.
- The initiatives in the context of the National Plan Open Science.

The undersigned,

- The Minister of Education, Culture and Science (OCW),
- the Netherlands Association of Universities of Applied Sciences, on behalf of the publicly funded universities of applied sciences,

with the consent of the Dutch Student Union (LSVb) and the Dutch National Students' Association (ISO) to the quality agreements section,

agree to the following:

1. Investing in the quality of education

A. Investing revenues from the student loan system through quality agreements

The coalition agreement states that the revenues from the student loan system shall be linked to 'quality agreements at institutional level'. There is broad agreement for implementing these agreements in close dialogue with the education community and, where relevant, with the involvement of relevant partners. Students, universities of applied sciences, research universities, and the Minister of Education, Culture, and Science are addressing this matter and have made agreements on the quality agreements. This part of the sector agreement concerns these agreements and runs from 2019 to 2024.

The aim is to use the revenues from the student loan system to make clear improvements in education. In this respect, we have a promise to keep to students. Universities of applied sciences and research universities have already given a boost to higher education through previous investments, and with the deployment of the revenues from the student loan system, they seek to further this process.

In substantive terms, we are adhering to the course set down in the Strategic Agenda of 2015 and the Joint Agenda of the Netherlands Association of the Universities of Applied Sciences, VSNU, ISO, and LSVb, with a greater focus on the personal and social education of students, a stronger emphasis on progress through the educational chain, and a firmer embedding of higher education in society.

In view of the aforementioned, education institutes are formulating proposals and aims for improvements in the following areas: more intensive and small-scale teaching; educational differentiation, including the development of talent both as part of and away from studies; an improvement to the professional qualities of teachers; appropriate and good-quality educational facilities; more and better supervision of students; study success, including progression to other courses, access, and equality of opportunity. This document sets out in greater detail how we define these areas, or themes.

Implementation by individual institutes

The education institutes will individually translate the common themes for which the resources are to be used into concrete measures and policies. This will take place in a dialogue between students, teachers, external relevant stakeholders (businesses, social organisations, other educational institutes, regional governments), managers, participation bodies, and regulators.

Each institute will produce a plan to show what it is seeking to achieve with the revenues from the student loan system until the year 2024. These plans on how the revenues from the student loan system are to be used will contain expenditure proposals (hereinafter referred to as 'proposals') in relation to the six nationally agreed themes and the aims that each institute seeks to achieve through this expenditure. Proposals and aims may apply to the entire institute, but also to certain parts of it or to specific groups of students. For each of the six themes, the institutes will describe

¹ The Knowledge Coalition consists of the research universities (VSNU), universities of applied sciences (Netherlands Association of Universities of Applied Sciences), University Medical Centres (NFU), Royal Netherlands Academy of Arts and Sciences (KNAW), the Netherlands Organisation for Scientific Research (NWO), VNO-NCW, MKB-Nederland, and the institutes for applied research (TNO/TO2).

either the proposals and the related aims they seek to achieve in respect of each theme using the revenues from the student loan system, or why they have decided not to allocate any of the revenues to a particular theme. The institutes will describe in explicit terms their justification for their choices in relation to their broader educational proposals, vision, history, and context; this can include their long-term budgetary developments.

They also set out in their plans how far they would like to have come in achieving their proposals by the year 2021.

Each institute's plan on how to use the revenues from the student loan system can be incorporated into a new institutional plan, but it could also be appended to an existing one, for example.

Parties agree that the education institutes will give their participation bodies the right to give their consent to their plans regarding the use of revenues from the student loan system. The institutes will also give their participation bodies the right to give their consent to that part of the annual budget concerning revenues from the student loan system, based on the consideration that said revenues are among the main parts of each institute's budget. This concerns more concrete details of the long-term budget contained in the plan. Management and the participation bodies will also agree on the process to be followed in order to arrive at the plan on how to use revenues from the student loan system. The participation bodies will be involved at an appropriately early stage and thereby have the opportunity to contribute ideas. Management and the participation bodies will jointly ensure the broad-based involvement of the community of the university of applied sciences/research university and will agree on which bodies in their respective institutes will be involved in the creation of their plan.

The long-term budget that each institute includes in its plan will provide information on the areas to which the institutes propose to spend the revenues from the student loan system. This will provide a means for being accountable to students, parliament, and society at large with regard to how the resources are to be spent and therefore how the aims are to be achieved.

It is possible that some institutes will have already made investments prior to the emergence of the revenues from the student loan system that they would not have made without the prospect of these revenues becoming available. If they wish, the institutes concerned can make this known in their plans, and they may decide to use the revenues from the student loan system to further the investments they had made for 2015-2017.

In the institutes' annual plans from the year 2019, they will account in a separate chapter for the progress they have made in terms of content and process. They will also contain the agreements with the participation bodies on how the revenues from the student loan system are to be spent. The Netherlands Association of the Universities of Applied Sciences, the VSNU, and student organisations have previously agreed that each main participation body would be given the opportunity to report independently on how the revenues from the student loan system should be spent. This will appear in an appendix to the annual report. A report on how the right to give consent works appears in the participation monitor, which appears every two years.

Each university of applied sciences/research university will ensure that the participation bodies are properly equipped to be able to hold discussions with them. Each university of applied sciences/research university will support their participation bodies and facilitate them in the execution of their duties, such as the provision of a toolkit for assessing the main point of budgets and of sufficient time. The ministry will assist the ISO, LSVb, the Netherlands Association of Universities of Applied Sciences, and the VSNU in the setting up of a national point of contact for specific questions raised by participation bodies. The Netherlands Association of Universities of Applied Sciences, VSNU, and the ISO and LSVb student organisations have noted that proper participation on the part of participation bodies in the matter of quality agreements and in a broader sense is important for universities of applied sciences/research universities. They have therefore reached agreements on making enough time available for the student members on the main participation bodies. Larger universities of applied sciences/research universities will make at least eight hours a week available for the student members of their main participation bodies, and those with under ten thousand students, at least four hours a week. A 'comply or explain' principle exists in relation to these minimum levels.

Parties agree that the plans for using revenues from the student loan system will be put to their supervisory boards after the participation bodies have given their consent to them.

Independent assessing

The plans and their realisation will be assessed independently. This will be in line with the process of the voluntary institutional audit (ITK), which is carried out by the Accreditation Organisation of the Netherlands and Flanders (NVAO). It is expected that most institutes will use the ITK cycle. This means there will be few additional burdens associated with the assessment of the quality agreements, and the task will lie with the existing higher-education regulatory authority. A separate quality-agreements trail will be added to the ITK process, which is based on an assessment by a panel and a visit by the panel to the institute concerned. This will result in independent recommendations being made to the minister regarding the relevant institute's plan for using the revenues from the student loan system. These recommendations will therefore be separate to the NVAO decision on the ITK. For institutes that do not take part in an ITK, a separate process will be set up, which will also be based on an assessment by a panel that visits the institutes in question. Regarding the institutes for which a separate ITK has already been completed, a 'third trail light' will be set up, using the panel (or part of it) that was involved with the ITK.

There are three assessment moments: an assessment of the initial plans, an assessment in the autumn of 2022, and a post-period evaluation. The judgements of the NVAO at each of these moments will lead to recommendations for each institute to the minister. An assessment framework will be determined for the assessments, in line with the agreements contained in this document. A description of what is being assessed will be given for each assessment moment.

Assessing the plans

The following criteria will be used to assess each institute's plan.

- The plan makes a reasoned contribution to improving educational quality. The institute's proposals for the revenues from the student loan system and the aims it seeks to realise with them in relation to the six themes are clearly formulated and are in keeping with the institute's context, history, and broad vision.
- The internal stakeholders have been sufficiently involved with the drawing up of the plan and there is sufficient support among internal and external stakeholders.
- The proposals in the plan are realistic in the light of the proposed use of the instruments and resources, and of the institute's organisation and processes.

Assessment in 2022

In 2022, there will be an assessment of what the plan has achieved up to the year 2021. The criteria for this assessment will be:

- The institute has made sufficient progress in realizing its proposals, bearing in mind the efforts that have been made and how it has dealt with unforeseen circumstances.
- The participation bodies and other relevant stakeholders have been sufficiently involved during the implementation of the plan.

In order to assess this, the institute will itself take stock of the situation in its 2021 annual report. To this will be added a reflection by the participation bodies on what the plan has achieved at that point, as will the involvement of stakeholders and the degree to which the participation bodies have been able to play their part. The 2021 annual reports and the reflection by the participation bodies will form the basis for the assessments by the NVAO. The NVAO will hold additional discussions with the institutes if it is necessary on the basis of these documents, and the panel involved in the assessment of the plans may be asked to visit the institutes again.

Evaluation

The evaluation of what has been achieved by the plans at the end forms part of the ITK process, in the case of institutes that take part in it. This concerns the next ITK cycle. The achievements of plans of institutes that do not take part in the ITK are evaluated six years after their original assessment. This means that the evaluations of all the institutes do not take place at the same time. Some institutes will have a new ITK in 2023, and others not until early 2026.

As well as the evaluation of this series of quality agreements, the assessment of any subsequent plans may be included in the ITK cycle that starts in 2023. It will be up to a future government to decide whether a system of quality agreements should be continued. The decisions on this will be made before the start of the new ITK cycle.

The evaluation is, like the assessment of the plans prior to the use of the revenues from the student loan system, an assessment that involves a panel and a visit to the institute in question. The evaluation will involve the use of existing documents - annual reports by the relevant institute (the most recent in particular) and, as with the 2022 assessment, the reflection by the participation bodies.

As with the 2022 assessment, the criteria for the evaluation are:

- Up to 2024, the institute has sufficiently realised its proposals, bearing in mind the efforts that have been made and how it has dealt with unforeseen circumstances.
- The participation bodies and other relevant stakeholders have been sufficiently involved during the implementation of the plan.

Funding

The legal basis on which the minister allocates the revenues from the student loan system in the form of additional funding - the so-called quality funding - is set down in an Order in Council, based on Article 2.6 of the *Higher Education and Research Act* (WHW). This Order in Council contains, inter alia, the substantive themes on which the institutes should formulate their proposals and goals, as well as the period for which the quality funding is to be awarded.

In the case of universities of applied sciences, the revenues from the student loan system will be distributed in proportion to the share of student-related funding for each institute and the education supplement in percentages in a year. The table below shows the revenues from the student loan system that will be available for universities of applied sciences between 2019 and 2024.

x €1 million*	2019	2020	2021	2022	2023	2024
90% revenues from the student loan system	184	217	368	460	485	550
<i>of which, universities of applied sciences</i>	<i>115</i>	<i>134</i>	<i>228</i>	<i>285</i>	<i>301</i>	<i>341</i>
<i>Accumulation to 2023 - 2024 for possible financial consequences for universities of applied sciences</i>						<i>40</i>

*All the figures in the table have been rounded up or down, which accounts for any mathematical discrepancies between the figures

In the light of this sector agreement, which the Netherlands Association of Universities of Applied Sciences endorses on behalf of every university of applied sciences, the revenues from the student loan system for 2019 and 2020 will be paid out unconditionally in the lump sum (in proportion to the share of student-related funding for each university of applied sciences and the education supplement in percentages in a year).

In the period up to April 2020, the institutes' plans will be assessed by the NVAO. In the event of a positive recommendation by the NVAO and a positive decision by the minister, the institute in question will receive its revenues from the student loan system in the form of quality funding for the period between 2021 and 2024.

The minister will hold discussions with institutes that initially receive a negative assessment about their plans from the NVAO. If the minister then adopts the recommendations by the NVAO, the institutes in question will then have the opportunity to submit new plans that do meet the criteria within twelve months. If the minister still has a negative opinion after the submission of the revised plan (based on the recommendations of the NVAO), the starting point is that the revenues from the student loan system will not be paid out to the institute concerned for the period between 2021 and 2024. The resources will then be reallocated to the other universities of applied sciences or research universities on a pro rata basis.

If the 2022 assessment reveals that insufficient progress has been made in fulfilling the plan, the minister will hold discussions with the institute involved - said institute will then have twelve months to show that it is indeed making enough progress. The NVAO will carry out an assessment in the autumn of 2023, based on a reflection by the institute itself and its participation bodies, to see whether sufficient progress has been made. If progress has not been adequate up to this point, the additional (to 2023) revenues from the student loan system that would have become available for 2024 (the 'accumulation') will be cut. This amount will be made available in 2024 through the Comenius Programme to teachers of the institute in question who have submitted proposals in the field of educational innovation and improvement, unless the minister has well-founded reasons not to opt for this system in the case of individual institutes. This way, the revenues will be allocated to the quality of education of said institute in any case.

Because the *Nationaal Regieorgaan Onderwijsonderzoek* (Netherlands Initiative for Education Research) will assess the quality aspects of Comenius proposals by teachers, it is possible that the revenues for the relevant institute will not be exhausted. In this case, the excess resources will flow back to the lump sum and be distributed across every university of applied sciences or research university.

There are no costs associated with the evaluation of the fulfilment of the plan for using revenues from the student loan system. The institutes can use the results of the evaluation for determining their own strategies and, if a future government decides that quality agreements should be made, when drawing up their plans for the next period. The minister will also hold discussions with those institutes that are judged insufficient by the NVAO.

Following national developments

The quality agreements give institutes the scope to make their own choices regarding improvements to educational quality. The progress of the quality agreements is monitored at institute level, as described above. At the same time, parties wish to see what quality agreements mean from a national perspective for improving the quality of education. For that reason, the NVAO will create an independent national picture from the year 2020 of the current state of play regarding quality agreements. The picture will be based on the plans and on the initial period of their implementation. An interim assessment in 2022 will also serve as the basis for a national picture to be drawn up by the NVAO. No additional information will be required from the institutes for these national pictures.

B. Equality of opportunity remains priority: advancing from one course to another and accessibility

Ease of access to universities of applied sciences is crucial for the future of the Dutch knowledge society. Universities of applied sciences have traditionally fulfilled an important role in this. They are open to any student who meets the relevant requirements, regardless of their origins or background. Where prospective students are selected by education institutes themselves ('decentralised selection'), universities of applied sciences are aware of possible unintended secondary effects (undesirable self-selection). The universities of applied sciences view it as their responsibility to focus on students who require extra support and supervision so that they can successfully complete their studies. After all, an accessible system would not guarantee equality of opportunity in terms of study success, because not every student would be starting off from the same position. Good-quality supervision of students by their degree programme is therefore necessary.

- The universities of applied sciences are committed to greater numbers of students progressing to them from MBO (secondary vocational education), HAVO (senior general secondary education), and VWO (pre-university education). To this end, additional resources have been made available for between 2018 and 2021. This will happen on a regional basis and in close collaboration with the other education sectors. This close collaboration is found in administrative agendas with the *MBO Raad* (the Senior Secondary Vocational Education Council) and the *VO Raad* (Dutch council for secondary education; agenda in preparation). To improve these links, the universities of applied sciences are making agreements with the schools in their catchment area in order to try out innovative practices that are likely to succeed. The minister will facilitate progression from HAVO and MBO to the universities of applied sciences.
- In this context, the universities of applied sciences will expand their range of associate degrees and Master's. The macro-efficiency policy allows for this, by looking not just at national labour market needs and the scope for degree programmes that result from that, but also by carefully considering the regional situation. In the case of degree programmes for which a statistical basis of labour market needs is not available, either wholly or in part, institutes may put forward qualitative arguments. The expansion of associate degree programmes and Master's makes universities of applied sciences more attractive to MBO, HAVO, and VWO pupils, as it better meets their talents and wishes. The universities of applied sciences will also continue to make learning routes more flexible, including across the boundaries of study programmes and institutes. Given that every type of talent is needed by the labour market, parties are making great efforts at preventing students from dropping out unnecessarily and at creating extra scope for the development of individual talents.
- To ensure accessibility, it is also important that as few obstacles as possible are erected to progressing to and within higher education, in particular in the case of study programmes where shortages are expected (in the engineering, education, and care sectors). This means that universities of applied sciences should look critically at whether restricting numbers is desirable or necessary.

- The Netherlands Association of Universities of Applied Sciences, the VSNU, and the minister are setting up a *Werkgroep Studentenwelzijn* (student welfare working group), in which the student unions, *Handicap & Studie* (the Dutch expert centre for studying with disabilities), and the Association of Netherlands Municipalities (VNG) are participants. The working group will make an inventory of student welfare problem areas and carry out any necessary improvements. In this connection, a strengthening of the student financial support fund of €2 million (universities of applied sciences and research universities) was announced in the coalition agreement, to take effect in 2018. This is intended for students who need additional support and supervision, such as those who are pregnant, those with an impairment, a chronic illness, psychological problems, or exceptional personal circumstances.

C. Internationalisation for quality

The universities of applied sciences and the minister are convinced that internationalisation creates added value to the quality of teaching and research. With a view to the profiles of study programmes, it should be possible for a broad-based and larger group of students to gain international experience and thereby develop an international perspective and intercultural skills. This can be achieved by taking a course (or part of one) abroad, but also through internationalisation at home. The starting point is that internationalisation helps strengthen the quality of higher professional education and helps prepare students for the international labour market.

At the same time, there are concerns in society about the anglicisation of the range of study programmes, the growing numbers of international students, and about the possible sidelining of Dutch aspects. However, university of applied sciences study programmes are only offered in English if the labour market requests it; this primarily concerns study programmes in the arts, tourism, and international business. In many cases, students can choose an English option, as well as a Dutch one.

Demand for well-qualified talented individuals on the Dutch labour market remains high, as a result in part of the shrinking population - falling birth rates and the fact that people are living longer. We therefore have to make education for foreign students more attractive, while keeping it accessible to students from the Netherlands.

- In order to realise these ambitions, the Netherlands Association of Universities of Applied Sciences and the VSNU will be publishing their internationalisation agenda this spring, and the minister will be presenting her internationalisation vision to the House of Representatives before the summer.
- The agenda and vision will examine the following themes:
 - The importance of internationalisation, a balanced internationalisation policy, and the necessary preconditions. Developing the number of international students that is appropriate to the number of spaces on a particular study programme, bearing in mind the need to safeguard quality and accessibility.
 - Encouraging outbound mobility and offering international experience to students and teachers.
 - Strengthening links between international graduates and the Netherlands.

2. Working on social added value

A. Applied research and impact

By investing in applied research, universities of applied sciences can enhance their social impact and boost education. The Netherlands Association of Universities of Applied Sciences and the minister would therefore like to work together in further strengthening applied research. This can be done in the form of increasing capacity at universities of applied sciences, and by ensuring an increase in the number and sizes of lectorates and in the number of students and teachers involved.

Universities of applied sciences can achieve this increase in capacity by using the additional funds from the coalition agreement for investment. Some 30% of these resources will be made available via government funding. The remaining 70% will come in the form of indirect funding via the *Nationaal Regieorgaan Praktijkgericht Onderzoek SIA* (Taskforce for Applied Research) of the Netherlands Organisation for Scientific Research (NWO). In the process, the Netherlands Association of Universities of Applied Sciences and the minister will take account of the application and matching pressures that this could produce.

The Netherlands Association of Universities of Applied Sciences and the minister are starting a joint exploration of the relevant policy issues and priorities for applied research and are setting out a vision for the future for a new *Strategische Agenda Hoger Onderwijs* (Strategic Agenda for Higher Education). This will build on the *Strategische onderzoeksagenda Onderzoek met Impact* (Strategic research agenda, Research with Impact, 2016) and the *Strategische Agenda Hoger Onderwijs en Onderzoek* (Strategic Agenda for Higher Education and Research, 2015). The Netherlands Association of Universities of Applied Sciences and the minister will involve the relevant stakeholders (the Taskforce for Applied Research in particular) with this process.

B. Profiling and centres of expertise

The minister and the Netherlands Association of Universities of Applied Sciences are committed to a greater profiling of the universities of applied sciences, as advised by the Veerman Commission, in terms of both teaching and applied research. The aim of profiling is educational differentiation and to promote particular areas of focus (curriculum) and applied research (themes) among universities of applied sciences.

The profiling resources available for this purpose (the '2% resources') may be used by the universities of applied sciences themselves to shape their own profiles and areas of focus, through centres of expertise, for example.

In its *Research with Impact* strategic research agenda, the Netherlands Association of Universities of Applied Sciences has expressed its intention to further focus on ten broad-based themes, which concern all the routes in the *National Research Agenda*. Among the ways in which universities of applied sciences can enhance their focus is by developing lectorate platforms for each of the themes, under the direction of the Taskforce for Applied Research. There are also existing centres of excellence, field labs, and other forms of PPP in which universities of applied sciences can work in co-creation on profiling and the establishment of areas of focus through teaching and research.

- Universities of applied sciences will state in their annual reports what work they have done towards profiling and the creation of focus areas.
- At least once every two years, the Netherlands Association of Universities of Applied Sciences will use an atlas to highlight the individual applied research profiles of universities of applied sciences in social themes. The atlas will show:
 - The diversity within the sector in relation to how institutes are shaping their areas of focus.
 - Any blank areas in relation to the development of area of focus themes.
 - The degree to which existing initiatives are interconnected.

On the basis of the picture shown, the sector will devise a shared strategy with which new initiatives can be coordinated. This will include subjects that are in the public interest (such as the Green, Care, and Technology Pact).

Centres of expertise

Universities of applied sciences are committed to the continuation of centres of expertise in the sector-wide framework that is being developed by the association. This takes account of the three starting points for the centres - initial degree programme education, post-initial degree programme education, and applied research with a view to innovation; all three based on public-private partnerships or public-private co-funding. The contours of such a framework are described below.

- As well as supporting existing centres that continue to add value to the university of applied sciences profile, universities of applied sciences will have to set up a substantial number of new centres in 2019. These will be modelled around societal challenges, including public-private partnerships, that are in keeping with the desired profile of the individual institutes. The sector has a dual mission here - working on profiling and developing areas of focus, the input from which comes from the universities of applied sciences (and their immediate hinterlands). In addition, the universities of applied sciences work together at national level to coordinate their areas of focus.
- The Netherlands Association of Universities of Applied Sciences will appoint a committee, consisting of private and public stakeholders, regional and national experts in, among other things, the area of PPP at universities of applied sciences, who will advise in respect of this dual mission, especially as far as the starting up of new centres of excellence and the continued development of existing centres is concerned.
- Every two years, the Netherlands Association of Universities of Applied Sciences will report on how the centres of excellence are developing with regard to the areas of focus in education and research and PPP.

The results of aforementioned agreements will be assessed in 2022. These will then serve to see whether any adjustments to the agreements are needed.

C. Life-long learning

The dynamics of society and economics are enormous. Important trends like globalisation, automation, and individualisation are moving forward at a rapid pace and are having a major impact on how we live and work. This means we have to keep developing and learning if we wish to be sustainably employable and secure our welfare and prosperity. Employability and productivity are closely interrelated to access to the most up-to-date knowledge, insights, and techniques. This is not just the case in initial degree programme education, but also in education for mature professionals. It is precisely in that latter area of life-long learning that there are important challenges.

- Universities of applied sciences are committed to helping towards the necessary breakthrough on life-long learning and the transformation to a learning culture. To that end, they are working towards greater participation in part-time and dual study programmes and are exploring, partly against the background of the *Versnellingsagenda Onderwijsinnovatie* (educational innovation acceleration agenda) and the possibilities for more flexible education in particular, more variety in the range of programmes and a didactic approach that is better tailored to the target group. The minister will, where necessary, evaluate and revise existing regulations in order to assist the desired developments.
- In seeking to achieve a breakthrough in life-long learning, the universities of applied sciences' starting point is that of a firm social embedding in their field, for example through collaborative partnerships with employers aimed at employability, innovation, and applied research. Universities of applied sciences are an essential part of the close-knit ecosystem of learning, working, and innovating, which has grown in part because of the dedicated commitment of universities of applied sciences in the regions. Against this background, the universities of applied sciences are holding broad-based discussions with the minister about future-oriented life-long learning; these discussions will form part of the input for a subsequent strategic agenda. As far as the attempts to achieve a breakthrough in life-long learning are concerned, lessons learned from the current experiments with greater flexibility will be included. This will be done in close consultations with employers and with other providers of education in the chain. The universities of applied sciences are of the opinion that a new arrangement for education for adults should be shaped jointly, with all parties involved being able to deploy their own specific qualities to the best-possible effect.
- As part of this broad-based mission of creating public value for life-long learning, the universities of applied sciences and other stakeholders will be working with the minister in the near future on the regulatory details regarding the use of student loan system vouchers. The universities of applied sciences are working on the development of an attractive range for this group of graduates (to be used by the first intake of graduates on the student loan system, five to ten years post-graduation).

D. Relevance to the labour market

The universities of applied sciences and the minister are aiming to have a transparent range of study programmes that are closely relevant to the labour market, advanced programmes, science, and society. Clear and prominent information, via the study information leaflet, is very important here. In a number of sectors, universities of applied sciences are actively involved in tackling the problems with the professional field and the government, as was made clear in the recently presented *Werken in de Zorg* (working in the care sector) action programme.

In the letter of 28 October 2016 to the House of Representatives about the macro-efficiency policy, it was stated that the realisation of a macro-efficient range of study programmes requires the following: greater attention for the existing range, more scope for innovation and responsiveness, more ownership for institutes, more collaboration between institutes and other stakeholders, and fewer administrative burdens. The Netherlands Association of Universities of Applied Sciences reaffirms its commitment to the agreements with the minister set out in the letter to the House of Representatives, which were reached in consultation with the VSNU, ISO, and LSVb. Responsibility for an effective range lies with the sector itself, with a solid partnership between universities of applied sciences and the research universities and with other relevant partners, including the business sector, being of great importance. The minister remains responsible for the system and for safeguarding the effectiveness of the range of study programmes at national level. The following actions will be tackled in the near future:

- Administrative consultations will take place after the summer of 2018 with the VSNU, ISO, and LSVb. Partly on the basis of the results from the current *Nationale Alumni Enquête* ('national alumni survey', NAE) and the HBO monitor, the degree to which further analysis and subsequent steps are necessary, and in which sectors, will be examined. These administrative

consultations will precede the cycle of biennial administrative discussions that will start in 2019.

- For the sectoral analyses and approach, it will be possible to build on the practical experiences from the sectoral explorations and subsequent action plans that the Netherlands Association of Universities of Applied Sciences has drawn up in recent years, such as the conversions in the engineering and economic sector or the agenda for education in the fine arts and performing arts (KUO Next), which have led to a more prominently profiled range of broad-based or specialist study programmes. These are in keeping with the regional character of the institute. A number of basic agreements will have to be made on what constitutes an effective sectoral approach. The minister can, on the basis of acknowledgement of a proposal by the sector, grant more freedom when a new range is being started, even when it concerns crossovers between sectors.

3. Conditions for this agreement

A. Investments

Additional resources to the Ministry of Education, Culture and Science budget are being made structurally available from the revenues from the student loan system for improving the quality of education. For the universities of applied sciences, this increases from 127 million euros in 2019 to 379 million in 2024. Some of the revenues from the student loan system (10%) have already been earmarked for national priorities. Quality agreements to run from 2019 to 2024 will be made in respect of the remaining revenues (90%). In addition, 47 million euros a year of profiling resources is already available (2% of the funds). Resources are also being made available as a result of the coalition agreement for fundamental research, applied research, and innovation and research infrastructure.

The revenues from the student loan system and the extra research resources represent a substantial addition to higher education and research budgets. The universities of applied sciences point out that this should be seen in a broader financial context, including missions set by previous governments and the current one.

The universities of applied sciences object to the 'more efficient education' mission that features in the *Vertrouwen in de toekomst* (confidence in the future) coalition agreement and to the resolution of possible shortages at green universities of applied sciences from the macro budget.

The minister takes the view that, having concluded this agreement, the universities of applied sciences can get to work in achieving high-quality education and research. Decisions remain to be taken on how the coalition agreement efficiency discount is to be implemented. Modifying or revoking the mission is not an option for the minister, nor is compensating any shortfalls at green universities of applied sciences from outside the macro budget.

Funding system

Based on the Rutte III coalition agreement, the minister will be reviewing the funding system during the period of office of this government. The current higher education funding system was introduced in 2011 in consultation with the Netherlands Association of Universities of Applied Sciences, the VSNU, and the student unions. The purpose of reviewing the funding system is to improve the current distribution model and to make it more in keeping with the tasks and activities of the institutes. The focus will be on the funding rates in the education section of the central government grant to universities of applied sciences and research universities, and on the structure of the research part of universities. Elements that will be considered during the review are the current issues relating to the funding of 'second-chance' students (who have already used part of their funding), the teaching of science and engineering subjects, and applied research. It has been agreed that the minister will consult closely with the Netherlands Association of Universities of Applied Sciences regarding the review of the funding system. An initial version of the possible alterations will be ready in 2019. The review will in any case not lead to a redistribution between universities of applied sciences and research universities.

B. Transparency and reducing regulatory burdens

The universities of applied sciences, research universities, the student organisations, and the government all endorse the importance of greater transparency of the developments in higher education. To that end, the Netherlands Association of Universities of Applied Sciences, the VSNU, and the minister will jointly initiate the development of a permanent national overview for universities of applied sciences and research universities of core data for education, research, and impact (in the form of a digital sector dashboard, for example). With a view to public accountability

and to enable local participation bodies and the institutes to see where they stand, developments at individual institutes will also be made transparent. The reports will give a broad-based picture of developments in higher education. For the content of the overview, the parties will use existing quantitative and qualitative systemic and institutional level information. In doing so, they will observe the provisions of the General Data Protection Regulation. The first overviews will be drawn up in early 2019.

The minister will be exploring with the VSNU and the Netherlands Association of Universities of Applied Sciences how a better balance between the safeguarding of quality of study programmes on the one hand and administrative burdens on the other can be struck. One method that will be considered is that of institutional accreditation. The *Accreditatie op maat* (tailored accreditation) legislative proposal and the adjustment to the accreditation framework should help reduce the burden of the accreditation process and other regulatory pressures, and result in the education community gaining ownership of quality aspects. It is assumed that there will be a lightening of the burden by restricting accreditation to the confirmation of basic quality.

The aim of the universities of applied sciences and the minister is to use and combine existing information about the system and institutes as effectively as possible, while the quality of information improves and the burden on institutes to provide information is reduced. The replication of tasks by various bodies, such as the Netherlands Association of Applied Sciences, VSNU, the Inspectorate of Education, NVAO, the Committee for Efficiency in Higher Education (CDHO), and DUO, will be prevented, where possible, by harmonizing the surveys and the databases used for them. Together with relevant parties, the Ministry of Education, Culture, and Science will explore what data may be shared with the parties, for what purpose, and by what method. The aim is to continue the current method as much as possible, but alternatives will be considered as part of the analysis. Alterations to legislation may form part of the solution in order that the provisions of the General Data Protection Regulation are met.

To lighten administrative burdens, attempts will also be made via the existing information agreement between the ministry, VSNU, and the Netherlands Association of Universities of Applied Sciences, to further reduce the number of surveys taking place at institutes, without compromising the regulatory duties of the government. The *Nationaal Regieorgaan Onderwijsonderzoek* (Netherlands Initiative for Education Research, NRO) will, at the request of the ministry, maintain an overview of all current and complete policy surveys into higher education, both in and outside the context of the information agreements.

Legislation not initiated by the ministry also results in extra regulatory pressures for universities of applied sciences. The Advisory Board on Regulatory Burden (ATR) assesses the consequences in terms of regulatory pressure of new legislation from every ministry. Whenever the Netherlands Association of Universities of Applied Sciences enters into discussions with the relevant ministry on legislation that affects their members, the Ministry of Education, Culture, and Science will join them if the association so wishes.

In conclusion

This sector agreement is a step in the right direction towards higher education that is even more dynamic and future-proof. In order to bring about changes in the long term, the universities of applied sciences and research universities have agreed to hold discussions with each other and external stakeholders about the future of higher education. An interactive process with the higher education sector will be launched to this end.

The universities of applied sciences, the research universities, and the ministry regard the recommendations by the Veerman Commission as an important source of inspiration for the further development of universities of applied sciences and research universities and for strengthening the power and differentiation of the Dutch higher education system. This should result in more options for students and make it easier for them to access education at universities of applied sciences and research universities.

The undersigned seek to further this by investing in a process for the continued development and deepening of the recommendations by the Veerman Commission, with the aim of creating more scope for differentiation and profiling and of promoting equal opportunities and options for students in the system. Part of this includes exploring possibilities for greater depth in education and

research at universities of applied sciences within the system, in line with the recommendations by the Veerman Commission, and having a joint vision for the future for the training of teachers. The results of the aforementioned process form the basis for the new *Strategic Agenda for Higher Education and Research* by the Minister of Education, Culture, and Science.

The Vereniging Hogescholen, based in The Hague, acting as the representative of the applied universities of applied sciences, as meant in subsection g of the appendix to the Higher Education and Research Act, represented by:

Thom de Graaf

The Minister of Education, Culture and Science, acting as the administrative authority and as the representative of the Kingdom of the Netherlands:

Ingrid van Engelshoven

Appendix 1: Effects of quality agreement themes

More intensive and small-scale education

The relationship between teachers and students is crucial for effective education. That is why further intensification of the contact between students and teachers is important. This can be achieved, for example, by committing to smaller teaching groups and the formation of communities, and by making more time available for personal feedback and individual supervision. To achieve this, the student-teacher ratio needs to be reduced. Appointing more teachers also makes it possible to link the teaching content to societal themes and research, increasing curiosity among students and enhancing their research skills.

More and better supervision of students

It is the responsibility of universities of applied sciences/research universities to offer the same opportunities to all their students, regardless of background, origin, or prior education. This should not only be on an incidental basis, when things look likely to go wrong, but also proactively and structurally. One way of attaining this would be through intensive supervision by and support from professionally trained tutors, for example, study advisors, psychologists, deans, and study-career supervisors. Better supervision prevents problems and ensures the best-possible development of every student.

Student success rates

Every student with the right abilities should have the chance to start and complete their studies successfully. A focus on progressing from one study level to the next and accessibility to education for secondary education (VO) and secondary vocational education (MBO) students, equal opportunities, including higher education, preventing students from dropping out, and promoting student success rates remain important themes in higher education. Based on analyses of student success rates from among its students, an institute may decide to target its attention on certain groups of students and/or degree programmes, and formulate objectives accordingly.

Educational differentiation

Universities of applied sciences/research universities respond to the different backgrounds and ambitions of students and the needs of the labour market. They do so by offering a varied range of educational programmes at different levels (AD, BA, MA). Investments are also being made in talent programmes, such as 'honours' programmes or those in the field of social involvement, for example, or business, art, or sport.

Universities of applied sciences/research universities can also differentiate themselves in terms of teaching concepts.

Appropriate and good-quality educational facilities

It is important that study facilities and infrastructure promote intensive and small-scale education. Digital sources could be integrated into the education process even more effectively; students should be able to make optimum use of their educational environments, physical and digital alike, during the course of their studies. Study facilities and infrastructure should be relevant to the needs of education of the future.

Improving the professional qualities of teachers

Good and involved teachers are the key to high-quality education. Efforts could be made at improving the professional qualities of teachers. This should also include greater appreciation of the work of teachers, by placing greater emphasis on teaching performance at university level, for example. Teachers should also be kept up-to-date with the most recent developments from a substantive, didactic, and digital perspective. It would help here if they were able to share their own course material and to use that of others. Teachers should have more opportunities to work on their own development, by carrying out research, for example (in the case of teachers at universities of applied sciences).