



**VSNU**

vereniging van universiteiten  
association of universities  
THE NETHERLANDS

General Agreement  
between the Ministry of Education, Culture and Science  
and the VSNU  
December 9, 2011

English Translation  
For Internal Use Only



# General Agreement between the Ministry of Education, Culture and Science and the VSNU

9 December 2011

## 1. Introduction

In the present document the State Secretary for Education, Culture and Science (ECS), also on behalf of the Minister of Economic Affairs, Agriculture and Innovation (EAI), and the Dutch universities come to a general agreement with the aim to prepare higher education and research at research universities for the future.<sup>1</sup> The agreement relates to the four main challenges in the period ahead:

- Improving the quality and performance of education, by increasing study success rates, reducing drop-out rates and investing in the intensity of education, the quality of lecturers and excellence.
- Increased differentiation of education in terms of level and content and rearrangement of the programmes offered.
- Continued development of research profiles and priority areas in order to strengthen the international position and the scientific and societal impact of Dutch research.
- More attention to the valorisation of knowledge, by making knowledge available for socio-economic uses and for the transformation of knowledge into products, services, processes and new business activity.

The universities have accomplished much in these areas in recent years. This is illustrated by the high positions of the Dutch universities in international rankings. The current results are due to the efforts and choices of universities over the past 20 years. In addition, last September the Lower House overwhelmingly supported the policy proposals as stated in the Strategic Agenda for Higher Education, Research and Science Policy.

The present General Agreement continues to build on this accomplishment. The profiling of education and research is a continuous process by which universities respond to developments in academia and society. In doing so, they make choices on how to improve the quality and effectiveness of education and research, strengthen the international position of research, and meet society's demand for education and research. Making these choices improves the connection of education and research with the outside world.

Universities will take further steps in the coming years in order to realise their ambitions, further improve their performance and safeguard their leading international position. To support this process, the cabinet will make means available for intensification. Despite the availability of these resources, these steps will have to be taken in the context of difficult economic times for higher education and research, increasing student numbers and a limited budgetary framework due to the decline of FES resources (funds from gas assets).

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<sup>1</sup> This general agreement is signed by the VSNU president on behalf of the 14 Dutch research universities. Because of the special position of the Open University (university for distance learning) in the university system, this university will draft a separate agreement with the Ministry. That agreement will be based on the evaluation of the university's institution plan by an international review panel and the State Secretary's response to this evaluation. Wageningen University will enter into agreements with the Minister of EAI. Education and research at university hospitals are covered by this General Agreement and by the individual agreements between the Ministry and the universities concerned.

This General Agreement provides the framework for individual agreements on future performance between the government and the separate universities to be signed in the summer of 2012. The agreements will list all the goals that universities promise to have achieved by 2015, including a description of how universities will be held accountable. The short duration of the agreements and the financial pressures that universities are faced with require realism in drafting the agreements.

## 2. Perspective for 2025

As a guiding framework, we have formulated the following perspective for 2025.

In 2025, important steps will have been taken towards realising the vision for universities as described by the Veerman Committee. The position of academic education and research will have been strengthened through increased differentiation between the universities of applied sciences and research universities and further profiling and differentiation within the research universities themselves. Substantially more pre-university educated students will be attending the universities of applied sciences. To achieve this, the current government intends to expand the possibilities for qualitative student selection. During the next government period it will have to be seen whether further arrangements regarding financing are needed.

The yields and academic achievement in the Bachelor's programmes will have greatly improved, and the drop-out rate in those programmes greatly diminished. A significant proportion of research university students will obtain their Bachelor's degrees within four years. At the Master's and PHD levels, too, study success rates will have improved.

The quality of education will have been further enhanced by intensifying education and investments in the quality of lecturers. More students will participate in honours programmes or courses for excellent students. The academic nature of research university education will be further strengthened by closer interaction between teaching and research.

There will be a differentiated curriculum with more broadly orientated Bachelor's programmes and a range of Master's programmes with better defined profiles. Education will be geared effectively to the labour market.

New possibilities for the differentiation of tuition fees will allow universities to receive higher private contributions in order to bear the costs of certain types of education that are more expensive.

Each university will have a number of research priority areas, some of which will belong to the best of the world. These priority areas will attract excellent (international) students, research talent, international scientists and companies and, as such, will strengthen the international competitiveness of Dutch universities. From these research priority areas the universities will contribute to innovation and economic growth and actively address social issues, particularly in economic priority sectors and the *Grand Challenges* as formulated by the EU. In doing so they will work closely with businesses, governments and civil-society institutions. The cabinet and universities are committed to the increased deployment of research for social and economic challenges, but also have a joint responsibility to prevent this from disturbing the balance between research priorities. Of course, universities should also have access to sufficient funding for autonomous and education-related research. To this

end, they will attract more private funds for research and the government will guarantee that Dutch universities will at least be able to maintain their share in EU research funding.

### 3. Governance

The principles for administrative relationships between universities and government are founded in trust, autonomy and accountability. The formulation of performance agreements between the State Secretary for ECS and individual universities fits well within this management philosophy. The universities want to be held accountable for their results. The agreements should primarily relate to goals and results. The way these goals and results are to be achieved is the responsibility of the universities. They will be held accountable by the government and society at large for their choices and the results they have achieved. Research and international comparisons by the OECD show that there is a strong correlation between performance of higher education systems and the degree of autonomy they have.<sup>1</sup>

To guarantee quality assurance and to make sure that the universities' self-correcting capacity is preserved, all universities pledge to obtain the newly instated institutional NVAO accreditation in 2015. Accreditation will underline that trust, autonomy and accountability are the cornerstones of the management philosophy of research universities. Institutions which have received this institutional accreditation unconditionally will not be confronted with intensified inspections.<sup>2</sup>

### 4. Education quality and study success

In recent years the universities have worked hard to improve study success rates in their Bachelor's programmes. The evaluation of the long-term agreement on study success, published earlier this year by the Dutch Education Inspectorate, demonstrates that all universities take targeted measures to improve the quality of education and study success rates. Nevertheless, overall drop-out rates and switching between study programmes remain high and average success rates in Bachelor's programmes remain low. A recent study by the Inspectorate confirms that the intensity of university education (especially in the first year) can be improved.<sup>3</sup>

Building upon efforts of the past years, universities will take measures in the years to come to further improve performance and quality of education. In doing so, they will focus on improving the success rates of their programmes, on reducing drop-out rates and switching between study programmes, and on realising a more ambitious study ethos with more commitment from students. Students should spend more time studying and should be challenged more. The intensity of education will increase, especially in large-scale programmes. This will enhance the academic character of education at research universities. The universities invest in the quality of lecturers and take measures to increase the number of students participating in academic excellence tracks.

With regard to quality and performance of education, individual universities will enter into agreements with the State Secretary for ECS in three categories:

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<sup>1</sup> 'Why reform Europe's universities?', Brueghel policy brief issue 04 (September 2007)

<sup>2</sup> The State Secretary is preparing legislation in order to further strengthen quality assurance in higher education. This bill, which is intended to come into effect in 2012, will provide a new basis for supervision by the Inspectorate. This supervision is risk-based, proportionate and complementary to internal supervision and the accreditation system. Institutions that perform well will be faced with less inspection.

<sup>3</sup> Onderwijstijd in het hoger onderwijs, 2010-2011 measurement, Education Inspectorate.

- a. Quality and excellence: this category concerns the increase in the number of academic excellence tracks and programmes and the participation of students in these tracks and programmes.
- b. Study success: this category concerns performance with regard to success rates, switching between study programmes and drop-out rates.
- c. Measures: this category concerns measures to achieve the goals referred to under a and b (including, but not limited to, regulations regarding the quality of lecturers and education intensity).

These agreements should contribute to realising the goals for higher education laid down in the Strategic Agenda.

*Re a. Quality and excellence*

Besides measures to improve and guarantee the basic quality of study programmes (see below), continuous attention should also be devoted to academic excellence. This concerns, among other things, honours tracks and University Colleges, other programmes and tracks that achieve higher than average final levels, and programmes of excellence. The initiatives of the past years regarding programmes of excellence will be maintained and further expanded. In their agreements on future performance, universities indicate their vision on excellence and describe the ambitions and measures that will help them realise this vision. This should lead to more students in academic excellence tracks in the overall university system and to more programmes of excellence. Universities and the State Secretary agree that the share of students in excellence tracks should increase from 3.5 percent today to 7 percent in 2015. To keep room for various forms of excellence, excellence indicators will be further developed based on the proposals of the universities and the advice of the review committee (see below).

*Re b. Study success*

The agreements on performance regarding study success concern measures to reduce the number of drop-outs from academic higher education and switching between study programmes in the first three years of Bachelor's programmes, and to improve success rates in Bachelor's programmes. The preconditions for improving success rates are that the measures should not undermine the quality and final level of the programme concerned and that sufficient attention for personal and academic development is guaranteed. The selective, orienting and referring function of the first year of Bachelor's programmes is maintained.

*Re c. Measures regarding education intensity and quality of lecturers*

The universities will agree with the State Secretary for ECS on the measures they will take to improve study success rates and realise an ambitious study ethos. These agreements will at least include attention to the intensity of education and the quality of lecturers, reflecting research which shows that these factors exert a strong influence on study success and education quality.

Universities will expand the effective study time of students. For this purpose, they will agree with the State Secretary for ECS on intensifying education in Bachelor's programmes. Sufficient contact hours between students and lecturers are especially relevant for the first year in Bachelor's programmes.

The State Secretary and the universities agree that in the first year of all Bachelor's programmes at least 12 contact hours per week will be programmed or that an equivalent

intensification of education will be realised by other means. This intensification should be visible, measurable and open to inspection.<sup>1</sup>

Besides this, universities will take measures to further improve the quality of lecturers. This should lead a higher number of teachers in the university system that hold the Basic Teaching Qualification. The universities will take steps to gradually implement the Senior Teaching Qualification, from the academic year 2012/ 2013 onwards. The aim is to stimulate the professionalisation of lecturers and educational leadership.

The agreements on future performance include concrete targets for the above-mentioned subjects and for the subjects in section 8 below. The appendix to this General Agreement contains an overview of indicators used for this purpose.

## **5. Differentiation in education**

The universities have taken important steps in the field of differentiating education over the past ten years, resulting in a reduction in the number of programmes and more differentiation in higher education.

Examples are the rearrangement of programmes offered in the humanities, the introduction of broad Bachelor's programmes, Research Master's programmes, university colleges and increased differentiation in higher education.

The universities enter into performance agreements with the State Secretary for ECS regarding the rearrangement and differentiation of the programmes offered. In doing so, they will formulate targets that match with their own situation and profile. These targets are based on an analysis of the strengths and weaknesses of their programmes in relation to their profile, students' needs, the labour market's needs and the human capital agendas resulting from the government's priority sector policy. In the agreements on future performance, the universities will describe the measures to realise these goals.

Such measures to differentiate education could concern broad or clustered Bachelor's programmes, excellence tracks, the creation of graduate schools etc.

Rearrangement of programmes offered could entail the introduction of broader and more uniform labels to increase the effectiveness and transparency of the programmes offered, a stronger connection between the programmes and the university's profile and the top sectors, and a stronger connection between Master's programmes and research priority areas, possibly through the creation of national Master's programmes. In this process, cooperation through strategic alliances or other types of partnership will play an important role. This operation could also lead to the discontinuation of programmes that do not match the university's profile. On the national level, this should lead to a reduction in the number of study programmes (especially small-scale ones).

The goal is to achieve a transparent, sharply profiled and effective offer of programmes. Preconditions for such an offer are an effective range of Bachelor's programmes on a regional level (and for "green" education on a sectoral level) and a stronger connection of Master's programmes to research priority areas, possibly hosted in graduate schools.

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<sup>1</sup> The number of contact hours is not a suitable measure for determining the education intensity in all teaching concepts. If universities, based on their teaching concept, opt for different measures to increase education intensity, they should demonstrate that the effect is at least comparable to twelve contact hours per week.

## 6. Research focus

In recent years, important steps have been made by the universities to gain focus and improve cooperation with regard to their research. Examples of these steps include the “focus and mass operations” in research and the formation of strategic alliances and other types of collaboration. Together, the universities and the State Secretary aim to consolidate and further improve the leading position of Dutch academic research in an international context. Maintaining this position is of crucial importance for the growth and competitiveness of this country.

The research priority areas cover both the universities’ academic and societal profiles. The goal is for each university to become an international leader in at least one of these areas. To do so, universities need to precisely define their research profile, based on academic strengths. This is essential to maintain their high positions in university rankings.

When establishing these agreements, universities will consider their own profile, academic strengths, social challenges, *grand challenges* and the innovation contracts within the framework of the government’s priority sector policy. In doing so they will also account for the allocation of funds for infrastructure and ICT by the NWO and the funds reserved in the Strategic Agenda for arts and social sciences (Canada agreement), for the sector plans for humanities, physics and chemistry and for the top research schools, and the funds reserved in indirect government funding for the priority sectors. The universities will identify the research areas they intend to focus on in the coming years and the areas that they will discontinue. They will also state their intentions with regard to collaborations with other universities, possibly within the context of regional alliances, and with research institutes of the NWO and KNAW, other knowledge institutions and companies.

## 7. Valorisation

Dutch universities are actively involved in valorisation, which, according to the broad definition in the Valorisation programme, is a process in which value is created from knowledge (from any discipline) by making that knowledge available and suitable for socio-economic uses and to transform this knowledge into products, services, processes or new economic activity. Universities aim to have a professional and fully staffed valorisation infrastructure, including education in entrepreneurship programmes, by 2015.

The universities will make agreements on future performance with the State Secretary for ECS regarding their ambitions on valorisation and its realisation. This includes the manner in which valorisation will be embedded in the organisation and its HRM policy. A major step in this regard is that universities will explicitly include competences regarding valorisation when drafting new job profiles. In addition, research evaluations and external assessment reports will include attention to the degree, method and quality of knowledge utilisation.

In parallel, universities and the government will jointly develop long-term indicators for measuring valorisation. This should result in a broadly supported set of indicators developed and tested to measure and describe the results of valorisation efforts in different scientific domains in 2015. The “Waardevol” report by the Rathenau Institute and the results of the ERiC project as well as other projects could serve as useful instruments in the development of that set of indicators. This should lead to a clear view of the universities’ contribution to the aim of investing at least 2.5% of Dutch public research funds in valorisation by 2016, and will serve as a basis for future agreements regarding valorisation output after 2015.

## 8. Complementary agreements

### *Monitoring expenses per student*

The State Secretary for ECS and the VSNU will jointly monitor the trend in expenses per student. The goal is to visualise the development of expenses per student as a consequence of an increased influx of students and government policy, including the consequences of shorter study duration. This monitor will include the development of components from direct government funding intended for research as well as the development of the GDP in relation to investments in higher education. The VSNU and the Ministry of ECS will jointly establish a monitoring framework, including definitions, in the beginning of 2012.

### *Deregulation and reducing the administrative burden*

The Ministry of ECS and the VSNU will jointly start a project focused on deregulation and reducing the administrative burden for universities. This will include the new oversight by the Dutch Education Inspectorate. Based on an inventory among the universities, measures will be taken aiming to reduce regulation and reporting obligations.

### *Indirect expenses*

Based on the benchmark by Berenschot and the perspectives used therein, each university will publish its indirect expenses and provide insight into their development. The agreements on future performance between the State Secretary for ECS and the individual universities will specify the university's ambition regarding indirect expenses and which measures the university will take in that context.

### *Examining boards*

The Ministry of ECS and the VSNU will jointly explore the practical execution of the proposals in the Strategic Agenda on the mandatory participation of external examiners in examining boards. The effectiveness of possible alternative solutions will also be explored.

### *Student flow from universities of applied sciences to research universities*

Where possible, the universities will cooperate with the universities of applied sciences as necessary to promote the flow from Bachelor's programmes at universities of applied sciences to Master's programmes at research universities. They will also aim to reduce the need for pre-Master's programmes.

## 9. Conditions: regulations

To enable universities to achieve the agreed performance levels, regulations will have to be adjusted. To this end, the State Secretary for ECS will present a bill to the States General and will adjust lower-tier regulations.

The State Secretary will include the following regulations in the bill submitted in response to the Strategic Agenda:

- in addition to the current possibilities for student selection, the selection of students will also become possible when the education profile of a programme requires it. Expansion of the number of programmes that apply student selection methods will occur gradually, carefully and transparently across the entire university system;
- advancement of the registration deadline to 1 May;
- legal embedding of the 'choice of study programme interview';
- creation of more opportunities for tuition fee differentiation;
- discontinuation of the right of students holding a first-year degree from a university of applied sciences to move on to academic education;

- students in pre-Master's programmes covering more than 30 ECTS pay the institutional tuition fee, and students in pre-Master's programmes covering a maximum of 30 ECTS pay the statutory tuition fee;
- legally embedding PhD programmes as the third phase in academic education and as an additional possibility to obtain a doctorate.

The State Secretary will use a so-called Experimental Order in Council to facilitate a binding study advice in the second and third years of Bachelor's programmes and experiment with a 'year class system'.

The Macro Effectiveness Policy will be adapted to expand the options for broadening Bachelor's programmes and to facilitate differentiation in the programme range. The relevance for the labour market as well as profiling of universities will play a more prominent part than before.

The intended start date for both the Experimental Order in Council and the Strategic Agenda Act is the 2013/2014 academic year. The intended start date for the Macro Efficiency Policy is the 2012/2013 academic year.

## 10. Approach and Monitoring

### *Creation of performance agreements*

On the basis of the existing and desired profiles and the targets set in the Strategic Agenda, each university writes proposals for its performance agreements. In that process universities indicate the current status with regard to the performance and quality of education, the creation of research profiles and priority areas, and valorisation. For each of these areas the universities indicate the results they have achieved over the past few years. In doing so, universities are free to apply a time frame of their choosing that matches their own development process. In drafting their description, universities will have to use the indicators included in the appendix. The indicators do allow room for a tailored approach to reflect the local situation.

In line with this analysis and on the basis of a dialogue with the university's surrounding community (such as corporate partners), the university will draft a proposal agreement that relates to the university's local situation and profile.

To discuss these proposals, the State Secretary and the universities will conduct meetings in the spring of 2012. After that, the performance agreements will be signed by the State Secretary and the universities' Executive Boards – if possible before 1 July 2012.

The universities will mutually coordinate and discuss their proposals for performance agreements with regard to education profiles and the research profiles and priority areas. This will result in two VSNU reports in April 2012 on the achievements so far and the plans for the future. The reports will identify:

- the universities' achievements in terms of restructuring their range of programmes and differentiation of education (individually or in strategic alliances) and what their intentions are in these areas for the period 2015 inclusive and till 2020;
- the university's academic/research profiles and societal profiles;
- the universities' achievements in creating research priority areas since 2000 (individually or in strategic alliances) and their intentions in this regard for the period 2015 inclusive and till 2020;
- how universities respond to priority sector policy (innovation contracts and human capital agendas) and the *grand challenges*.

The reports will also indicate how the universities' proposals relate to existing sector plans.

In the process of entering into agreements with the universities and with respect to the reports mentioned above, the State Secretary for ECS will seek advice from a review committee.

If the State Secretary decides that the universities' proposals are not sufficient in terms of achieving transparency and efficiency in the range of study programmes, differentiation in education and well-defined research priority areas, or that they do not sufficiently guarantee the connection with priority sector policies or may result in the loss of unique national expertise, the Ministry will consult with the VSNU.

#### *Monitoring and accountability*

The universities will render account for the realisation of the agreements through their annual reports and the information systems concerning the indicators stated in the appendix. This is consistent with the notion that accountability should be arranged integrally and that the administrative burden should be kept to a minimum. On a yearly basis, the VSNU will compile a national overview on the basis of the universities' annual reports.

If it appears that not enough progress is made, the State Secretary will consult with the universities.

To support the institutions, the VSNU will arrange an annual exchange of experiences and best practices between universities. In addition, it will systematically highlight effective and ineffective measures and practices and, as such, provide objective and evidence based information. The Ministry of ECS will support this national exchange of expertise financially.

Universities that fail to achieve the targets set in the agreement but are convinced that they did make the necessary effort, may invoke the hardship clause and ask the State Secretary to conduct an audit. Such an audit can reveal unforeseen circumstances that prevented the university to live up to its agreements.

## 11. Funding

### 11.1. Financial Framework

On the basis of the proposed budgets for ECS and EAI in 2012, the following financial framework for 2011-2016 has been established (pricing level 2011):

#### **Financial Framework for University Government Grants** (programme spending for academic education)

Year	Amounts x € 1 million					
	2011	2012	2013	2014	2015	2016
<b>Proposed Budget 2012, ECS</b>	3,936	3,894	3,908	3,952	3,961	3,998
<b>Proposed Budget 2012, EA&amp;I</b>	162	163	163	163	163	163
<b>Total</b>	<b>4,098</b>	<b>4,057</b>	<b>4,071</b>	<b>4,115</b>	<b>4,124</b>	<b>4,161</b>
of which: Conditional Funding		27	84	93	98	105
of which: Profiling			38	38	38	38
of which: Extra top research schools		20	20	20	20	20
of which: Other	4,098	4,010	3,929	3,964	3,968	3,998

*Note: In comparison with the proposed 2012 budget for ECS and EA&I there is € 14 million less for 'conditional funding' and € 14 more for 'profiling' from 2013 onwards.*

The FES resources (funds from gas assets) are not included in the proposed budget mentioned here. This means that the decline of these means due to the ending of the FES projects is not visible in this financial framework.

The current estimate is that in 2011-2016, the number of students at research universities will increase from 248,200 in the 2011-2012 academic year to 276,600 in 2016-2017 while the budgets will remain virtually unchanged. During that period, the number of graduates will increase from 30,400 in the 2011-2012 academic year to 33,700 in 2016-2017 (Source: Referentieraming OCW 2011).

As a consequence of the priority sector policy, there will be a shift in the available means towards disciplines that relate to those priority sectors. At the same time, the State Secretary and the universities see it as their joint responsibility to make sure that other research areas that offer relevant research excellence are retained within the Dutch academic community.

## **11.2. Conditional funding for quality and study success**

The means available to promote the quality and profiling of education at research universities amount to EUR 142 million (7% of the education budget). More than 5% of the education budget comprises conditional funding, which is available only if consensus is reached – and the relevant performance agreements are signed – on quality and study success, indirect costs, profiling of education, research priority areas and valorisation.

Initially, these means will be allocated for the 2012-2016 period. In 2016 the State Secretary will evaluate whether the agreements for 2012-2015 have been realised. The condition for the continuation of these means in 2017-2020 is that the agreed performance levels concerning quality and study success rates for the 2012-2015 period have been achieved.

The agreements on profiling and valorisation are not part of the conditional funding. There will however be selective means available for the profiling of education. These means will be allocated selectively in 2013 on the bases of the plans that institutions make for 2013-2016, after the review committee has issued its recommendations. The committee will check the plans in terms of feasibility and ambition on the basis of a reference framework that will be formulated at the beginning of 2012. This reference framework builds on the aims that have been set in the Strategic Agenda. An important precondition for the framework is that it should ensure a level playing field for all universities. The universities intend to present coordinated plans that will be integrated into the VSNU progress reports in April 2012.

The selective means available for education profiling cover 2% of the education budget.

### *Conditional funding*

The means for intensification are allocated as conditional funding. This means that they will be allocated for only a certain period of time and that they will be continued after 2017 only if universities have achieved the agreed performance levels within the relevant time frames.

For the allocation of these means, three performance categories have been defined:

- a. Quality and excellence: the university has achieved the agreed goals regarding quality and excellence.
- b. Study success: the university has achieved the agreed goals regarding study success and drop-out rates.
- c. Measures: the university has taken the agreed measures to achieve the goals mentioned under (a) and (b) (at least including measures to ensure the quality of

lecturers and the frequency/intensity of education). This category also includes agreements concerning indirect costs.

At the end of the period covered by the agreement, the State Secretary will evaluate whether institutions have complied with all the conditions for conditional funding. If a university has not satisfied the conditions in one or more of these categories, it will not receive part of the means for quality and study success in the 2017-2020 period. Each of the categories listed above counts as 1/3. If none of the agreed goals have been achieved, the means for quality and study success will not be granted.

In the event of unforeseen circumstances that prevented an institution from achieving the agreed goals, the institution can ask for an audit to prove this claim. The result of such an audit will be integrated into the evaluation.

The means generated through the cuts applied to institutions that have not been able to achieve all their agreed goals will be proportionally divided over the institutions that have achieved their agreed goals in all three categories.

## **12. Resolutive conditions**

Individual universities will (in alliances or otherwise) enter into performance agreements with the State Secretary for ECS. If the financial framework of the universities changes significantly, further consultation will take place between the State Secretary and the VSNU or the relevant university regarding possible adjustments to the performance agreements.

Universities can only realise their performance agreements if the necessary laws and regulations are drafted and implemented. If the regulations referred to in section 9 cannot be implemented in time, the universities will be granted more time to achieve the agreed performance goals and the 2015 goals will be adjusted accordingly.

### 13. Signature

The president of the VSNU, acting on behalf of all Dutch universities united in the VSNU,  
and

the State Secretary for ECS, signing also on behalf of the Minister of EAI,

conclude this General Agreement for a period that runs from the autumn of 2011 to 2015  
inclusive.

H. Zijlstra  
The State Secretary for ECS

S. Noorda  
VSNU president

## Appendix: Performance agreement indicators

In the performance agreements universities will at least use the following indicators:

Indicator	Explanation
<b>Indicators a. Quality and excellence</b>	
Excellence	Participation of students in honours programmes or another type of indicator that illustrates a student's participation in a programme of excellence. The excellence indicators will be further developed on the basis of proposals by the universities and a recommendation by the review committee.
<b>Indicators b. Study success</b>	
Drop-out rate	The percentage of students (of the total number of full-time Bachelor's students – first-year students in higher education) that are no longer registered at the institution after one year of study. Source: 1CijferHO. In addition, universities can monitor the drop-out rate in the 2nd and 3rd Bachelor's years.
Switch	The percentage of students (of the total number of full-time Bachelor's students – first-year students in higher education) that switch to a different study programme at the same university after one year. Source: 1CijferHO.
Bachelor efficiency	The percentage of students that re-register in comparison to the total number of full-time Bachelor's students (first year students in higher education) that obtain a degree after four years. Source: 1CijferHO.
<b>Indicators c. Measures</b>	
Lecturer quality	The percentage of lecturers with a Basic Teaching Qualification. Source: Institutional records, available via the VSNU.
Education intensity	The number of programmed contact hours and other structured hours in the first year of a Bachelor's programme (with a minimum of 12 contact hours). Source: OER and Studiegids.
Indirect costs	All universities use the methodology developed by Berenschot. Universities can make their own selection from the three perspectives used by Berenschot*. <sup>1</sup>

### <sup>1</sup> Indirect Cost Perspectives

- a. Overhead staff as a percentage of total staff (FTE indirect costs / FTE total). This percentage does not include support for education and research.
- b. Overhead in FTE of the entire organisation  
Including support for education and research and including outsourcing costs and the indirect costs component of automation costs (this includes office automation and management systems, but excludes education-related ICT).
- c. Overhead / turnover  
Overhead as a percentage of total turnover; this includes the following components:
  - Salaries overhead (own staff) / total turnover
  - Costs of hired staff / overhead outsourcing – yield overhead third parties/ total return
  - Indirect costs of ICT and automation (excl. own staff costs) / total turnover

## Glossary

### *AMvB (Algemene Maatregel van Bestuur)*

A government directive in which law is written down in greater detail (Order in Council).

### *Basic Teacher Qualification*

In 2008 all universities in the Netherlands agreed to recognise each other's professionalisation arrangements. This means that university lecturers can easily teach at other universities.

### *Berenschot Consultancy*

A Dutch consulting company that delivered input for the Veerman Committee.

### *Binding study advice*

A binding advice on whether students can continue or discontinue their study programme.

### *Choice of study programme interview*

An interview conducted with new students concerning their choice of study.

### *Dutch Education Inspectorate*

The inspectorate is part of the Ministry of Education, Culture and Science.

### *ERiC project*

Evaluating Research in Context

### *EU Grand Challenges*

Societal challenges for the European Union often mentioned in the context of serving as a directive for academic research and education.

### *Direct government funding*

Funds for research which a university or research institute receives directly from the government. In the Netherlands this is referred to as the 1<sup>st</sup> line of funding as apposed to the 2<sup>nd</sup> and 3<sup>rd</sup>.

### *Focus and mass*

Policy aimed at creating excellence in certain specific academic areas (focus) and high academic productivity in those areas (mass).

### *Indirect government funds*

Government funds distributed by a research organisation (such as TNO or NWO). Americans speak of 'unsolicited research projects' when research is similarly funded by the National Science Foundation in the USA. In the Netherlands this is referred to as the 2<sup>nd</sup> line of funding as apposed to the 1<sup>st</sup> and 3<sup>rd</sup>.

*KNAW*  
Royal Netherlands Academy of Arts and Sciences

*Macro efficiency*  
In education terms macro efficiency refers to the evaluation of the use and need of new study programmes. The Ministry has formulated legislation on macro efficiency that is executed through a special committee.

*NWO*  
Netherlands Organisation for Scientific Research

*NVAO*  
Accreditation Organisation of the Netherlands and Flanders

*OECD*  
Organisation for Economic Cooperation and Development

*Rathenau Institute*  
The Rathenau Institute promotes the formation of political and public opinion on science and technology.

*Senior Teacher Qualification*  
Similar provision as the Basic Teacher Provision but aimed at senior staff.

*Strategic Agenda for Higher Education, Research and Science Policy*  
A government directive for the future of Dutch higher education published in April 2011. The Veerman Committee formed the basis for drafting the Strategic Agenda.

*Pre-Master's programmes*  
Short programmes in which students obtain prerequisites in order for them to switch from one programme to another.

*Priority Sector policy*  
A joint policy by the Ministry of EAI and the Ministry of ECS that has identified nine sectors in the Dutch economy as 'priority sectors.' These are sectors in which the Netherlands has a strong international position. The government stimulates academic research, cooperation and economic development in these nine areas.

*Veerman Committee*  
The committee (chaired by former Minister Cees Veerman) on the future of higher education. The committee was in operation from October 2009 to April 2010.

*VSNU (Vereniging van Nederlandse Universiteiten)*  
Dutch Association of Universities

*Waardevol Report*  
A report by the Rathenau Institute on valorisation.

*Year class system*  
A measure that allows students to compensate a fail grade for one course with a pass grade for another course.