

Building bridges

The VVD¹ and the PvdA² share an unshakeable belief in the future, an unswerving confidence in what the Dutch people can together achieve and a deep conviction that in the years ahead our country needs a stable and decisive government that can unleash the forces and energies the Netherlands needs to succeed.

As broad-based people's parties whose support spans many layers of society, we see it as our task to build bridges. Between The Hague and society at large. Between urban and rural areas. Between rich and poor. Between young and old. Between the highly educated and the less educated. Between those who view change as a challenge and those who view it with concern. This coalition wants to strengthen the ties that bind us together in the Netherlands and enhance the energies and optimism of our people.

This coalition agreement reflects our search for the best of both worlds. We have not allowed differences to stand in our way and we have not sought to obstruct each other's plans. We seek inspiration in what unites us. Our country needs to work together. That is what the people called for on 12 September.

So we are reaching out to each other and getting the best out of each other. This creates scope for major reforms and much-needed breakthroughs: in health care, the housing market, the labour market, foreign policy and the energy sector. Reforms and breakthroughs that will help the Netherlands emerge stronger from the current crisis.

One of the coalition parties wants to guard against a government that gets in the way. The other wants to guard against a government that leaves people to their fate. Together, we choose a government that sees people not primarily as consumers but as citizens. Citizens who will shape the future of the Netherlands both individually and collectively. We choose a dependable government that offers opportunities and sets limits, one that offers maximum protection and causes minimum hindrance.

¹ People's Party for Freedom and Democracy (*Volkspartij voor Vrijheid en Democratie*).

² Labour Party (*Partij van de Arbeid*).

We are convinced that creating scope for enterprise and initiative is good for our society and our citizens. And we understand that it is both sensible and socially responsible to help those who are not able to keep up. People themselves bear primary responsibility for their success in life, and we want to offer them the best possible opportunities for achieving it. But we will never turn our backs on those who cannot get by without an extra helping hand.

We want the Netherlands to emerge from the crisis stronger than it was before. Our policy will be solid and sound: we aim to put our public finances in order and to promote innovation and sustainable technologies. And it will be socially responsible: we will share the costs fairly and organise our system of benefits and services so that they remain accessible for future generations. We will make extra investments in education and set higher quality standards for teachers and school heads. This, too, is solid, sound and socially responsible.

A strong economy benefits from high-quality public services. But we will only achieve such quality if we give professionalism greater recognition and more free rein. Those providing first-line services in health care, education and law enforcement must be able to take pride in their work and feel supported by their managers. It is essential for them to be given sufficient trust, freedom and time to do their jobs properly. We should resist the urge to respond to every incident with new regulations. We should reward demonstrated professionalism with greater autonomy and less supervision. Pay structures should be designed in such a way that true professionals do not need to flee to management positions to achieve promotion.

Work remains the quickest route to a good income and economic independence. Work must pay. And work must be decent. We will therefore reduce the differences between flexible and permanent employment. When a job comes to an end, the focus must be on finding new work. We will not accept people sitting at home for no reason, and we will hold both job seekers and employers to account in this respect.

Work is also of crucial importance where the integration of newcomers is concerned. That is why we will set strict requirements for people who come to the Netherlands by choice: they will have to have an education, learn the Dutch language, prepare properly and have the capacity to support themselves. Those who fulfil these requirements and play their part in our common future are and will always be welcome.

A fair society is a safe society. One in which residents and entrepreneurs feel supported by the authorities, and where the police are a visible presence on the streets, enforcing clear rules effectively.

Europe has brought us peace, security and prosperity. When Europe thrives, so do we. Many of our jobs and much of our prosperity are rooted in a European market where Dutch businesses sell their products and services. We have benefited greatly from the euro. The end of the single currency would mean great uncertainty for our economy and prosperity. We are willing to help other countries in order to strengthen the European Union and the euro, but not at any price. Our support must go hand in hand with proven efforts on the part of member states to solve their financial problems and strengthen their economies.

And now we set to work, with the interests of this fine country and its people at heart. Open to the world around us. With a sense of urgency, certainly, but with energy for the long haul, too, and with ideas that transcend a single term of office. Now we set to work: seizing opportunities, solving problems and building bridges.

Mark Rutte

Diederik Samsom

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I. Getting the Netherlands out of the crisis: solid, sound and socially responsible

This government's financial and socioeconomic policy rests on three essential pillars: putting our public finances in order, ensuring fair distribution and working for sustainable growth. Our prosperity and well-being rest squarely on these pillars. The sacrifices necessary in the years ahead are considerable and come in the wake of policies that have already asked a great deal of individuals and businesses alike. We can only count on public support for the savings we propose if we make fair choices and offer the prospect of viable public finances and a sustainable, healthy economy.

Within the European Union, the Netherlands has consistently argued that countries should put their affairs in order and adhere to the agreements they have made. A sound budgetary policy is also in our own best interest. It will strengthen our position in Europe and in the unlooked-for event of a future crisis it will help us absorb the impact. It will inspire confidence among those who lend us money, reducing in turn the interest rates we have to pay. This will eventually put us in a position to reduce the tax burden on the public and to invest more in research, innovation, sustainability and essential public services like education. In this way we can also ensure that costs are not passed on to future generations if this can be avoided.

- The measures set out in annexe A will produce net savings of €16 billion, in accordance with the recommendations of the Budget Margin Study Group.
- On the basis of the effects of the coalition agreement (including the baseline), the median purchasing power of people on below-average incomes will rise by an average of 0.2% per year. The median purchasing power of people whose income is three times the average will fall by an average of 0.6% per year.
- The Coalition Agreement will be incorporated in the budget using the figures in the financial annexe. Spending reductions will be recorded in the relevant budget chapter. Spending increases will be recorded for the time being in the supplementary budget item. The frameworks for revenue and expenditure at the time the government takes office are based on the overview of taxation and expenditure set out in annexe A.
- We are committed to a trend-based budgetary policy with a strict dividing line between revenue and expenditure. The budgetary rules are set out in annexe B.

II. Social security and income policy

People who can work should not be relying on benefits. People who through no fault of their own are unable to find work are assured of receiving assistance at the level at least of the guaranteed minimum income. We want to keep it this way. That is why we will actively tackle abuse and fraud, and benefit schemes will be organised so as to keep them viable and accessible as demographic ageing increases and the labour force shrinks.

Everyone must contribute, to the extent that they are able, to paying the bill for the crisis. In other words, the higher people's income, the more they will be asked to contribute. We will also tackle the poverty trap. Work must pay, and therefore we must increase the financial difference between being on benefit and working by reducing taxes for those who work. There will be changes in how health care is financed: health care insurance contributions and excess conditions will be means-tested. We will make more funds available for poverty reduction.

- The age of retirement will gradually be raised to 66 in 2018 and 67 in 2021, and will subsequently be linked to rises in life expectancy.
- A transitional scheme will be devised for people who as of 1 January 2013 are participating in an early retirement or pre-pension scheme and have not been able to make provision for the raising of the retirement age. The transitional scheme will apply to participants whose income does not exceed 150% of the minimum wage and will feature a partner and assets assessment (which excludes home ownership and pension capital). Should it prove impossible in practice to introduce the transitional scheme before 1 January 2013, it will have retroactive effect to that date. We are in discussions with the pension funds on the scope for bringing pension payments forward to bridge the gap.
- Employees on a low income and aged 61 to 65 will be eligible for a bonus if they continue working. This will allow people who continue working to save in order to offset the financial impact of the raising of the retirement age that enters into force in 2013. On the basis of a retirement age of 67 in 2021, those who continue working until the age of 65.5 will on average be able to retire 1.5 years earlier without losing out financially. Employees become eligible for the continued-employment bonus if they earn 90% of the statutory minimum wage. The maximum bonus amount is payable to employees earning

100%-120% of the minimum wage. Employees earning more than 175% of the minimum wage are not eligible for the bonus.

- Pension payments to cohabiting partners under the General Old Age Pensions Act (AOW) will be equated with those to married couples.
- The cutbacks imposed on the general old age pension in respect of persons who do not receive a full AOW pension will be withdrawn.
- The partner's allowance applicable to those entitled to a general old age pension will be restricted as of 1 July 2014. If the partner of a person entitled to an old age pension has not yet retired and both partners' combined income exceeds €50,000 (excluding old age pension), they will no longer receive the partner's allowance.
- Means testing based on household income will be replaced by a test based on household benefits. This will ensure that benefits cannot be accumulated within households, giving households on benefits a higher income than their working neighbours. Equally, by excluding wages from the calculation we also ensure that it pays to go out and work.
- To encourage those receiving benefits to find or get back to work, everyone will now be required to work and reintegrate, and to do something in return for their benefits, as far as they can. There are no longer any categorial exemptions. Individual exemptions will be temporary and relate only to the obligation to work. A permanent exemption from the obligation to work and reintegrate will be granted only to those who are fully and permanently incapacitated.
- We are examining whether we can make working longer hours pay better by applying a criterion based on number of hours to income schemes.
- The Work and Social Assistance Act (WWB) will be amended: municipalities will have to stop paying social assistance benefit for three months if the obligation to seek work is not met. Benefit will be resumed only upon application by the person concerned.
- Enforcement will be tightened to improve compliance with obligations under the WWB. The obligation to work and the duration and amount of the associated penalties will be made uniform. Harassment or abuse directed at the officials responsible for managing these schemes will result in the immediate withdrawal of benefit. This measure will apply to the entire social security system.
- Individual crisis payments to reimburse actual costs incurred will be expanded. There will be an extra focus on families with children, employees on low incomes and senior citizens with small pensions. There will also be more scope for assistance in the form of

supplementary healthcare insurance or a pass providing access to cultural, social or sports facilities. It is important for children from families on low incomes to be able to take part in sport. Therefore, the grant awarded to Jeugd sportfonds Nederland will be extended and the Sportimpuls grant scheme will be increased. People who have to get by on a permanently low income with no prospect of improvement will receive an allowance on an individual basis. Categorical payments to cover plausible costs will be restricted. €100 million will be made available on a permanent basis to fund this entire package of measures.

- Surviving dependants' benefit will be limited to one year in new cases. Within that year, recipients can seek employment with the help of existing instruments. No obligation to reintegrate applies to them.
- We are reforming and introducing savings in the existing arrangements for children. The aim is to simplify the system, increase labour market participation and offer income support where it is needed most. The existing nine schemes for children will be reduced to a maximum of four. Two will be jointly aimed at income support (General Child Benefit Act and the Means-tested Child Allowance Act) and two at encouraging labour participation (income-dependent combination tax credit and childcare benefit).
- The employed person's tax credit will be increased by an amount rising to €500 per employed person per year by 2017.

There are few countries, if any, whose old age pension provisions are as robust and fair as those of the Netherlands. Our policy with regard to the AOW and supplementary pensions is aimed at safeguarding these provisions for younger generations. We are therefore taking the measures necessary to guarantee the affordability and long-term viability of the AOW and supplementary pensions, particularly given that demographic ageing is proceeding rapidly and a slight drop in the labour force is expected.

- It is a socially accepted norm that anyone who works for 40 years should in principle be able to save for a pension equal to 70% of their average salary. The Witteveen Framework, the statutory framework governing tax-advantageous pension-saving arrangements, will be based on this norm. This will mean a drop of -0.4% in the accrual percentage.
- If a person's income exceeds €100,000 (three-times the average income) it will no longer be possible to accrue pension in a tax-advantageous manner.

III. Sustainable growth and innovation

The Netherlands must secure and strengthen its position in the years ahead among the five most competitive economies. Our innovative businesses and first-class academic and research institutions provide us with an excellent basis for doing so. A compact, strong government which has its finances in order can make an important contribution towards strengthening this basis.

The Netherlands will emerge stronger from the crisis by making sound choices, by opting for reform, spending cuts and ambition. Businesses, academic and research institutions, and government will focus their innovative energies on making the transition to a sustainable economy and green growth, partly with a view to strengthening the competitiveness of the Dutch economy. In these endeavours, we will ensure that government is a reliable partner that knows what it wants to achieve, acts decisively and holds fast to the course it has set.

The successful partnership developed between businesses, scientific institutions, regions and government under the top sector policy will be continued and integrated into the new financial framework.

- €275 million will remain available via the Netherlands Organisation for Scientific Research (NWO) for programme-based research for the top sectors, and the public-private partnerships for excellence in fundamental research will be continued.
- An extra €150 million will be made available to strengthen fundamental research, €50 million of which will come from reprioritisation. A substantial portion will be used to enable us to compete for extra funding from the European research programme Horizon 2020.
- We will release €110 million, by virtue of reallocations within the budget, to further stimulate cooperation between businesses and academic and research institutions. Generic grants and tax incentives, on the other hand, will be reduced.
- The differences between the tax treatment of entrepreneurs and employees have increased in recent years. A 'profit box' will be introduced in 2015 with a view to achieving greater balance.

We aim to conclude a technology pact (*Techniekpact 2020*) with businesses and educational institutions. It will be founded on the mutual interests of businesses and educational institutions

and the sector's own ambitions. The technology pact will include agreements on the following points at a minimum:

- transparency on the part of educational institutions and businesses towards pupils and students about career prospects;
- creating sufficient work placements;
- offering practically oriented pupils a shorter route through vocational education to promote their progress through the educational system;
- investigating the options for changing the funding of secondary vocational education (MBO) institutions and/or providing more private sector cofinancing, including an investment fund for modern equipment and resources for engineering and technology courses;
- reducing the dropout rate in technical education by means of improved structure and more intensive guidance;
- a sharp reduction in the number of centres of expertise on vocational education, training and the labour market and the transfer of tasks to the Education-Business Alliance.

We will pursue a realistic and ambitious green growth strategy, with due focus on space and guarantees for the future. The Netherlands has everything we need to make a significant contribution to the rapid development of new sources of energy, such as solar power, wind power, biomass and geothermal energy: a high-calibre chemicals industry, an innovative agricultural sector, large ports and a strong energy sector. This is a necessary development from the point of view of climate change and in view of the finite nature of raw materials, and at the same time offers a challenge to innovative companies. A large number of promising bio-based initiatives have already been launched in recent years. This bio-based economy can become one of the pillars supporting green growth. It is our intention to set out a stable and ambitious policy for the long term that enjoys broad support in parliament and society at large. At international level, the involvement of as many countries as possible will be sought, in order to increase opportunities for Dutch businesses.

- The Netherlands will work for an ambitious international climate policy. New objectives for 2020, 2030 and beyond must provide a spur to technological progress and ensure environmental balance in the future. Our international aim is a completely sustainable energy supply by 2050.

- Our target is a 16% share for renewables by 2020. To encourage innovation, an optimum mix of measures will be employed including grants (the Renewable Energy Grant Scheme SDE+), and possibly requirements for energy suppliers and obligations to blend biofuels in fossil fuels. These measures will be taken with due regard for the competitiveness of energy-intensive sectors and the impact on jobs. Compensation will be provided for the increased burden of levies arising at the end of this government's term. In 2016, progress will be assessed and a decision will be made on how to take the process forward.
- Energy conservation will be prioritised. The Green Deals approach will be extended: at least one conservation deal will be concluded with energy companies and housing associations to accelerate improvements to the sustainability of existing homes. Energy conservation in offices, schools and other buildings will also be promoted in this manner via energy companies. The government will support these endeavours by removing obstacles in legislation where possible.
- A tax incentive will be introduced for the small-scale sustainable generation of solar and other power that is not eligible for central government grants. It will take the form of a reduced rate in the first energy tax bracket. The reduced rate will apply to locally generated electricity supplied to small-scale private consumers by cooperatives of these consumers. It will be funded on a tax-neutral basis by means of a generic increase in the standard rate levied in the first energy tax bracket.
- In order to bring down the cost of offshore wind power more quickly, the government will introduce joint initiatives with energy companies and the Dutch offshore industry to encourage innovation in this promising sector. A study will be undertaken with system operators to ascertain how the necessary transmission infrastructure for electricity generation at sea can be established.
- Electric vehicles offer the Netherlands many opportunities. Agreements on the recharging infrastructure will be made with system operators, energy companies and local authorities in order to provide a further stimulus to the growth in electric mobility.
- Biomass should first be used for the highest grade application for which it is suitable (cascading) and the sustainable production and origin of biomass should be guaranteed.
- The government's aim is a circular economy. It will seek to encourage the domestic and European market for sustainable raw materials and the recycling of scarce materials.
- The agricultural sector is an important engine for the economy. The Netherlands is the world's second largest exporter of agricultural produce. Farmers and market gardeners

therefore deserve to be given the scope to do business and to be properly recompensed for their contribution to the man-made landscape and nature conservation.

The effective safeguarding of public interests must be combined with the creation of scope for innovation. We will therefore continue to take strong action to reduce the regulatory burden and we will adopt a cohesive approach in the various sectors in the areas of regulation, steering and supervision.

- We are setting a course for a structural reduction by 2017 of €2.5 billion (compared with 2012) in the regulatory burden on businesses, professionals and the general public. To achieve this, the introduction of new rules is being linked to the scrapping of existing rules.
- We will also reduce the less measurable but very noticeable regulatory burden by working with stakeholders in at least 15 heavily regulated sectors and fields to examine perceived problems and find specific solutions. These sectors will include chemicals, logistics, agri-food, life sciences, construction, youth care, education and policing.
- The statutory closing of shops on Sundays will be ended. It will be up to municipal authorities to draw up further rules on this matter if they wish.
- Where necessary, we will reshape supervision in conjunction with local and regional authorities in order to reduce the supervisory burden while retaining effectiveness.
- The provision of services by public authorities must be improved. By 2017 at the latest, businesses and the public must be able to conduct their business with local authorities – such as applications for permits – online. Entrepreneurs who use the *Ondernemingsdossier*, a scheme to ease the regulatory burden for business, will only have to provide their business details once, which will then be shared with the relevant authorities.
- There will be ten public-private ‘breakthrough’ projects, partly aimed at increasing the use of knowledge of ICT among SMEs, in the top sectors and in sectors such as education and health care.
- By improving regulation and governance, we can increase the major contributions to our country’s prosperity and wellbeing made by housing associations, pension funds, healthcare institutions, schools and railway companies. The government will present proposals to this end.

Entrepreneurs need space in order to grow. It can be created by making ICT-based innovations, reducing the regulatory burden and compliance costs, and above all improving access to credit and capital.

- The Business Finance Guarantee Scheme will be made permanent, with a guarantee ceiling of €400 million per year. This will enable entrepreneurs to continue to take out bank loans and obtain bank guarantees.
- To be better able to help small business startups, the credit ceiling for the microfinance organisation Qredits will be raised from €50,000 to €150,000. An agreement will be made with Qredits and the banks to put this into effect.
- Within the existing Innovation Fund for SMEs, we will create scope for providing more risk capital to young innovative companies.
- New alternative forms of financing such as credit unions, crowdfunding and SME bonds will be supported by means of promotion, the removal of obstacles in legislation and the application of knowledge and existing instruments.

A healthy financial sector is vital for the functioning of our economy. But if banks take excessive risks, they can inflict considerable damage on our economy, as we know from our recent past. We do not want to repeat that experience. This is why we will be pushing ahead with fundamental reforms of the banking sector, enabling banks once again to make a positive contribution to the recovery of the real economy.

- A compulsory bankers' oath will be introduced including provisions for strict penalties should it be broken.
- The Netherlands Authority for the Financial Markets and De Nederlandsche Bank (the Dutch central bank) will screen not only senior bankers, but also bank staff responsible for high-risk transactions.
- Products that are not in the interests of the customer may not be sold. The duty of care incumbent on banks will be laid down in statute.
- Acting on the recommendations of the recently instituted committee on the structure of Dutch banks, the government will present proposals to improve the protection of individuals' savings from risky banking practices.
- Between 2013 and 2018, capital requirements for banks (Basel III) will be gradually raised to substantially reduce the likelihood of financial crises. We will bring forward the growth path for the additional buffers for systemically important financial institutions (SIFIs) in order to

further limit risks. We will do so in a responsible manner, based on a risk assessment and an international comparison, taking competitiveness into account.

- The Netherlands supports the step-by-step creation of a European banking union. Effective European banking supervision should be established and balance sheets cleaned up as quickly as possible. In addition, under strict conditions, direct support to banks by the European Stability Mechanism (ESM) may be in order. As the final steps a single banking resolution mechanism and a European deposit guarantee scheme should be established.
- Organisations that are wholly or partly publicly funded are prohibited from speculating with complex financial products like derivatives. They may insure themselves against interest rate risks. Compliance will be checked as part of the annual audit.
- An enhanced cooperation procedure is under way within the European Union with a view to introducing a tax on the financial sector. The Netherlands will join this initiative provided that our pension funds are exempted, no disproportionate effects arise from levying the tax in conjunction with the bank tax, and revenues flow back to the member states.
- ABN AMRO can only be reprivatised once the financial sector is stable. There must be sufficient market interest, the business must be ready, and the state must be able to recoup as much as possible of its total investment. In the light of these considerations we are also studying options other than a full stock market flotation.
- The variable component of remuneration in the financial sector will be subject to a statutory maximum of 20% of the fixed component.
- The capacity of the Tax and Customs Administration and the Fiscal Information and Investigation Service / Economic Investigation Service will be increased to enable them to tackle abuses, fraud, illegal constructions and money laundering more effectively.

IV. The Netherlands in the European Union

The EU is crucial for peace, security and prosperity in the Netherlands. Much of our income is earned in Europe; many of our jobs depend on it. The internal market is at the heart of European cooperation. European cooperation also strengthens our geopolitical position relative to emerging and established powers in other parts of the world. Furthermore, many Europeans feel bound together by the ideals of democracy, the rule of law and equal treatment. It is along these lines that the Netherlands interprets its role in Europe.

Good times for Europe mean good times for the Netherlands. Conversely, the Netherlands feels a European crisis more acutely than many other countries do. A strong Europe that will overcome the crisis as quickly as possible is therefore in our interests.

- While countries determine their own policies, it is vital for the euro's survival that all countries become stronger financially and economically and converge towards one another. To prevent economic imbalances, countries must hold each other to their agreements and control mechanisms should be strengthened as necessary.
- Countries are responsible for putting their own budgets in order and strengthening their economies. Any support that countries receive must go hand in hand with efforts on their part to ensure a steady recovery. There can be no question of countries that act responsibly providing systematic support to countries that do not act responsibly.
- The internal market must be strengthened further. Effective measures to boost the growth that Europe needs should be promoted and supported. Protectionism is contrary to the European idea. Member states have primary responsibility for the organisation of social security and of their public and semi-public sectors.
- The Netherlands supports the step-by-step creation of a European banking union. Effective European bank supervision should be established and balance sheets cleaned up as quickly as possible. In addition, under strict conditions, direct support to banks by the European Stability Mechanism (ESM) may be in order. As the final steps a single banking resolution mechanism and a European deposit guarantee scheme should be established.

- The Netherlands will ask the European Commission to list the policy areas that, in accordance with the principle of subsidiarity, could be transferred to national governments. We will also make proposals ourselves.
- The accession of new member states should be assessed on the basis of the Copenhagen criteria.
- The position of the European Commissioner for Economic and Monetary Affairs should be further strengthened.
- It should be made possible to withdraw after consultations with other member states from such collective bodies as Schengen, the eurozone and the European Union.
- The EU budget should develop in line with national budgets. The Netherlands will not support any proposal for a substantial increase while the member states are making cuts.
- By cutting the agricultural and cohesion budgets, the EU budget should be modernised in the interests of investment in innovation and sustainability.
- There should be a fair system of burden-sharing among the EU member states. For the Netherlands this means at a minimum extending the previously agreed correction of €1 billion.
- Better accountability for the expenditure of European funds remains a Dutch priority.

V. The Netherlands in the world

The Netherlands has long had a strong international orientation, both from conviction and because it is in our own interests. Dutch people and companies have major interests abroad. The Netherlands' foreign policy is geared to advancing and protecting those interests, to promoting human rights and the international legal order. The central concern of our development cooperation policy is the world's very poorest people. Our armed forces must remain capable, together with our international partners, of guaranteeing our country's security and contributing to global peace and security. To this end, they must have high-quality units and matériel at their disposal. In this way we can serve the cause of international stability, security and prosperity.

- In our bilateral and multilateral partnerships and contacts, we will promote sustainability, decent working conditions and respect for human rights and give special attention to the security of our energy and raw materials supply.
- The Netherlands will strive to help international organisations function effectively.
- Where possible the Netherlands will contribute to peace and security in the Middle East, making use to this end of our good relations with both Israel and the Palestinian Authority.
- We will make savings on our network of missions, mainly by cooperating with our EU partners and with other countries in Europe and beyond.
- From 1 January 2013 the Foreign Service will fall under the Senior Civil Service.
- The Minister of Foreign Affairs will be responsible for coordinating Dutch foreign policy, including the government's European agenda. Preparations for European Council meetings will be made under the direction of the Prime Minister.

The post of Minister for Foreign Trade and Development Cooperation will be established at the Ministry of Foreign Affairs, thus confirming the importance of cohesion between these two policy areas. This will be seen, for example, in measures to enlarge the scope for small and medium-sized enterprises to invest in developing countries, and the forging of new coalitions between companies, NGOs and individuals, such as the coalition combating HIV/AIDS in Africa. The importance of the 3D approach (defence, diplomacy and development) for international crisis

management operations and peace missions will be reflected in a new budget for international security.

- To create opportunities for Dutch companies and knowledge institutions, we will work actively to strengthen international economic ties, and economic diplomacy will remain a major component of the work of our embassies and consulates.
- The closer connection between foreign trade and development cooperation will also be reflected in the development, in collaboration with the business community, of a revolving fund of €750 million that will be financed in the years 2014-2016 from the development cooperation budget. This fund will be used to support investments in developing countries, especially by small and medium-sized enterprises.
- Underscoring the importance of peace and crisis management operations for developing countries, a new permanent budget of €250 million will be established for international security, to begin operations in 2014. It will be available to cover international security-related spending that currently comes out of the Ministry of Defence budget. The Minister for Foreign Trade and Development Cooperation will be responsible for disbursing this budget in consultation with the Minister of Defence.
- With a view to financing the new fund and the new budget, and as a contribution towards solving the Netherlands' overall financial problems, there will be cuts to the development cooperation budget and the Ministry of Defence budget, rising by 2017 to €1 billion and €250 million respectively.
- The Netherlands will press in the Organisation for Economic Cooperation and Development for modernising the criteria for Official Development Aid (ODA).
- Our development cooperation priorities will continue to be water management, food security, security and the rule of law, and sexual and reproductive health and rights. The same crosscutting themes will also be retained: gender, the environment (including the international climate objectives agreed in Copenhagen) and good governance.
- A contribution by the Netherlands to an international crisis management operation will require either a mandate under international law or the existence of a humanitarian emergency. Requests for a contribution will be assessed from the standpoint of our international responsibilities and national interests.
- International missions in conflict countries should closely link security, development and diplomacy.

- The Netherlands' original plans for replacing the F-16 are no longer feasible without either modifying them or setting new priorities within the overall Ministry of Defence budget. The Minister of Finance will ask the Netherlands Court of Audit to draw up an audit report on developments in the financial aspects of procurement and operation of the replacement for the F-16 and on the provision of information on this subject in the recent past. In consultation with the Minister of Foreign Affairs and on the basis of the available budget, the Minister of Defence will develop a vision of the armed forces of the future. The armed forces must continue to be capable of honouring our NATO obligations and of contributing to international crisis management operations. On the basis of the Court of Audit's audit report, the Minister of Defence's vision and other information, the government will take a decision at the end of 2013 on the replacement of the F-16. In the light of the Court of Audit's earlier report on this subject, we will continue the development and test programmes as laid down in the MOUs.
- The Dutch mission in Kunduz, Afghanistan will be completed and terminated on schedule in 2014.

VI. From good to excellent education

The standard of education and research in the Netherlands is already high, but we are keen to do even better and to become one of the world's top five in the field. The calibre of education professionals in our classrooms and lecture halls is a decisive factor here. Quality of teaching stands or falls with the way in which we recruit and train teachers, heads of school and managers who can encourage and reward staff, and impose disciplinary measures if necessary. These are the men and women we need and want to invest in.

Education can get the best out of children and students by challenging those with talent and narrowing the gap for those who lag behind — whether they are from immigrant or low-income families or have special educational needs. Education is the one area we have exempted from cutbacks at the present time of crisis. Instead, we have opted for extra investment because we consider good education to be extremely important.

- We intend to make agreements with the education world about:
 - improving the quality of teachers and school leaders;
 - better supervision of new teachers and in-service training for serving teachers and heads of schools;
 - making human resources policy in this sector more professional, with the help of the Education Inspectorate;
 - reducing the number of unqualified teachers.

The designations used by the Education Inspectorate in assessing schools will be expanded to include 'good' and 'excellent'. Under this coalition agreement, schools that perform well will have fewer accountability obligations than underperforming or failing schools. All schools will be required to publish their results and the resources they use to achieve them. We will also make agreements on:

- using precious classroom time as effectively as possible;
- updating the statutory minimum number of teaching hours;
- phasing out the scheme to promote employment among older people (BAPO) in order to create scope for more up-to-date conditions of employment;
- speeding up the introduction of remuneration codes;

- making over €340 million available for education spending from 2017, providing we are successful in updating conditions of employment.
- The requirements for teacher training colleges will be tightened up. They will have to make a greater proportion of their training and instruction practice-based.
- The competence requirements for enrolment in the Register of Teachers and the in-service training obligation for teaching professionals will be enshrined in law as from the beginning of 2017.
- It will become easier to deal with underperforming teachers once the legal status of public servants is brought into line with that of other workers.
- Funds for unemployment and reintegration and for supply work will be modernised in the interests of good employment practice.
- There will be an intensive screening operation to get rid of red tape and weed out unnecessary accountability procedures and requirements in the education sector.
- We will introduce norms to ensure that the focus in education is more about people and less about overheads. Funding and mergers will also have to be in keeping with these norms.
- In areas where the school-age population is declining, all forms of cooperation must be facilitated. Religious denomination, educational ethos or compulsory appraisal of merger plans may not be a barrier to achieving this.
- Learning support (LWOO) and practical training (PRO) will be made more efficient and will be incorporated into the budgeted system for consortia that provide appropriate education for pupils with special needs.
- Baby and toddler clinics will assess language development of children in certain target populations and if necessary refer them to early childhood education programmes. Additional funds will be made available to this end.
- We will continue to pursue our action plan to improve skills acquisition in secondary vocational education (MBO), within a viable time frame. This will mean shortening and intensifying training courses, and substantially simplifying the qualification structure.
- The number of courses and options in secondary vocational education will be reduced in the interests of boosting quality. In principle, courses with an insufficient number of students will be phased out.
- €250 million will be earmarked for intensifying secondary vocational education in tandem with performance goals agreed with institutions. Busy timetables, challenging courses, an

adequate focus on basic language and numeracy skills and a strong practical emphasis should help to boost quality.

- The prolonged study surcharge for students will be abolished.
- A student loan system will replace the basic grant at bachelor's and master's degree levels in higher professional and university education. This will apply to new students starting their studies in September 2014. The supplementary grant will be retained in order to keep higher education accessible.
- In 2015, the public transport pass entitling students to free transport will be replaced by a discount card, which will also be available to students in secondary vocational education. The student loan system will cover travel expenses (up to a certain maximum amount).
- The revenue generated by student loan financing measures will be invested in education and research.
- €20 million will be available to compensate for the unintended effects of giving individual institutions a free hand in setting the level of tuition fees for students enrolled on a second course.
- In secondary education, school textbooks will no longer be provided free of charge. However, the current system in which textbook procurement is done by schools will remain unchanged. Part of the savings made will be reinvested in income support. On balance, the measure will generate €185 million.
- An extra €150 million will be available for strengthening fundamental research, of which €50 million will result from reprioritisation.
- In line with the Van Haersma Buma motion, €256 million will be transferred from the Municipalities Fund to schools to cover expenditure on school buildings.
- We will continue to pursue our policy of funding education on the basis of quality.
- Admission to higher education will be based on a qualifying certificate. Selection on the basis of entry requirements will continue to be allowed for university colleges, study programmes where the number of applicants exceeds the numbers of available places and courses with special admission requirements (e.g. in the visual and performing arts).
- We will speed up the overhaul of governance, management and remuneration arrangements in higher education institutions, in consultation with the sector.

Gender equality and equal treatment

Every person should be able to make something of their life, regardless of their gender, sexual orientation, origin, religion or belief, or any disability they may have. Achieving this requires input from us all – individuals, social partners, government bodies, belief-based groups, and ethnic communities. Government itself must set a good example. Accordingly, the following measures will be adopted.

- People who refuse to officiate at same-sex marriage or civil partnership ceremonies will not be appointed as registrars. The Equal Treatment Act is being amended in line with the European model. The 'sole grounds' formulation will be dropped from the Act. Schools may not dismiss gay teachers, or refuse admission to or expel gay pupils on the grounds of their sexual orientation. Pupils will be taught about sexual diversity as part of the curriculum. The Lesbian Co-Parents Bill will enter into force as soon as possible. This will improve the legal position of lesbian parents and their children.
- Combating homophobic violence will continue to be a priority for the police and Public Prosecution Service.
- The sterilisation requirement for changing one's sex registration will be dropped from the Civil Code.
- The government will pursue active efforts to remove existing wage inequality between men and women doing the same work.
- The government will combat all forms of oppression of women. Violence in dependency situations is unacceptable and will be investigated and punished. This applies to domestic violence and child abuse, female genital mutilation (FGM), honour killings, forced prostitution and human trafficking.
- We will tighten up measures to prevent sham marriages. Forced marriage will be made a criminal offence. We will also seek to curb repeated marriage migration.
- The Netherlands will ratify the UN Convention on the Rights of Persons with Disabilities on condition that it is in a position to fulfil the obligations that derive from it.

Art and culture

Our society attaches great value to art and culture – two areas in which the Netherlands has a fine reputation to uphold. Dutch industrial and fashion designers, DJs and architects have the world at their feet. Visual arts, dance, opera and musicals draw large audiences. Organisations and artists are emerging as cultural entrepreneurs, finding new audiences and tapping new sources of funding. The government's policy is primarily geared to promoting a strong basic

infrastructure, supporting the development of upcoming artists and boosting the international reputation of those at the forefront of the arts.

- Culture must remain accessible. The planned increase in value added tax for performing and visual arts is to be scrapped.
- We will support and encourage cultural entrepreneurship and innovative forms of financing.
- The Youth Cultural Passport (CJP) will continue as a facility for young people. Cultural organisations will focus their educational activities on this target group.
- We will encourage the development of talent through funds for the performing arts and cultural education.
- Government-funded cultural institutions must comply with the Cultural Diversity Code.
- The education and culture sectors will jointly deliver cultural education activities for primary and secondary education.

Media

The central objective of the government's policy is to ensure independent, varied and high-quality programming, accessible to all strata of society. Existing policy will be amended on a number of points.

- Regional broadcasting organisations will no longer be funded by the provincial authorities but by central government. The budget will be transferred from the Provinces Fund to the budget for media. Savings will be made by working together and dovetailing tasks with those of national public broadcasting.
- The recently proposed media fund will be reconsidered. The Press Promotion Fund will remain unaffected.
- In line with the recent decision, broadcasting companies based on a religious or ideological ethos (known as 'article 2.42 broadcasting companies') will become part of larger broadcasting organisations, enabling savings to be made.
- Further cutbacks must be made within the public service broadcasting system. These could be achieved by organisations generating more own income and avoiding unnecessary expenditure on acquiring subscribers. Recent plans to link budget allocation to the number of members subscribing to broadcasting companies should be abandoned. Instead, there should be a new system of A and B licences. New broadcasting organisations will continue to be able to join the system.

VII. Bringing care closer to home

Good care and, more importantly, good health is not just a matter for the government. To achieve success we must work together, and that starts with prevention and a healthy lifestyle. Of course, everybody has a personal responsibility for their own health, but we want to support people in this. For the government's term of office we have outlined three additional priorities. First of all, we want to further improve the quality of care by gaining better insight into care delivery, reducing variation in medical practice and preventing unnecessary medical treatment. In the health care sector, boosting quality often goes hand in hand with cost reduction, which is our second priority. We will keep a lid on costs by better controlling the amount of care given, preventing overtreatment, introducing strict package management, reducing overcapacity and ensuring resources are not wasted. Our third priority is to promote cooperation between care providers, particularly at regional level. We want to concentrate expensive, complex and acute medical care and bring less complex care closer to home, helping us to improve quality and drive down costs.

When it comes to curative care we are going to shift the emphasis from competition to cooperation. We will also focus on eliminating perverse incentives and on introducing an income-related system of financing. Insurers will continue to play the same key role, and the aim is for them to be fully risk-bearing by 2015.

- Health care will essentially be financed from income-related premiums, with the healthcare benefit being discontinued. For 2017 we are assuming a flat-rate premium of €400, after which the ratio between the flat-rate and income-related premiums will remain constant. The current excess will be replaced by an income-related excess. This measure will be budget-neutral. Healthcare costs will continue to be evenly divided between employers and employees.
- We will keep the healthcare system within the desired social and political bandwidths by signing voluntary agreements, including an agreement with insurers on prevention and promoting a healthy lifestyle. Post-2014 we will continue to carry out the administrative framework agreement with specialist medical care institutions, independent consultants, general practitioners (GPs) and mental health institutions. The rise in costs will be pushed down further from 2.5% to 2% (and to 2.5% for GPs). We want to minimise the chances of

having to resort to sanctions at macro level and are therefore looking into the option of having the Dutch Healthcare Authority carry out advance checks to determine whether care volumes contracted by the insurers are within the budgetary framework for health care.

- Concentrating facilities often produces higher quality at a lower cost. Insurers must ensure this goal is achieved through more selective contracting based on clear quality criteria. The basic health insurance package will therefore be limited to care in kind contracted out to providers selected by the insurer. Only supplemental insurance policies may provide reimbursement based on actual cost.
- Having accident and emergency units (SEHs) and out-of-hours GP services (HAPs) exist in parallel and financed in different ways creates undesirable volume incentives that lead to overtreatment and waste. To counter this we will continue to work towards concentrating and specialising SEHs and will merge these with HAPs. GP care must be available around the clock. People who visit an SEH without a GP referral will pay a €50 co-payment. These facilities will eventually be incorporated into a single funding system, with GP care, to be managed by the insurers. The system will operate on population-based funding and will offer care providers scope for additional remuneration arrangements with insurers, aimed at substituting primary care for secondary care, discouraging unnecessary referrals and promoting care of chronic patients by the primary sector. There will still be scope for new providers. This package of measures will lay the foundations for a solid system of primary care and primary-secondary substitution, bringing care closer to the people and giving GPs a key role. Such a system will also discourage costly and unnecessary hospital care.
- To help boost quality we will sign a voluntary agreement with insurers aimed at concentrating acute care. The highly specialised care currently provided by university hospitals to patients with complex medical conditions who cannot be referred to any other care provider will also be concentrated.
- In 2017 health insurers will become financially responsible for mental health services (GGZ) delivery, which will require an effective system of ex-ante cost-sharing rather than ex-post compensation, as well as a sound product structure and a system of quality measurement. Long-term mental health care can be brought under the Healthcare Insurance Act (ZVW). To prevent shifts of expenditure to secondary care, the current personal contribution towards primary care will be replaced in a budget-neutral manner by a fixed-percentage co-payment for all primary and secondary mental health costs combined. This will result in a lower co-payment for primary mental health care.

- From 2015 we will use funds freed up from secondary medical care (substitution) to invest in extra district nurses, with at least €250 million invested in 2017. This will help us bring care closer to home.
- Profit distribution options will be cut back in the care sector so that it is only attractive to investors with long-term prospects. Profit distributions will only be possible if surplus profits exceed a solvency ratio of 20%. This applies only to profits from continuing operations. Health insurers will have the opportunity to acquire a minority interest in care providers.
- Policy on consultants' incomes will be based on the healthcare governance report by the Meurs Committee. In 2015 consultants' fees will be paid entirely from the hospital budget. Tax incentives for independent consultants will therefore be discontinued. A transitional remuneration arrangement applies until that time. Independent medical specialists will be discouraged from establishing large or regional partnerships.
- Making information on quality available to the public is in the fundamental interests of insurers, patients, patient associations, the Netherlands Competition Authority and the Dutch Healthcare Authority alike. We will press ahead with initiatives that are already underway, bolstering them by means of voluntary agreements where necessary. If these initiatives stall, the Quality Standards Institute will have the power to take measures. When expenses are claimed it will be compulsory for care providers to supply information showing that a good quality service has been delivered. Most of this information already exists, in clinical records for example, but still needs to be made accessible. Privacy regulations will, of course, be observed at all times.

In the case of long-term care and welfare services we want to provide more tailor-made care and care in the neighbourhood, as well as stimulating cooperation between providers and ensuring soundly financed facilities that can be used by future generations, too. To achieve this we will focus on balancing people's needs with what municipalities are capable of providing. We will also focus on provision to those people who cannot afford an alternative, and give medical care priority over non-medical care because the latter can often (though not always) be provided by informal carers in people's own networks.

- The Exceptional Medical Expenses Act (AWBZ) will be transformed into a new national provision, with residential care for people with severe physical, social and/or intellectual disabilities being organised on a national level with a budget ceiling based on contracting scope. Care provision will be based on a central policy framework and will include both care

in kind and care through personal budgets. Purchasing and care needs assessment will also be part of the new provision. The existing regional care purchasing system, each with its own budget ceiling, will remain intact for the time being, but residential care will be accessible only for those who really need it. We will save costs by reducing regional variation and differences in rates. It should be noted that in this type of care in particular, the use of personal budgets has resulted in more tailor-made care and institutional innovation, which we will continue to promote.

- Many good ideas have already been put forward for improving nursing outside care institutions, including by the Social and Economic Council (SER) and in the Healthcare Agenda. We will follow their lead. In 2017 home care will be transferred from the Exceptional Medical Expenses Act (AWBZ) to the Healthcare Insurance Act (ZVW), placing it in the same system of population-based funding as GP care, and will be subject to a care needs assessment. This will break down the divisions between different types of treatment and providers, boost district nursing, discourage overtreatment and ensure solid primary care in which GPs play a key role.
- Municipalities will be made fully responsible for support, assistance and home care. Care entitlements will be strictly limited and service provision slimmed down, with a focus on those who need it most. All this will be incorporated into the Social Support Act (WMO). Entitlements to home help will be replaced by tailor-made care for those who really need it and cannot afford it themselves.
- An income-related care funding system and care close to home will enable us to limit, simplify and decentralise such arrangements as compensation for the health insurance excess, deduction of specific care costs and the Chronically Ill and Disabled Persons (Allowances) Act (Wtcg). The costs saved will be used to finance a new municipal provision in excess of €750 million.
- Municipalities will be given much freer rein to decide how they implement these decentralised provisions.

In recent years, large groups of employees in the public and semi-public sectors have had their conditions of employment frozen to help government finances recover. Those in the care sector have so far been exempt from these measures, so it is reasonable to ask them for a contribution now. Furthermore, care expenditure is forming an increasingly large proportion of public-sector spending, with staffing costs in turn representing a growing share of care spending. It is becoming more and more important to control this expenditure to compensate for downswings

in the EMU balance. There is currently no room to manoeuvre in the voluntary agreement on the annual government contribution to labour costs in the care sector (OVA). However, there is some leeway in other parts of the public sector. Employers recently demonstrated their willingness to make arrangements on non-collectively agreed wage increases. The government will now engage in talks with the care sector to try to achieve more equality in conditions of employment for the various parts of the public sector. It will also urge the care sector to free up funds (€100 million) – within the available budget – to improve the employment position of specific groups of care workers. At the end of 2013, the government will assess the progress made in both areas. To ensure that headway can really be made from 1 January 2016, the government will immediately start up the procedure for suspending the OVA agreement from that date.

Continuing medical advances, more assertive citizens and new definitions of disease raise new medical ethics questions. To address these issues effectively, we need a broad public debate guided by the principle of self-determination, respect for human dignity, good care and the need to protect human life.

- There is no reason to change the time limit for abortion.
- The public debate on termination of life on request and assisted suicide will be continued and could lead to legislation being amended.
- Embryo selection is permitted on medical grounds.
- The decision regarding an active donor registration system will be left to parliament.

Parents are responsible for ensuring their children grow up safe and healthy. If a child's development is at serious risk, government must intervene in good time. This has not always happened in the past despite more funding being made available. Youth care services will therefore be significantly strengthened over the next few years. At the same time, spending on youth care and youth mental health care will be cut back in response to a sharp rise in costs.

In 2015 all youth care tasks will be delegated to municipalities: provincial youth care, secure youth care that currently falls under the Ministry of Health, Welfare and Sport, youth mental health care covered by the ZVW, care for those with minor mental disabilities under the AWBZ and youth protection and youth probation and aftercare services carried out by the Ministry of Security and Justice. This decentralisation will be coordinated by the Ministry of Health, Welfare

and Sport.

- “One family, one plan, one coordinator” is the starting point for decentralisation of responsibilities in the social sector (in relation to the Employment Capacity Act, AWBZ, WMO and Youth Services Act). This demands a single budget and a single government coordinator, and will put an end to the situation where one family is helped by several different care providers working in parallel.
- Baby and toddler clinics will be obliged to refer children at risk of language delay to schools providing early years education. Municipalities and schools working together effectively will ensure that those with learning delays will have caught up at least by the end of their primary school years.
- To help assess the effects of youth care, performance data will be collected and made public.
- Decentralisation should lead to municipalities putting their own strengths, social network and facilities to better use. Efforts will be permanently focused on social participation.
- We will accelerate efforts to make youth care more professional, including qualification requirements, professional codes and disciplinary procedures.
- The bill for a new-style Youth Care Act will give municipalities freer rein to devise their own policies. Basic quality guarantees for clients will also be enshrined in the new Act.
- The proposed co-payment for youth care services will not be introduced.

Sport brings people together and has an important function in society. Old or young, people who take part in sports regularly and safely are fitter and healthier. Children also learn key social skills through sport. We want more people to get involved in sport and get more exercise close to home. Public spaces can still be used more effectively.

- We will encourage municipalities, businesses, schools and sports clubs to work together.
- We will urge municipalities to create sufficient facilities for sport and exercise in new housing estates.
- We aim to increase the number of hours of physical education in the primary school curriculum.
- Elite sports events have the potential to boost the Dutch economy and have a positive effect on recreational sport. However, bidding for and organising the Olympic Games involves many financial risks and therefore has little support among the population at this time of

crisis and cutbacks. We endorse taking elite sport in the Netherlands to Olympic level without wanting to host the Olympic Games in our country.

- People must be able to pursue and watch sports in safety. Unfortunately, there are still too many people who spoil these sporting moments for others. We will therefore crack down on football hooligans.
- Those engaging in verbal or physical violence on or around the playing field deserve severe punishment. Sports associations and clubs also have a role to play in this.
- If lottery sales grow over the next few years, more funding will go to sport.

VIII. Security and Justice

Security is one of the government's core tasks. People should be able to feel safe on our streets and in our neighbourhoods. The police and the justice system must be able to act decisively and authoritatively when confronted with anti-social behaviour, intimidation, aggression, robberies, break-ins and violence. Vulnerable groups must be able to count on the authorities. By working together effectively, parents, teachers, youth care professionals and police officers can signal problem behaviour in good time and so prevent young people from embracing lives of crime. Courts will be given the power to impose new-style training orders as additional measures. Obstacles that prevent the police and the criminal justice authorities from taking effective action will be removed where possible. Despite the introduction of the national police force there will still be a focus on local priorities. The public will be involved more closely in public safety and security policy in the community. Priority neighbourhoods will remain priorities. The men and women on the front lines deserve our support, and should not have to switch to desk jobs in order to earn a higher salary. Putting more officers on the street will not only improve public safety and security, it will also increase the chance of catching offenders. We will reduce recidivism by providing appropriate penalties and timely social rehabilitation which offers offenders better future prospects. We will also improve the position of the victims of crime – before, during and after criminal proceedings. We will recoup the costs of compensating victims from offenders. Protecting the privacy of citizens is also of crucial importance; the government should serve as guarantor in this regard.

- The national police will receive €105 million extra per year. This will make it possible to put more officers on the street and to increase investigative capacity.
- The bill amending the Police Act 2012 will be pushed ahead, with a view to embedding the police more firmly at local level. Specifically, mayors will be involved more closely in the designation of regional mayors and the justice minister will consult regularly with mayors on key local matters, such as the allocation of police capacity and the appointment of senior police officers.
- Public servants and emergency workers deserve respect. The Safe Public Services programme supports this goal. It will also be possible to lodge a criminal complaint anonymously.

- The powers vested in local special enforcement officers and the equipment provided to them will be organised more effectively.
- The following goals will receive special attention throughout the justice system: promoting innovation, improving detection rates, optimising the execution of judgments, increasing the effectiveness of the criminal justice system, expediting criminal cases, stepping up the investigation and prosecution of juvenile offences, and tackling serious offences such as robbery, burglary and violent crime.
- Sentences in excess of two years will be enforced immediately, even if the defendant lodges an appeal. In cases involving victims, this measure will apply to sentences in excess of one year.
- An adolescent criminal code will be introduced; two years will remain the maximum term of youth detention.
- Arrangements will be introduced requiring prisoners to pay a financial contribution toward the cost of their detention.
- With good behaviour, prisoners can earn greater freedom of movement and early release. The current system of phased detention will be discontinued.
- Through better provision of information (under strict conditions) and intensified observation (if necessary), we intend to stop defendants from benefiting from refusing to cooperate with a psychiatric examination. To facilitate this, the Forensic Care Bill will be introduced as soon as possible.
- We will make it possible to impose life-long supervision of sexual and violent offenders.
- Public and private security bodies will start transmitting surveillance images of offences and incidents directly to police control rooms.
- A dedicated victim support desk will be introduced. The scope of the Criminal Injuries Compensation Fund will be extended to include death caused by serious traffic offences, among other offences. The right of victims to be heard in criminal proceedings will be expanded.
- The costs of criminal proceedings will be recouped from offenders where possible.
- It will become easier to hold suspects in pre-trial detention until (summary) proceedings begin.
- In the event of a concurrence of offences, the courts will have more scope to impose appropriate penalties.

- Minimum sentencing requirements will be laid down for serious cases of recidivism in the Public Prosecution Service's sentencing guidelines.
- Human trafficking and associated prostitution will be tackled more aggressively.
- We are intensifying efforts across the board to tackle organised crime. We will impose tougher penalties for money laundering and improve the confiscation of criminal assets. The ceiling for fines in respect of legal persons will be abolished.
- Where cyber security is concerned, both threat levels and vulnerability are increasing. We aim to address this by joining forces with all interested parties, increasing investigative capacity in this area and adapting legal instruments to the new realities.
- We will examine whether extending the length of time that case files are retained can help solve cold cases.
- The coffee shop membership card will not go ahead. However, access to coffee shops will be restricted to Dutch residents who can produce proof of identity or a residence permit, together with an extract from the population register. Enforcement will be carried out in consultation with the municipalities concerned and will be phased in if necessary, so as to align with local coffee shop- and security policy. This will ensure the system can be tailored to local circumstances.
- We are committed to continuing efforts to combat drug tourism and drug-related organised crime. Drug running and street-level dealing will be dealt with severely. Maximum levels for the active substance in soft drugs will be introduced.
- Civil proceedings will be greatly simplified and digitised. The distinction between a petition and a writ of summons will be abolished. Appeal proceedings will be streamlined.
- It will be possible for people to divorce without involving the courts, providing no children are involved and both partners have reached agreement on the divorce.
- We will modernise betting and gaming policy. Online games of chance, sports betting and poker tournaments will be strictly regulated. This will reduce the proliferation of illegal gambling. There will be strict monitoring of compliance with the conditions attached to gaming permits. Providing gambling services is not one of the government's core tasks and therefore Holland Casino will be sold, subject to conditions.
- Copyright will be modernised so as to protect creative works without damaging the scope for consumer use.
- We will make it possible to conduct administrative law proceedings online.

- The Council of State will be split into a judicial division and an advisory division. The judicial division will be merged with the Central Appeals Court for Public Service and Social Security Matters and the Administrative Court for Trade and Industry.
- The oversight body for privacy, the Data Protection Authority, will be given greater powers, including the authority to impose more fines. Protection of personal data must be the guiding principle when data systems are built or data files created. A privacy impact assessment (PIA) should be carried out as a standard procedure. Infringements by the government are subject to a sunset clause and will be evaluated.
- The government will not support the Anti-Counterfeiting Trade Agreement (ACTA) in its current form.
- Net neutrality will be strictly observed in new legislation.
- We will support cooperation within and between the safety regions and will proceed with the regionalisation of the fire service.
- The Football Hooliganism Act will be amended to provide for higher penalties, fines for clubs that do not enforce the ban on hooligans and banning orders relating to stadiums and other areas for first-time offenders.
- Excessive alcohol use, especially by young people, is cause for serious concern and can result in severe damage to health. The minimum age for the purchase of alcohol will be raised to 18. This measure will be strictly enforced and will be accompanied by a major public information campaign.

IX. Immigration, integration and asylum

Our immigration policy is restrictive, just and geared toward integration. It is a policy that will take account of society's absorption capacity. For migrants themselves and for society as a whole, it is important that those who come to this country can stand on their own two feet, support themselves through work, integrate swiftly and help contribute to this society. On that basis, EU residents and highly-skilled migrants are also welcome.

We will also build in safeguards, in the form of certain requirements, to ensure integration in cases of family formation and reunification. We will do the same, albeit in different ways, in the case of immigrants from the other three countries of the Kingdom. Refugees who meet the relevant conditions will be given facilities and protection to enable them to participate fully in Dutch society as soon as possible. We expect them to do their utmost to take advantage of the opportunities they are offered. For all newcomers, the best prospects for successful integration are learning the Dutch language, getting to know this society and finding paid employment.

Integration policy will be the responsibility of the Ministry of Social Affairs and Employment, while the Ministry of Security and Justice will be responsible for asylum and immigration.

- Within the EU we will continue to lobby for tighter rules on family reunification within the relevant Directive, specifically: raising the minimum age for prospective marriage partners to 24 and ensuring that those wishing to marry partners from abroad can support themselves through gainful employment. We will also press for measures to combat sham and forced marriages.
- DNA tests will be used to curb identity fraud.
- Marriage between cousins will, in principle, be prohibited.
- No residence permits will be issued to applicants who have previously been illegally resident in the Netherlands or committed fraud.
- Aliens who have been convicted of an offence will be expelled more swiftly. The period within which a prison sentence results in expulsion will be lengthened to five years, and in the case of recidivism, the norm for repeat offenders will be applied.
- Family migration is meant for nuclear families: long-term, exclusive relationships between partners and those who form part of their household through biological kinship.

- Partly in the interest of their own development, unaccompanied minors will be reunited with their families in their countries of origin as soon as possible, or accommodated at reception facilities in their countries of origin.
- In accordance with international and European protection norms, admissions policy centres on protecting aliens who have grounds to fear persecution or serious human rights violations. National grounds for protection, including categorial protection policy, will be removed from the Aliens Act.
- Admission procedures will be streamlined and shortened as much as possible, especially with regard to repeat applications and applications for regular (i.e. non-asylum) residence permits from aliens who are required to obtain an authorisation for temporary stay (MIV). The incentives and opportunities for submitting multiple repeat applications will be eliminated. The aim of these measures is to carefully evaluate whether protection is necessary and, when applications are rejected, to focus attention on return to the country of origin.
- A child of a rejected asylum seeker who has resided in the Netherlands for at least five years before the age of 18 will be issued a residence permit if he or she applies for one before turning 21 and has not sought to evade the supervision of the national authorities for a protracted period. The same applies to unaccompanied minor aliens who have been in the Netherlands for at least five years before turning 18. In cases such as this, only those family members of the child of a rejected asylum seeker who are residing in the Netherlands will receive a dependent residence permit. The foregoing will be incorporated in a transitional regime that will form part of definitive provisions aimed at streamlining and shortening admission procedures. Under the definitive provisions, which by their very nature will affect only a small number of people, children of rejected asylum seekers or unaccompanied minor aliens who have lived for at least five consecutive years in the Netherlands before the age of 18, will be eligible for a residence permit only if they apply for it before turning 19. Before turning 18, they must have met certain conditions: they must not have sought to evade the supervision of the national authorities for a protracted period; they must have cooperated with their return, and they must be able to prove their identity, *inter alia* by submitting documents and/or by providing truthful, consistent statements and answers to questions. No right to reception can be derived from these provisions. No permits will be issued pursuant to these provisions to aliens who have committed a serious offence or who are accused of committing war crimes, or to their families. If an unaccompanied minor who has obtained a residence permit under these provisions submits an application to bring one or both parents

to the Netherlands and provides incorrect information to that end, whether before, during or after the application process, his or her residence permit will be revoked.

- Employers and profiteering landlords who employ or provide accommodation to people who do not have residence permits will be dealt with firmly.
- Illegal residence will be made a criminal offence. Private individuals and organisations that offer individuals help will not be criminally liable.
- We will increase the Netherlands' contribution to the reception of refugees in the region.
- On the basis of the criteria used by Aruba, Curaçao and St Maarten themselves (including income and criminal record), we will put forward a proposal to regulate the settlement of people from those countries in the Netherlands.
- A restrictive and just immigration policy calls for an active, consistent policy on return. Those who are not permitted to reside here must leave, or they will be expelled. We will put pressure on countries to readmit their own citizens who have been denied admission to the Netherlands. This may affect trade and development relations with such countries.
- We will tighten the requirements for integration, both in the Netherlands and abroad.
- Preparing for the civic integration exam is the responsibility of the individuals themselves. Financial aid will be available for those with asylum status; others can take advantage of a government loan system.
- Aliens' efforts to integrate into Dutch society will be consistently monitored from the outset. Those who do not make a sufficient effort will lose their residence permit, with the exception of people holding asylum residence permits. But the latter group will also be expected to make an effort to eliminate obstacles to employment such as an inadequate command of Dutch. Only then will they be eligible for social assistance benefit.
- Clothing that covers the face will be banned in education, the care sector, public transport and in public-authority buildings. In public places the police will be authorised to order individuals to remove such clothing, for the purposes of identification. Individuals who wear clothing that covers the face will not qualify for social assistance benefit.
- Currently, aliens must have been resident in the Netherlands for five years to be able to vote in municipal elections, to qualify for naturalisation and to retain their residence rights when applying for social assistance benefit. This period will be extended to seven years.
- The government will press the EU to change the rule for EU nationals so that they too will be eligible for social assistance benefit only after seven years of residence, partly in connection with plans to link social security entitlements to length of residence.

- Immigrants with violent partners will be eligible for a non-partner-dependent residence permit; perpetrators will be prosecuted.
- Individuals who cannot speak Dutch will not receive social assistance benefit. This principle will be applied consistently: to EU nationals, third-country nationals and Dutch nationals.
- Existing policy concerning the residence and return of EU labour migrants will be continued.
- As of 1 January 2014 the restrictions limiting the access of Bulgarian and Romanian workers to the labour market will be lifted. This makes it even more important to vigorously implement the EU labour migration project, the action plan to eliminate rogue employment agencies and the Social Affairs and Employment (Stricter Enforcement and Sanctions) Act.
- Both bilaterally and internationally, the Netherlands will work to ensure that people will have the option of voluntarily renouncing their nationality without becoming stateless.

X. Housing

The Dutch housing market is stagnant. This is bad news for our economy, and a major impediment for people who want to buy, sell, rent or move. Requiring annual repayments of principal as a precondition for mortgage interest relief for new mortgages, and structurally reducing conveyance duty, will be the first big steps towards getting the housing market moving again. Finally, we will create a transparent and sustainable framework for the property sales and rental market, thus putting an end to the prevailing uncertainty and putting us within striking distance of a fair and dynamic market. In view of the great importance and complexity of these reforms, a new Minister for Housing and the Central Government Sector at the Ministry of the Interior and Kingdom Relations will be put in charge of housing issues.

- Mortgage interest relief will continue to exist to encourage people to buy homes of their own, but will be modified as follows. For new and existing loans secured by mortgage, from 2014 the highest rate in force (for the fourth tax band) will be reduced by 1/2% per year, until it has been reduced to the rate for the third tax band. Each year we will transfer the additional revenues generated by this measure in a budget-neutral way back to the group affected by it: half by lowering the income tax rate for the highest tax band, and half by raising the upper limit for the third tax band. The problem of residual debt remaining after property sales will be effectively tackled by making interest payments on residual debt temporarily tax-deductible (for a maximum of five years), under certain preconditions. The facility of the Dutch Municipal Housing Incentive Fund for loans to new buyers on favourable terms will be expanded.
- Housing benefit will be preserved intact to ensure the continued availability of affordable housing to low-income people. This will make it possible to raise rents by different amounts for people with different incomes. For tenants with household incomes of less than €33,000, the increase will be 1.5 percentage points above the rate of inflation; for tenants with household incomes between €33,000 and €43,000, 2.5 percentage points above the rate of inflation; for tenants with household incomes above €43,000, 6.5 percentage points above the rate of inflation. Lessors will be able to use an approach based on aggregate rental income. The system will be retained of setting a rent above which rents are deregulated. The home valuation system will be drastically simplified by taking as a base 4.5% of the assessed value under the Valuation of Immovable

Property Act, thus eliminating the complicated points system. For tenants with incomes higher than €43,000, the maximum rent under the home valuation system will be temporarily suspended; as soon as the sitting tenants vacate, the maximum rent will be applicable again. This will enable us to tackle the problem of distortion in the rental market while maintaining the existing stock of social housing.

- Housing associations must be made to serve the public interest once more. We will limit their tasks to building, leasing and managing social housing and, as a subordinated task, real property with a social function directly linked to social housing. Housing associations will be directly supervised by municipalities. Municipalities with more than 100,000 inhabitants will be given additional powers. The size of a housing association must correspond to the scale of the regional housing market and to its core societal function. The additional rental income that housing associations will receive as a result of measures in the rental sector will be creamed off through taxation. The regulation of the remuneration of housing association managers will be accelerated using the new Top Incomes (Standardisation) Act.

XI. Labour market

Further improvement in the functioning of the labour market is needed for all employees. There are not enough new job opportunities for older employees in particular, and flexible workers deserve better protection. Being able to move quickly from one job to the next with as short a period as possible on benefits is in the interests of all concerned. By reforming the law on the termination of employment and modernising the Unemployment Insurance Act (WW), we can make the transition from one job to the next substantially shorter. We will seek agreement with the social partners on a social agenda which will include these plans.

- We will maintain the assessment of proposed terminations of employment in the form of a compulsory request for an advisory opinion to the Employee Insurance Agency (UWV). Criteria for the lawful termination of employment will be clearly defined. The option of seeking termination of employment by applying to the limited jurisdiction sector of a district court will be abolished. The UWV will process the vast majority of applications within four weeks (currently six weeks).
- The criteria applied by the UWV to assess proposed terminations of employment for economic reasons will remain the same. Employers will be required to provide the employee with a transitional budget unless the termination is due to the employer's poor financial situation and the employer would go bankrupt if it satisfied this obligation.
- The UWV will not assess a proposed termination of employment in cases where a collective labour agreement provides for a procedure that is comparable in terms of its substance and length.
- An employer may apply to the courts if it wishes to terminate an employment contract in cases where a prohibition on the termination of employment applies, or if it wishes to terminate a temporary employment contract that does not provide for that possibility.
- An employee whose contract has been terminated may apply to the courts. The UWV's advisory opinion will weigh heavily in the court's decision. The assessment criteria applied by the court will be identical to those applied by the UWV to an employer.
- If the court finds that the termination of employment was wrongful or that culpability lies primarily with the employer, it may award compensation. If an employer has deviated from a negative advisory opinion on the part of the UWV, the court may also reverse the termination of employment. Redundancy pay amounts to a maximum of half a month's

salary for each year of employment, subject to a ceiling of €75,000. The court's decision is not open to appeal.

- In the period between two jobs, employees will have the following entitlements. Firstly the existing statutory notice of between one and four months, depending on the duration of employment. Also, in cases of involuntary termination of employment or the non-extension of a temporary contract of at least one year, the employer must pay a training allowance in the form of a transitional budget. This budget amounts to a quarter of a month's salary for each year of employment, subject to a maximum of four months' salary.
- Unemployment benefit will be payable for a maximum of 24 months, of which 12 months will be related to the employee's most recent salary and the other 12 months to the statutory minimum wage. In their first 10 years of employment, employees will accrue entitlement to one month's unemployment benefit per year, and half a month's benefit per year thereafter. Existing entitlements in terms of accrued years will be respected subject to the maximum applicable under the new system.
- Over-55s whose employment is terminated will be eligible for the Older Unemployed Persons Income Scheme (IOW), which will not be subject to a partner test or means test. The Older and Partially Incapacitated Unemployed Workers Income Scheme will be abolished.
- The financial gain accruing to employers by virtue of this reform of the law on the termination of employment will be offset by an increase in unemployment insurance contributions. We are examining the scope for differentiating unemployment insurance contributions based on criteria relating to good employment practice.
- In collective labour agreements it will be possible to depart from the age distribution principle, which lays down that job losses must be evenly distributed among the various age groups.
- Flexible labour is important if the labour market and the economy are to function effectively. Businesses have to be enabled to cope with peaks and troughs in demand. But flexible labour must not degenerate into a cheap alternative where the work could be better done by permanent employees. We will introduce initiatives aimed at achieving a better balance between flexible and permanent employment.
- Opening up the lowest pay scales will once more make it possible to hire flexible workers at the lower end of the labour market, like cleaners and catering staff, as employees. The government will set a good example in this respect.

- Together with the social partners, we will examine ways of improving the statutory protection for various forms of flexible labour. This will include looking at the legislation on successive fixed-term employment contracts and non-competition clauses.

The Employment Capacity Bill will be replaced by a new Participation Act, to be introduced on 1 January 2014. The government is devising a quota scheme for the employment of disabled persons by larger employers. We will ensure that no one falls by the wayside. As the number of places in sheltered employment decreases, the number of places for disabled people in mainstream employment will increase. The quota scheme will be introduced in stages over six years from 1 January 2015 (the year in which the new Act will also apply to existing cases covered by the Sheltered Employment Act). This will prevent displacement effects and give employers time to make the necessary adjustments. The Participation Act differs from the Employment Capacity Bill on the following points.

- We will scrap reassessments for young people who already receive benefit under the Work and Employment Support (Young Disabled Persons) Act (WAJONG) and the reduction in this group's benefits.
- Over six years we will build up a quota of 5% for employment of disabled persons by businesses. Businesses that fail to satisfy the quota requirements will forfeit a penalty of €5,000 in respect of each place for a disabled person. Businesses with fewer than 25 employees will be exempt from the quota scheme.
- We will spread the efficiency saving on sheltered employment over six years.
- Entry into sheltered employment in its current form will cease with effect from 1 January 2014. Municipal authorities will be given the freedom within the applicable statutory framework to organise their own sheltered employment schemes. Funding will be made available with a view to ultimately creating 30,000 places via schemes of this kind based on 100% of the statutory minimum wage. Municipal authorities will no longer have an obligation to fill one in three places in sheltered employment that fall vacant.
- In so far as employees work for a wage below the statutory minimum, this will always be a temporary situation and the combination of wages and supplementary benefit will grow towards the level of the statutory minimum wage. On the basis of the evaluation of the current experiments involving wage dispensations, a decision will be made on their scale and substance.

- An efficiency saving will be made on the reintegration funds available to municipal authorities and the UWV, partly in the light of the major decentralisation measures as envisaged for example in the Participation Act.

In view of our aim to work for a common social agenda, the government attaches great importance to constructive cooperation with the social partners. We would like to enter into talks with them to flesh out the measures in this coalition agreement, especially those concerning termination of employment and unemployment benefit, within the applicable financial framework. The aim is to improve the functioning of the labour market so that all participants – whether they are flexible or permanent employees – are able to find new jobs as quickly as possible.

Almost 800,000 children attend childcare. These children constitute a vulnerable age group. Childcare facilities must therefore provide a healthy and safe environment that contributes to the children's development. Childcare gives parents the opportunity to participate in the labour market. Reason enough to continue to safeguard the affordability and quality of childcare.

Education, childcare, playschools and early years education must be coordinated. In the preschool period it is important to prevent, identify and take prompt action to tackle developmental disadvantages. Particular attention should be paid to ensuring that young children learn the Dutch language. This also imposes demands on the skills of professionals in the sector. In the case of out-of-school care, coordination is required so that where possible a seamless daily schedule can be arranged, for example in the context of community schools or integrated child centres. Parents opt for the services that suit their children best. The procedure for making complaints must be straightforward, and once submitted they must be taken seriously and dealt with rapidly. They must also be taken into account in the exercise of supervision. Risk-based supervision will be further improved: strict where necessary, with greater reliance on individual responsibility where possible.

- In order to optimise the coordination of education, playschool work and childcare, the funding of playschool work will be brought under the Childcare Act. Existing municipal funding will also fall under this arrangement. Obstacles to cooperation will be removed on the basis of lessons learned in ongoing pilot schemes. The existing minimum requirements

for early years education will be incorporated into the agreements. Financial flows will be harmonised.

- By means of extra investments in early years education we will improve the quality and linguistic proficiency of staff.
- Top priority will be given to children's safety. Staff will be screened continuously.
- The position of parents will be strengthened. The various complaints and disputes procedures will be streamlined, so that parents will be able to call on a complaints officer or confidential adviser and a low-threshold dispute resolution mechanism for each facility.
- The supply of facilities must meet parents' requirements. Agreements will be made with the sector on greater flexibility in offering contracts. The objective is to ensure that the number of hours paid for corresponds more closely to the number of hours facilities have actually been used. If necessary this will be laid down in statute.

XII. Spatial planning and mobility

Infrastructure and accessibility are vital to our economy. Despite the economic crisis, mobility has continued to grow in recent years. We are improving accessibility and traffic flow in two ways: first, by investing in such projects as tackling traffic blackspots and adding missing links in the main highway network, and second, by making better use of our existing road, rail and water infrastructure. Public transport must be reliable, accessible and efficient. Better connections must be created between trains and other types of public transport. Rail safety must also be enhanced. The mainports of Schiphol and Rotterdam are vital to our economy. The government therefore promotes their development and gives them more room to grow, while taking account of the quality of their surroundings.

- During the government's term of office, 80% of the remaining investment money in the Infrastructure Fund and Delta Fund up to 2028 can be allocated to new projects.
- We will implement projects with a good balance between societal costs and benefits, as planned. This will include the construction of the Blankenburg Tunnel. At the same time we will also deal with the bottlenecks in the connecting road network. A decision will also be made on whether to widen the Utrecht ring road to create seven lanes in each direction.
- We will not introduce road pricing in the form of a kilometre levy. Instead we will press ahead with the *Beter Benutten* programme aimed at making better use of our infrastructure and so reducing traffic congestion.
- To ensure the available resources are used as effectively as possible and to promote enterprise and innovation, we will encourage public-private partnerships for the construction of new infrastructure.
- The Eurovignet tax system will place greater emphasis on cleaner heavy goods vehicles. Any surplus revenues will be invested in the road network.
- For environmental reasons the motor vehicle tax exemption for vintage cars will be abolished.
- From 2016 existing budgets will be used for the phased introduction of the European Rail Traffic Management System (ERTMS). An improvement programme will be launched to reduce level-crossing accidents.

- A new long-term rail agenda will be drafted based on a review of how the rail network is organised and structured.
- We will complete the process of granting the concession for main rail network transport directly to NS for the 2015-2024 period.
- We will remove obstacles to cross-border rail traffic wherever possible.
- We will explore the options for further decentralisation but will keep the main rail network intact.
- Regional airports will be given more scope to develop, which will also bolster Schiphol Airport's growth.
- We will take stock of and, where possible, remove any barriers to sustainable inland shipping in order to boost the core functions of the Port of Rotterdam.
- We will streamline customs clearance in the interests of goods transport.

When it comes to spatial planning, we will opt for economic growth that avoids negative ecological and environmental impacts.

- To ensure the Netherlands remains internationally competitive and gets the most out of its investments, priority will be given to the economic areas around the mainports, brainport and greenports.
- Because decision-making on spatial projects needs to be simpler and faster, we will continue to streamline spatial legislation. In 2013 we will present an environmental planning bill that will replace several laws, including the Spatial Planning Act and the Water Act.
- We will create a single database to provide easier access to spatial information.
- Various ministries will explore the problems associated with population decline in certain regions. In those areas affected, all forms of cooperation must be facilitated in the education system. Housing will have to be adapted to reflect the composition of the population and some housing will have to be demolished. Facilities will be pooled where possible, with local authorities taking the lead. Regions experiencing shrinkage must be given more scope to deal with the problem through area-specific measures.

Central government is responsible for the framework and goals of Dutch nature policy, which are fleshed out and implemented by provincial authorities, as laid down in the Nature Management Agreement.

- We will roll out the National Ecological Network (EHS), including green corridors, but we will take more time to do so. We will discuss the priorities, timing and use of resources with provinces and nature conservation organisations. We will look at the effects of all claims on space when evaluating the situation in 2016.
- We will give priority to managing and protecting existing nature conservation areas, with the €200 million earmarked for nature in the budget agreement for 2013 being made available through the Provinces Fund.
- The Nature Conservancy Act currently under review will be amended to harmonise the different levels of protection and, where relevant, brought into line with the Birds and Habitats Directives and other relevant legislation. This will strengthen biodiversity in the Netherlands.
- To enable more private involvement, we will reconsider the position of the state forest service Staatsbosbeheer. Nature conservation organisations will be required to generate as much own income as possible.
- In our nature policy we will aim for synergy with other social interests such as water safety, recreation, entrepreneurship, health, energy and climate.
- Careful consideration has been given to the costs and effects of all the different options for compensating the damage to nature caused by deepening the Western Scheldt. As a result, we have decided to set about flooding the reclaimed Hedwige Polder as soon as possible.

Water is part of our Dutch identity and so water management and water quality will always remain essential government tasks. The Netherlands has unique knowledge and expertise in this area, which generates significant earnings. We can also use this knowledge to make water services more sustainable, which would improve our living environment.

- Central government sets standards for and monitors primary flood defences, while the provinces are responsible for secondary flood defences and for coordinating water management at regional level.
- Water and nature management are becoming increasingly intertwined. Rijkswaterstaat, the Government Service for Land and Water Management and the water authorities will be asked to put forward proposals for boosting management and maintenance efficiency.
- Maintaining the existing infrastructure for flood prevention is a policy priority. A flood prevention programme will be set up to effectively and innovatively combine the challenges involved.

- Spending on flood prevention and the fresh water supply will be financed from the Delta Fund, which will be split off from the Infrastructure Fund in 2014.
- We will continue the programme aimed at creating space for rivers, as well as the works on the Maas.
- We will promote the export of water sector products, knowledge and expertise.

Animal welfare is important and enjoys wide public support. Significant progress has been made in recent years and we will press ahead with further improvements.

- Over the next few years we will continue to promote animal welfare in factory farming based on the recommendations of the Van Doorn Committee.
- We support cooperation between organisations in the food supply chain in the areas of animal protection, consumer interests, agriculture and food trade.
- We will examine the public health aspects of planning regulations on very large livestock buildings and rules on antibiotics use for livestock, tightening these where necessary.
- The regular police will crack down on animal neglect and abuse, a policy reinforced by severe penalties and bans on keeping animals.
- Circuses will be banned from using wild animals in their performances.

XIII. Governance

A strong, service-oriented government requires a clear demarcation of tasks and responsibilities within and between its different tiers. Transferring a large number of tasks from central government to municipalities will enable more customised services and will enhance citizens' involvement. Municipalities are better placed to coordinate the performance of their tasks, thus achieving more with less money. To this end, central government will offer them ample freedom in the relevant policy areas.

A high degree of decentralisation of tasks and powers requires local and regional authorities to be organised on a suitable scale. In the long term, we envisage a division of the Netherlands into five regions with strictly limited powers, and municipalities with a minimum of 100,000 inhabitants. The minimum number of inhabitants could be adjusted to reflect the different population densities of different parts of the country. The water authorities will be merged into the regions. We seek to realise this long-term prospect in collaboration with the other public authorities, and will encourage developments in the desired direction.

In its dealings with other public authorities, central government will gear its activities (and will sometimes refrain from activities) with this goal in mind. This will have consequences for the way consultations, decentralisation and funding arrangements are organised. Decentralisation will in principle apply to municipalities with 100,000 or more inhabitants. Municipalities should take advantage of opportunities to involve district, neighbourhood and village residents in matters that affect them.

- The provinces North Holland, Utrecht and Flevoland will be merged, with a decision to be taken later on the position of the Northeast Polder.
- We will hold discussions with the other provinces on initiatives aimed at scaling up provinces.
- We will opt for strictly limited powers for the provinces, encompassing only tasks in the areas of spatial planning, traffic and transport, nature conservation and regional economic policy.

- Water authority elections will be held on the same day as Provincial Council elections. We will work towards merging water authorities into 10-12 bodies. References to water authorities will be removed from the constitution.
- A bill will be introduced to abolish the Joint Arrangements Act-plus partnerships (WGR+).
- We will encourage provinces to hold discussions with municipalities on initiatives aimed at scaling up municipalities.
- The bill to reduce by 25% the number of political officeholders will be amended. The number of municipal council members will be reduced to the number there were before the introduction of dualism at municipal level. We welcome the House of Representatives' initiative on this point. We also welcome its initiative to remove from the constitution references to the appointment of mayors and of Queen's Commissioners. The bill will still provide for a 25% reduction in the number of political officeholders at provincial level.
- The VAT Compensation Fund will be abolished. An evaluation of the fund has shown that it did not attain its objective of raising efficiency through outsourcing.
- From 2013 local and regional authorities will be required to bank with the treasury. This will not only help lower the Netherlands' debt, but will also eliminate the risks of local and regional authority investing.
- Voting from abroad will be made easier.
- The Political Parties (Financing) Act will be extended to cover local parties.
- The financial supervision of countries of the Kingdom under the Financial Supervision (Curaçao and St Maarten) Act will be continued. Fundamental human rights and freedoms, legal certainty and sound governance and financial management will remain the basic principles of Kingdom relations. The distinctive position of Bonaire, St Eustatius and Saba as parts of the Netherlands will be respected.

Central government will work more inexpensively, flexibly and efficiently, reducing excessive bureaucracy and layers of government and the regulatory burden. This should help improve service provision to the public and the business community. Policy and its implementation will be simplified, supervisory tasks and advisory bodies will be combined, tasks will be eliminated or delegated to local authorities, and deregulation will be pursued energetically. This will lead to lower compliance costs. In view of its great importance and complexity, this task will be the responsibility of a new Minister for Housing and the Central Government Sector at the Ministry

of the Interior and Kingdom Relations. This minister will have the power to take measures in another minister's remit.

- In addition to the savings realised already, another €900 million in spending cuts will be made to the civil service in 2017 (€1.1 billion in structural cuts). The cuts will focus on government real estate and buildings, records databases and information-sharing, and the operational management of autonomous administrative authorities (ZBOs) and similar bodies. Implementation of the Compact Civil Service programme will be completed. All ministries and ZBOs will participate in central government-wide shared services related to operational management and other areas.
- Strategic personnel policy will focus on continually improving quality, making public sector organisations more flexible and decreasing the number of coordination layers.
- The government will endeavour to increase the number of women in more senior (management) positions in central government, both in positions at the entry level of the Senior Civil Service (ABD) and in other positions. By 2017 women will make up at least 30% of the ABD.
- We will investigate taking an approach to conditions of employment that creates scope for using resources currently spent on fringe benefits (not including pensions) to increase salaries.
- The law on termination of employment for public servants will be brought into line with that applicable to employees outside government. After consultation with the unions and employers' organisations, fringe benefits for public servants will also be equalised with those in the private sector.
- We will discuss with the employees' organisations the possibility of opening up the lowest pay scale for public servants, to enable the hiring of employees in facilities departments if required.
- Contrary to the recommendation of the Advisory Committee on the Legal Status of Political Officeholders (the Dijkstal Committee), the salaries of members of government will not be raised. In line with this definitive decision we will amend the Top Incomes (Standardisation) Bill on salaries in the public and semi-public sector, setting a standard of 100% of a minister's salary instead of 130%. This will apply not only to top officials but to all employees. Exceptions may be made as necessary.

- We will assess all processes within the civil service with a view to raising efficiency and reducing costs. After the review of the immigration system, which is currently in progress, there will be a review of the public safety and security system.
- Besides assessing the operational management of ZBOs, we will also consider whether a ZBO is the appropriate organisation for each specific task, using the following guidelines:
 - The first question is whether a task should be outsourced or kept in the public domain.
 - Within the public domain, a task should be performed by an agency unless there is a specific reason why it should not be.
 - If use of a ZBO is necessary, this could be at board level only.
- The marketing boards and industry boards will be abolished. Public tasks currently performed by public-law industrial regulatory bodies will be taken on by the Ministry of Economic Affairs. Businesses may choose to carry out other tasks such as publicity, promotion and lobbying themselves, for example through a trade association.