

Confidence in the Future

2017–2021 Coalition Agreement

People's Party for Freedom and Democracy (VVD), Christian Democratic Alliance (CDA), Democrats '66 (D66) and Christian Union (CU)

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Introduction

In the Netherlands individual freedoms and a strong sense of community go hand in hand. Here, everyone can aspire to great things, in the certainty that there is a safety net to catch them if necessary. We also share each other's concerns. When there are problems, in the Netherlands we solve them together. This means that we have everything we need to address the major issues of our day. We have confidence in the future.

Our goal is to make an already strong country even better for everyone, including people who feel that government is no longer there for them. We will invest in opportunities for all and strengthen the community. We see great opportunities to make this happen:

- We will invest in our collective services, earmarking additional funds and human resources for public safety, education and healthcare.
- We will enact reforms to foster greater certainty and more opportunities in a new economy, for example by striking a new balance between flexible working and permanent contracts, pursuing a more customised approach to old-age pensions, modernising the tax system and lowering taxes.
- We will address the challenge of climate change. The Netherlands will become a sustainable country.
- And we will stand firm for Dutch values like freedom, democracy, the rule of law and internationalism. The Netherlands' identity will remain distinct, while we maintain a strong presence in the international system.

We are starting from a position of strength. The economy is growing, the labour market is expanding, unemployment is falling and government finances are again in order. We score high in numerous international rankings: for the innovativeness of our economy, for the accessibility of healthcare and for the quality of education and research.

But a good country is more than macroeconomic statistics and international rankings. A snapshot of the Netherlands would also show divisions and concerns. Everyone can think of examples. While some people see robotisation, globalisation and innovation as opportunities, others fear for their jobs and those of their children. There are young people and middle-income people who are having a hard time ensuring their own economic security, for example because it is difficult for them as flexible workers to obtain a mortgage, or because they cannot find an affordable flat to rent. Many people feel their own neighbourhoods have become unrecognisable and are no longer a safe place to come home to. Some even experience a sense of alienation. Some no longer feel at home in their own neighbourhoods because newcomers are not fully integrated. And others wonder if they are truly accepted in our society. In addition, many Dutch people have long been concerned about the state of healthcare. They question whether care will be available and affordable when they need it.

There are still too many people who think: 'Economic growth is all well and good, but it doesn't apply to me.' When too many people are left behind, our whole society suffers. Social divisions turn into social tensions, which can quickly grow, especially now that international instability and unrest are contributing to the sense of discontent and alienation in our own country. For example, when growth in migration seems to be out of control, or when international tensions spill onto Dutch streets.

Politics should be about the Netherlands and its people, not about numbers and the political establishment in The Hague. This is what people are asking for, and it is the guiding principle on which this coalition agreement is based. Progress in the Netherlands is not just about statistics; Dutch people need to experience qualitative progress in their own lives. This is our ambition, and we will pursue it along four policy tracks over the course of the next several years.

First of all, we will invest in the services that are there for us all. Everyone should feel sure that they live in a safe, caring and close-knit society. This is why we will invest in defence, the police, healthcare and education. These sectors need our support and appreciation, and the professionals who work in them should be given the latitude they need to do their jobs. All too often, with the best of intentions, we get bogged down in detailed government regulations. This is not the solution. Healing patients is the work of doctors. Caring for people is

the work of nurses and people in the community. Keeping the streets safe is the work of police officers. And it is that one special teacher that people remember their whole lives, not a government policy document. These professionals should be given the latitude they need, as should the many other positive forces in our society of individuals, associations and faith communities.

Secondly, we will institute reforms that will result in greater security and more opportunities in a new economy. Our labour market, pension system and housing market are meant to offer security and opportunities for everyone, even when circumstances change over time. Systems require periodic maintenance and modernisation.

This starts now, with tax cuts for the working middle-income groups and for companies that have helped the Netherlands through the crisis during the past several years. We are therefore setting aside funds for purchasing power, infrastructure, research, innovation, digitisation and an attractive business climate.

We are also working to create more permanent jobs. A flexible labour market is a good thing, but it can also go too far. Employment relationships that are too flexible can make workers feel insecure, cause companies to lose experienced workers and result in insufficient investment in knowledge and training. We want to strike a new balance between flexible and permanent contracts. We need to make it more financially attractive and less risky for employers to offer people a regular employment contract. We will put no impediments in the way of those who make a conscious choice to be self-employed. At the same time, we will protect people who find they have no alternative but to work freelance, often without insurance.

A new balance must also be found for our pension system. We want to move away from abstract entitlements that lead to disappointment, and instead work to grow individual pension capital. Within such an arrangement, elements of collective risk sharing remain both sensible and necessary. Together with trade unions and employers' associations we seek to give shape to a new system.

Thirdly, we will work to forge an ambitious climate policy. The Netherlands will become a sustainable country. There is no alternative but to take decisive action. We will shoulder our responsibilities under the Paris climate agreement. A national climate and energy agreement will be concluded with all parties in order to sharply reduce CO₂ emissions. This means, among other things, making the built environment and transport more sustainable, introducing a greener tax system and tapping new sources of energy. We are setting a high standard for ourselves. We want to have the most ambitious objective in the Paris agreement, and for this reason we will work with like-minded countries in Europe.

Fourthly, and finally, we seek to project a distinct Dutch identity embedded in a strong international system. A distinct Dutch identity means that our language, our flag, our national anthem, our commemorations and our constitution are not symbolic relics from the past, but rather emblems of the pride, freedoms, rights and duties that are a rightful part of the Netherlands, Dutch citizenship and our democracy, founded on the rule of law. We must maintain, share and pass on these symbols and values, to each other and to newcomers.

We have many values in common with our international partners. An international orientation is also part of the Dutch identity. We have long known that prosperity, well-being and security for everyone in our country is intimately connected to what is happening in the world around us. We earn a large part of our income abroad. International trade generates many jobs in the Netherlands. Melting polar icecaps have consequences for our coasts and ports, and instability on Europe's borders can lead to migration and terrorism in this country.

One of the ways we protect our way of life is through our membership of the European Union, NATO and the United Nations. An active international policy is in our national interest. This is not an abstraction; it is directly connected to opportunities and threats in our own country. We have no intention of withdrawing to an imaginary island that offers the illusion of security. On the contrary, we want to remain an active and reliable international partner and a leader in pushing for a more decisive EU, which addresses the major issues of our day in order to protect its citizens. In this spirit we will contribute to the prosperity and welfare of other countries, thus combating the root causes of migration. We will implement the climate agreements made in Paris, and we will continue to work actively for peace and security elsewhere in the world. We will also help innovative Dutch ideas and companies to find their way into the wider world.

Our agenda will move this country ahead. This is the conviction of the MPs representing the VVD, CDA, D66 and ChristenUnie, in the full realisation that the investment of billions of euros will only be meaningful once millions of people actually benefit from it. This is our motivation – people, not numbers.

Yes, the political landscape is fragmented. Yes, our financial resources are still limited. Yes, everyone would rather get their own way than compromise. But simply resigning ourselves to these facts will get us nowhere. We want to shoulder our responsibility and move forward in the best Dutch tradition: in the Netherlands we work together in the hour of decision, and we do not face each other in rigid opposition. We champion differences but oppose divisions. We want to work in this spirit with all partners to make this wonderful country even better for everyone.

1 Investing for all

1.1 Justice and security

As a constitutional democracy governed by the rule of law, the Netherlands needs both vigilance and constant care if it is to continue to guarantee the freedom and security of its citizens. Ensuring a free, safe and just society is one of the state's core tasks. To defend democracy and the rule of law it is important to keep up with developments in society and technology. To this end it is essential to modernise legislation and policy and their implementation. Investment in the justice system will also be required. Funds for more human resources and improvements in quality will be provided.

Security

- The national police will receive an extra €267 million on a structural basis to pay for more community police officers and detectives, among other things. The distribution of police throughout the regions will be adjusted to meet current needs, and the operational strength of the force will be rendered more flexible. This will enable the police to operate more effectively and enhance digital security. Other parts of the criminal justice system will also receive additional funds in this connection. In addition, extra funds will be made available to increase capacity, on condition that the flexibility agenda continues and that constrictive frameworks, such as sector-specific limitations that are more restrictive than the Working Hours Act, are removed. Diversity within the police service will be increased.
- The passage through Parliament of the Investigative Officers (Use of Force) Bill will proceed. Cases where police officers must answer before the courts for the use of force will be dealt with swiftly and expertly by an existing district court designated for this purpose.
- Additional funds will be invested in the International Crimes Team in order to attract expertise from outside the police service, such as personnel with experience in investigating international crimes, speakers of specific foreign languages and digital experts.
- The cybersecurity budget will be set at €95 million. This money will be used for instance to increase personnel capacity and expand ICT facilities, and will be allocated to the following government departments: the Ministry of Security and Justice (National Coordinator for Security and Counterterrorism (NCTV)); the Ministry of Defence (Military Intelligence and Security Service (MIVD)); the Ministry of the Interior and Kingdom Relations (General Intelligence and Security Service (AIVD)); the Ministry of Foreign Affairs, the Ministry of Infrastructure and the Environment, and the Ministry of Economic Affairs.
- An ambitious cybersecurity agenda will include standards for internet-of-things devices, software liability provisions to encourage companies to make software more secure, strengthening the National Cyber Security Centre (CCSC) as the point of contact for computer emergency response teams (CERTs) in all sectors, fostering cybersecurity research and improving public information campaigns on cyber hygiene.
- An extra €10 million will be made available for the implementation of the Computer Crime Act III. Under the Act law enforcement authorities will purchase hacking software solely for use in a specific case. Suppliers of this software will be screened by the AIVD. Only suppliers that do not do business with questionable regimes will be eligible. Statistics on the use of hacking software will be published annually. An evaluation of the Act after two years will examine whether this provision has had a significant effect on the legislation's effectiveness. If it has, the purchase of hacking software for general use will be considered again.
- Counterterrorism will continue to be a focus of attention. The threat situation is such that action must be taken across the board in the future as in the past. With regard to prevention and deradicalisation, this means examining what approach is the most effective and how to share and implement best practices. In addition, every effort must be made to ensure that those who preach hate are denied a platform. Reactive measures will still be required. In each case a critical assessment must be made of the extent to which it is necessary to restrict the right to privacy and other liberties. An additional €13 million per year will be made available for counterterrorism activities.
- Returning jihadists (and those who may return in the future) pose a particular threat, given what they have experienced and what they may have done. Since it is extremely difficult to prove cases against returnees, the government will look into ways of fostering cooperation with independent international organisations that collect evidence. The careful collection of evidence takes time, and returnees are believed to pose a risk if they are allowed to move freely in the community during this period. Legislation

will therefore be introduced to make it possible to hold returnees in provisional detention for longer periods. The courts will then regularly assess whether the grounds for such detention still exist. This legislation will also make it a criminal offence to wilfully remain without permission in territory that is under the control of a terrorist organisation and will expand the scope for DNA testing where a terrorist offence is suspected.

- The Netherlands will work within the EU for a much tougher approach to jihadism.
- The use of social media or funding of organisations in the Netherlands for the purpose of exerting influence from countries that are not free is undesirable. Steps must be taken to ensure that funding from abroad to political, civil society or religious organisations is not used to buy undesirable influence. To this end funding flows of this kind will be rendered more transparent, with reciprocity as an important benchmark. Funding flows that abuse our liberties, originating from unfree countries, will be restricted as far as possible.
- A new Intelligence and Security Services Act has been passed, under which the exchange of information is to be limited to partner services unless the relevant government minister gives permission for information to be exchanged with non-partner services. Random, large-scale collection of data on individuals in the Netherlands or abroad should and will be out of the question. The government will be strict in applying the additional safeguards in the new Act. Particular importance will be attached to this point in the evaluation, which will be carried out at an early stage by an independent committee, to begin in any event no later than two years after the Act enters into force. If so indicated in the evaluation, the government will put forward proposals to include additional safeguards in the legislation and to tighten up monitoring of compliance with them.
- A special Subversive Crime Bill will be introduced, to resolve the legal problems observed in the present approach to organised crime and subversive crime. A subversive crime fund with a one-time funding allocation of €100 million will be set up in order to intensify the approach to crime of this nature. An effective approach also requires innovation in criminal law and creativity in tackling subversive crime. The aim will be close cooperation between various public and private bodies, along the lines of the Brabant Zeeland Task Force and the Southern Netherlands Subversive Crime Project.
- Outlaw motorcycle gangs (criminal biker gangs) will be banned, as part of the government's ambition to bring about a comprehensive approach to subversive and organised crime. Biker gangs disrupt society by intimidating and threatening local authorities and through drug-related nuisance, money laundering, physical violence and numerous other criminal activities.
- The government will spend up to €20 million extra per year on preventive and reactive measures to tackle reoffending.
- The government will support the deployment of volunteers in the police and fire services. To prevent a decline in the number of police volunteers, particular attention will be focused on existing volunteers by developing a national policy on police volunteers, covering their legal status, duties, recruitment and training. This will be done in cooperation with the police, police unions and the national police volunteers' organisation (LOPV). The Top Incomes (Standardisation) Act will be enforced in the police service as elsewhere.
- It is important to protect sex workers against abuses such as exploitation and human trafficking. The government will therefore step up the campaign against human trafficking by investing in international investigations. A permanent police liaison officer will be established in countries that are sources of human trafficking. The government will make funds available on a long-term basis for a nationwide network of programmes designed to help sex workers wishing to leave prostitution. The private members' bill on the criminalisation of abuse of sex workers who are victims of human trafficking will continue its passage through parliament. The government will invest in regional Prostitution Inspection Teams. Extra funding will also be made available for victims of human trafficking.
- Municipalities and the police should have effective ways of preventing, identifying and combating human trafficking. Traffickers must not be able to take advantage of inconsistent monitoring and enforcement. The Regulation of Prostitution and Combating Abuses in the Sex Industry Bill will therefore be amended to guarantee uniformity across all parts of the sex industry and to ensure protection against human trafficking across the board. To ensure that prostitution is not shifted to less visible parts of the industry, licences will be compulsory for all commercial sexual service providers, including escort services and independent sex workers. Legislation will be introduced to provide a statutory basis for local intake interviews with a view to enabling the municipal health services (GGD) to monitor sex workers in order to prevent abuses. The government will introduce a ban on pimps to supplement the options available under

article 273f of the Criminal Code for using the criminal law to tackle human trafficking in the sex industry. Involvement for financial gain in the unlicensed provision of commercial sexual services will become a criminal offence. The criminal law will not apply to activities that are not considered sexual services.

- One of the conditions for granting licences for online gambling will be that the provider must be established in some way in the Netherlands. The implementation of betting and gaming policy will focus in particular on reducing gambling addiction but will not affect current policy on contributions to sport and good causes.
- The Ministry of Security and Justice should not be financially dependent on revenues from fines and fixed penalties. The Ministry's budget will therefore be severed from the income from fines and penalties, which will be regarded as part of general public funds.
- Policy on hard drugs will remain unchanged.
- The government will introduce legislation, if possible within six months, on uniform experiments with tolerated cultivation of cannabis plants for recreational use. The experiments will be carried out in six to ten large and medium-sized municipalities, with the aim of determining whether and how controlled cannabis can be legally supplied to coffee shops and what the effects of this would be. After these experiments have been independently evaluated, the government will consider what action to take.

The courts

- Legal proceedings as they are today are complex and not always geared towards resolving people's everyday problems. For the administration of justice to be effective in society at large, innovative legislation is required that will give the courts latitude to experiment with straightforward proceedings that bring parties together without exacerbating conflicts. To this end the government will legislate to make experiments possible. Experiments will also be carried out with community courts, which will draw on judges, including limited jurisdiction judges, who work or have worked in the regular courts. They will hold regular sessions in the community, charge low fees, and focus on cases that are legally straightforward, aiming at the final settlement of disputes where possible. The government will also examine the scope for expanding methods of extrajudicial dispute resolution such as mediation. Mediation can be a valuable alternative to recourse to the courts, particularly in relation to matters of civil and administrative law. It goes without saying that such experiments must not restrict access to the courts. As part of its innovative agenda the government will also investigate whether restorative justice can play a more prominent role. All these innovations will take into account the effects on the justice system in general and on workload in particular.
- The legal aid system will be reviewed, within existing budgetary frameworks, along the lines contained in the report of the Legal Aid Review Committee and the interim report of the Legal Aid Point Allocation Evaluation Committee. No fields of law will be excluded from eligibility for legal aid. In accordance with the recommendations in the former committee's report, the Legal Aid Council will be merged with the Legal Aid and Advice Centre. With close cooperation of this kind, it will be possible to streamline primary legal assistance more effectively and the Legal Aid and Advice Centre will be able to dispose of more straightforward cases. Court fees will increase in line with indexation only.
- In principle, no existing district court or court of appeal will be closed.

Prosecution, sentencing and non-punitive orders

- Freedom of expression is a great good, protected by the Dutch constitution and international agreements. But it is not a licence to incite hatred or promote radicalisation. That is where we draw the line. For that reason, insulting individuals or groups of people on the grounds of who or what they are (article 137c of the Criminal Code) will continue to be a criminal offence. As a way of underlining the seriousness of this offence, the term of imprisonment for incitement to hatred (article 137d of the Criminal Code) is to be doubled, from one year to two.
- Democracy and the rule of law in the Netherlands must be made more resilient to radical antidemocratic forces. The provisions of law prohibiting radical organisations that aim to overthrow or destroy democracy and the rule of law will be enhanced by applying article 20 of Book 2 of the Civil Code.
- Probation and social rehabilitation will be more firmly anchored in the enforcement of sentences and non-punitive orders. Not only will the government invest in professionals in this field, but the focus on and opportunities for volunteer work will increase.
- The government aims to increase the public's willingness to report crimes, to improve the clear-up rate of offences and to shorten case processing times, with a view to ensuring that crime does not go unpunished. The government will present a clear vision for the future of the prison sector with a sound

personnel policy. If possible, prison capacity will remain unaltered. If closures do prove necessary, however, prisons outside the Randstad conurbation will be spared as far as possible.

- Changes will be made to the system of release on parole. Sentenced persons will no longer qualify for parole automatically. In addition, the period during which a sentenced person can work towards social rehabilitation, through release on parole, will be maintained at a third of the sentence imposed, up to a maximum of two years. The system of phased detention will be maintained, in order to prepare prisoners as well as possible for their return to the community.
- The enforcement of life sentences has come under pressure. Supplementary legislation on this matter will be introduced if required, recognising the crucial importance of safeguarding the interests of victims and their families.
- The government will endeavour to make appearing in court compulsory for suspects in serious violent and sexual offences who are being held in pre-trial detention. This will help to prevent reoffending and will increase offenders' awareness of their crime. However, the victim's wishes on this issue should always be paramount.
- Depending on the outcome of the policy review, the government will look into ways of improving the efficiency and effectiveness of juvenile sentencing. Restorative justice will play a more prominent role in juvenile criminal law.
- The position of the victim will remain a priority, in particular in the review of the Code of Criminal Procedure. In addition, the government plans to remove problems in legal practice (relating to case referrals, identity parades, etc.).
- Privacy among individuals will be a priority. The distribution of 'revenge porn' is a serious invasion of personal privacy and will be made a separate criminal offence.
- The bill on amending the retention obligation for telecommunications data will be reconsidered, as the government will look into the extent to which EU law offers scope for a balanced obligation to retain certain telecoms data, in particular data that helps to identify users of a communications service. In doing so the focus will be on safeguarding individuals' privacy, restricted access, tighter supervision, retention periods, adequate protection and security for data and a reporting and evaluation obligation. Appropriate safeguards will be incorporated into all new legislation regulating data retention in the interests of the investigation of serious criminal offences. In addition, such legislation will be evaluated after five years, with a focus in any event on its impact and effectiveness.

Family law and the law of persons

- Difficult divorces can be very harmful both to ex-spouses and to the children involved. National policy on preventing acrimonious divorces will focus on eliminating problems that arise in efforts to prevent harm of this kind. Since the interests of the child should always be paramount, efforts will be made to foster contact between children and their parents and grandparents.
- This year saw the introduction of limited community of property as the new statutory basis for married couples. The government will look into ways of eliminating the need to incur notarial fees for couples who wish to marry in general community of property.
- The national commission on parenthood made recommendations on legal multiple parenthood, parental responsibility and surrogacy. As recommended by the commission, research will be carried out into consequences relating to, for example, tax, nationality law, immigration law, inheritance law, maintenance obligations and the law of names. It will then be up to the government and parliament to decide how to follow up this research. The interests of the child will be paramount in any legislation that may ensue.
- More research will be done on further changes to family law, concerning for example adoption, divorce, maintenance and the status of grandparents. Here, too, the child's interests will be paramount.
- The government will draft proposals for modernising Dutch nationality law so as to extend the scope for first-generation immigrants and emigrants to hold more than one nationality. Later generations will be allowed to hold only one nationality and will, at a certain point, be required to choose which one they wish to retain.

1.2 Public administration and Kingdom relations

A well-functioning public administration must be able to adapt to social and technological developments. Adapting to the digital society is not only necessary. It will also offer opportunities for better public services.

Municipalities and provinces are playing an increasingly important role in performing key government tasks. Major urban areas and regions with shrinking populations each have their distinctive concerns. Joint programmatic agreements with provinces and municipalities must address these concerns, as well as the national tasks that we must tackle together. Additional resources for these tasks will be made available in the Municipalities and Provinces Funds.

Public administration renewal and digital services

- The debate will move forward in the second reading on the private member's bill for a constitutional amendment to remove from the Constitution the procedures for the appointment of mayors and provincial King's Commissioners.
- The Joint Arrangements Act will be amended to enhance political accountability for cooperation between municipalities. Decision-making in joint arrangements must be transparent, and the municipal council members involved in such arrangements must have more scope for oversight and, where necessary, more latitude to intervene.
- Many small municipalities have become very dependent on regional partnerships under the Joint Arrangements Act for crucial services that directly affect their inhabitants' lives. This trend has put these services at a greater remove from democratic oversight by municipal councils. In several areas, this has led municipalities to join with provinces in initiating municipal boundary reform. The government supports this trend. Imposing blueprints in a top-down way does not work, but letting the whole process unfold from below does not always yield an optimal result either. A process of boundary reform is advisable for municipalities that have for many years and to a great extent been dependent on joint arrangements for essential services. In these cases it is up to the province to initiate boundary reform, on the basis of the Boundary Reform (General Regulations) Act.
- Besides pursuing the above objective of concluding agreements on public administration with provinces and municipalities, the government will continue to implement the system under the Urban Agenda of making 'city deals' for metropolitan regions.
- To maintain services at a suitable level, we will create scope for experimentation in regions with shrinking populations, for example with service clustering.
- During this government's term of office, a total of €900 million will be set aside to tackle regional problems, including nuclear issues, difficulties with the European Space Research and Technology Centre (ESTEC), and problems in Zeeland, Eindhoven, South Rotterdam and the Caribbean Netherlands (Bonaire, St Eustatius and Saba).
- The government will create scope for individuals and associations to take initiatives in society. To this end, we will work with municipalities on a 'Right to Challenge' scheme to give individuals and local associations the opportunity to submit proposals for alternative ways of providing public services in their immediate surroundings. These could include park maintenance, sport field management or other community services. In addition, we will work with several municipalities to experiment with a 'right to take-over', which would give local associations or neighbourhood residents the first opportunity to take over community services and continue to provide them.
- We will support efforts to better prepare, train and equip members of municipal councils and Provincial Councils.
- The government attaches great importance to making government transparent and open. A private member's bill on open government that is currently pending would start an exploration of ways of making government more open without incurring high organisational and implementation costs. The government will discuss this bill with the MPs who introduced it.
- Government has a great deal of public information of a general nature at its disposal. This information will be made accessible and easy to find, in the form of open data.
- The government will develop an ambitious, broad agenda for further digitisation of public administration at various levels. As part of this agenda, central government will be more proactive in deciding which products and services to develop itself and which to turn over to the private sector for development. When new initiatives are launched, everything possible will be done to draw on past experiences with comparable projects. To avoid failed ICT projects that are a waste of taxpayers' money, major new projects will routinely be checked by the ICT Assessment Office (BIT).
- Government communications that currently still take place on paper will in the future also be available via safe, rapid and inexpensive digital communication. Electronic service provision via mijnoverheid.nl will be improved. Services will be made more user-friendly, an authorisation function will be introduced, and

mijnoverheid.nl will be equipped to send push messages to proactively alert users. However, people who are not able to communicate electronically must continue to be able to communicate in other ways. Communication with government by post will therefore remain available as an option.

- The Personal Records Database will be modernised to include individuals' email addresses. Personal information in databases and other private information will always be encrypted for storage, and the DigiD identity management platform will be made more secure.
- In the interests of privacy, people will be given a greater role in managing their own personal information. Users of government services will be given the opportunity to personally designate appropriate social institutions and organisations to which a limited amount of personal information can automatically be provided. To avoid insurmountable problems in implementing this scheme, transitional arrangements will apply for religious organisations. An opt-out will be available for people who are currently registered. New registrations will fall under the new rules.

The electoral system

- The National Commission on the Parliamentary System is preparing an advisory report on the future of the parliamentary system. It has also been asked to make recommendations concerning possible changes to the system for electing the House of Representatives, taking account of the role of regions in the electoral systems of neighbouring countries. The Commission will also give advice on the second reading of the private member's bill to amend article 120 of the Constitution, partly with reference to the position of the Senate.
- This bill would amend the electoral process to make it easier for Dutch nationals in Bonaire, St Eustatius and Saba and Dutch nationals abroad to exercise their right to vote and to influence the election of the Senate. Access to polling stations for people with disabilities is another concern that needs to be addressed.
- The consultative referendum was introduced several years ago as a step towards a legally binding corrective referendum. Since that time, however, political support for a corrective referendum has shrunk, so that it is currently no longer on the horizon as an ultimate objective. The introduction of a national consultative referendum as an intermediate step has not met expectations, partly because of a controversy about the requirements for holding one and because of different interpretations of its outcome. The government would therefore like a pause for reflection. The Consultative Referendums Act will accordingly be repealed.

Good government employees

- To ensure that workers can move easily between the public and private sectors, company employees and government employees need to be treated equally. We will therefore continue the process of normalising the legal status of civil servants.
- It is also conducive to the proper functioning of government for sufficient expertise in key areas to be available in-house. Government salaries must be sufficient to attract highly skilled specialists who are in great demand, in fields such as ICT, finance and procurement.

Kingdom relations

- A long shared history has forged a strong bond between the Netherlands and the Caribbean parts of the Kingdom. Our close ties were recently reaffirmed when a hurricane struck St Maarten, Saba and St Eustatius. This close relationship requires us to maintain a constructive partnership with the Caribbean Netherlands and with the other autonomous countries of the Kingdom. The uncertain political situation in some neighbouring South American countries further underscores the need for cooperation within the Kingdom. Partnerships in the Caribbean region, with the European Union and with international organisations will allow Kingdom relations to continue to evolve in a positive direction. Being part of the Kingdom also entails responsibility, especially for guaranteeing integrity in public administration and for effective law enforcement and border control. The Council of Ministers of the Kingdom will ensure that these standards are upheld, on the basis of the Charter of the Kingdom.
- The Netherlands' share of the budget for the coastguard will be transferred to the Ministry of Defence, and will be adjusted as necessary to ensure that the coastguard can perform its tasks properly. €10 million a year will be earmarked for this purpose.
- The Netherlands bears a special responsibility for the inhabitants of Bonaire, St Eustatius and Saba. Our priority on these islands will be improving people's economic prospects, in particular by improving their

infrastructure and reducing poverty. The government is prepared to invest additional resources in the islands, on the condition that good governance and financial accountability are sufficiently ensured. In cases where the Netherlands supports investments by the islands, a more adequate maintenance budget must be provided. The Ministry of the Interior and Kingdom Relations will be given a stronger coordinating role and a commensurate budget.

1.3 Education and research

Good education brings out the best in people, reduces and prevents learning disadvantage and enables talent to flourish. Good education lays the foundations for a healthy and successful society. The government will therefore continue to invest in further improvements to education and research, and in the people working in this field. We want to give them more professional freedom and responsibility. The government's chief ambitions are to combat inequality of opportunity, stimulate talent, strengthen the teaching profession, promote top-quality research and boost vocational education.

Opportunity and talent

- We will allocate €170 million to strengthen early childhood education. This will make it possible to provide 16 hours of teaching per week for disadvantaged pupils.
- The statutory basis for a mandatory diagnostic interim test in secondary education will be repealed.
- In the first two years of secondary school, some children thrive in a transitional class with a broad range of subjects, postponing the choice for a specific type of secondary education for a little longer. By contrast, there are other pupils who feel more at home in a transitional class geared to a single type of education. The government would like parents and children to have a choice. Schools will therefore be required to work together to provide a comprehensive range of transitional classes at regional level. Schools providing one type of education only will be expected to work with schools that offer several different types of education, to enable pupils to transfer smoothly from one type to another, where necessary.
- Some children benefit from a more gradual transition between primary and secondary school. This need is catered for by middle-school programmes for 10 to 14 year-olds, collaborative ventures between primary and secondary schools, which will be given more experimental scope by the new government.
- The government will continue with the planned reform of the education curriculum, in partnership with teachers, pupils, parents, further education and the world of work. These reforms will be enshrined in law in 2019, making compulsory education in subjects such as Dutch and mathematics more future-proof, and increasing the focus on digital literacy and practical skills. The attainment targets for technology, citizenship and sexual diversity will be made more specific.
- We intend to strengthen and improve numeracy education. The benchmark levels will be reviewed as part of curriculum reform. The mandatory arithmetic attainment test for all secondary school pupils will be replaced by an alternative by the 2019/2020 school year at the latest, which will be an integral part of the school-leaving exam for all pupils at all levels. Until then, the results of the mandatory arithmetic test will no longer count in secondary education, although the test itself will continue to be administered by secondary and secondary vocational (MBO) schools until the alternative becomes available. After the alternative numeracy test has been introduced into pre-vocational secondary education (VMBO), mathematics and numeracy education in MBO will be vocationally oriented.
- As an experiment, the government will make it possible for secondary school pupils to take examinations in various subjects at a higher level, in order to gain admission to certain courses of further education and training (provided they also meet the other selection criteria of their chosen course). The government will monitor the impact of this on status and possible strategic behaviour. In addition the government will launch a study into the benefits and disadvantages of introducing multi-level certificates across the education spectrum, combined with broad-based admission requirements for post-secondary education.
- The government will maintain the existing system of appropriate education for pupils with special needs. It will research ways in which a learning entitlement for children can be given a statutory basis. In addition, and specifically in relation to children with serious multiple disabilities, the government will investigate whether care provided at a limited number of educational institutions specialised in complex cases can be directly funded from the budget for care during school hours. The care provided at home must also remain up to standard. To ensure that the funding for appropriate education also reaches the classroom, independent supervision will be introduced for educational consortia.

- Whether gifted or intellectually disabled, every child deserves education that enables them to develop their talents to the full, even if they need extra care or support. The government wants parents and schools, acting as equal partners, to jointly devise a suitable arrangement for each special needs pupil, supported by an education advisor if necessary. To ensure that no child is left behind, we want to cut back the number of children who do not attend school regularly or at all, and identify and tackle absenteeism at an earlier stage. To this end, all educational consortia are legally required to designate suitable provision.
- The budget for policy on eliminating educational disadvantage will be increased by €15 million per year and the allocation of funds will be updated.
- An extra €15 million per year will be made available for education programmes for gifted children.
- Schools, children and teenagers flourish when parents are involved in education. To this end, the government wants to strengthen collaboration between parents and schools.
- The government will introduce an optional period of community service to give young people an opportunity to contribute to society. Young people can themselves choose the type of work they do. The duration will not exceed six months and modest remuneration may be offered. Community service programmes will be set up jointly by civil society organisations and municipal and provincial authorities. Every year, civil society organisations can will be able to propose suitable projects which should serve to lighten the workload of participating organisations as far as possible. A budget of up to €100 million per year will be available for community service initiatives.
- Young people who complete community service will receive a diploma supplement. Holders of this supplement will be at an advantage when applying for public service jobs. Agreements to this effect will also be made with the private sector.
- The government will consider whether a more compulsory form of community service could be linked to the proposed basic qualification requirement for young people up to the age of 21.
- Currently the basic qualification requirement applies to young people up to the age of 18. The government intends to extend this to the age of 21. Pilot studies will be carried out in the major cities.
- The government will continue its policy on combating functional illiteracy and will increase the budget by €5 million per year.

Gender equality and LGBTI

- In the Netherlands everyone is equal. People have the freedom to love whoever they wish and to express their identity visibly. The government will actively intervene where this freedom is curtailed, where people are discriminated against or where their safety is at stake.
- Gender equality and the protection of our values require constant vigilance. Eight political parties signed the rainbow agreement, for instance. Promoting equal opportunities for LGBTI people and people with disabilities is important and various civil society groups are raising awareness of this. A range of measures will be adopted to tackle discrimination, including a supplement to article 1 of the Constitution prohibiting discrimination on the grounds of sexual orientation and disability.
- The parliamentary debate on the private member's bill amending the Equal Treatment Act to clarify the legal status of transgender and intersex individuals will be continued. There will be no changes to the provisions of the Criminal Code prohibiting discrimination. Unnecessary gender registration will be restricted wherever possible. In the education sector, including in teacher training and in secondary vocational education (MBO), the position of LGBTI people will be improved. The position of LGBTI people and sexual and reproductive health and rights (SRHR) will remain key issues of foreign policy.

Freedom, trust and accountability

- Pupils, parents and teachers want education funding to contribute optimally to the quality of education. The government will therefore ask the Education Council and the Netherlands Court of Audit to advise on a more succinct definition of what constitutes effective spending of education resources. This could make block grant funding more effective and also prevent immoderate expenditure. In addition, to ensure that extra funding is used for the intended purpose, the government will hold primary and secondary schools accountable under the administrative agreements made.
- The supervision of education has been modernised. In future, the Inspectorate of Education will not only monitor basic quality standards in schools but will also promote continuous improvement. Depending on the extent to which schools satisfy the criteria they may be designated as 'good' or even 'outstanding'. In assessing schools, the Inspectorate will have discretionary powers to take into account the proportion of

special needs pupils. This will ensure a fairer assessment of schools that make an extra effort to provide appropriate education for this group of pupils.

- There is a concern that schools are able to teach citizenship differently than the law intends. Schools' statutory task in this regard will be clarified so that it can be more effectively assessed and enforced by the Inspectorate. The aim is, and will continue to be, that every aspect of school life reflects the values of a democratic society.
- Annual reports must include the objectives of future administrative agreements. Ex-ante accountability must also be improved. To achieve this, primary and secondary schools will have to present their budget outline to their participation councils for approval.
- A pilot study on experimental deregulation in outstanding schools shows that many national regulations could be abolished without adverse effect. The government intends to do this, whilst also encouraging the sector to reduce its own administrative burden.
- The points set out in the sectoral agreements will be maintained, with the exception of the national target to reduce the number of pupils in years 1 and 2 of primary school who have to repeat a year.
- The pupil monitoring system will not require any tests to be administered during the first two years of primary school.
- The government will consult with education professionals about whether the primary school leavers' attainment test should be administered earlier in the school year and/or whether the report issuing advice to pupils about suitable types of secondary education should be deferred to a later date. These measures would ensure that information was available in time for inclusion in the report. The basic principle will remain unchanged: teachers will retain their professional autonomy, but will have more information on which to base their judgment.
- The current system of funding in secondary vocational education will be abolished in a budget-neutral manner as soon as new quality agreements have been made, among other things to boost the number of places available in day-release programmes (BBL).

A stronger teaching profession

- Structural funding of €270 million is being made available to modernise the collective labour agreement for primary education. The conditions of employment for teachers are to be improved in tandem with the normalisation of enhanced regulations.
- €450 million will be allocated on a structural basis to reducing the workload in primary education. Teachers' tasks may be lightened by appointing caretakers and other support staff and by having smaller classes.
- We will introduce a greater variety of teacher training courses. Trainees will be able to specialise in teaching younger or older pupils (up to and including the lower years of pre-vocational secondary education) or in occupation-oriented teaching in vocational education. This measure will make the teaching profession more attractive to both men and women.
- For the proposed Register of Teachers to be successful, it must be designed for and by teachers. The government sees this as an absolute condition for further development. The Register will be a means of strengthening the teaching profession and recognising professional skills. Curriculum development, peer supervision and lesson evaluation activities will also be recorded in the Register of Teachers. This will boost the quality of education.
- In primary education, fixed-term contracts for substitute teachers who replace teachers on sick leave will be exempted from the regulations relating to successive fixed-term employment contracts.

Population shrinkage and small schools

- The government will introduce a supplement for small schools as part of its continuing strategy to ensure every region has a wide range of schools within travelling distance. An extra €20 million per year will be made available for this purpose.
- The compulsory appraisal of merger plans will be abolished for primary schools. It will also be abolished for secondary schools in areas affected by population shrinkage.
- The obligation to report on the effects of any mergers and the right of participation councils to have a say will be retained.

Freedom of education

- Freedom of education enables parents and children to choose a school that reflects their beliefs, norms or values. This government is expanding the freedom of education. It will be made easier to found new schools based on the preferences of parents and pupils, even if they do not derive from an established religious or educational movement. This modernisation will aim to broaden the freedom of education, rather than restrict new schools to existing alternatives. Plans for new schools will be appraised beforehand to ensure they meet the statutory quality standards, including those for special needs provision, pupil-centred teaching and administrative organisation, and reflect the statutory task of schools to provide citizenship education, for instance by fostering active participation in society and social integration. The quality standards will be divided into objective and proportionate requirements.
- Home schooling will have to meet specific conditions relating to quality, teaching competence, citizenship education and safety, which will be laid down in law. Specialists at the Inspectorate of Education will monitor compliance. There will be no change in regard to school admissions policy or reimbursement of school travel costs on denominational grounds.

Agricultural education

- Agricultural education will receive student-based funding, just like other types of education. In keeping with this development, responsibility for policy on agricultural education will be transferred to the Ministry of Education, Culture and Science. The close collaboration between government, schools and the private sector will be maintained. The earlier €10 million funding cut imposed on agricultural education will be reversed.

Robust vocational education

- The government is making €100 million per year available on a structural basis for ensuring a comprehensive range of provision and for improving the quality of technology education in pre-vocational secondary schools (VMBO).
- We want to improve the prospects for young people in vocational education by making agreements on a smoother transition from VMBO to MBO and from MBO to higher professional education (HBO) and by giving pupils the opportunity to start taking MBO level 1 or 2 subjects while they are still in VMBO.
- Practical training (PRO) for pupils unable to gain a conventional qualification is a distinctive and fully-fledged type of secondary education. More and more pupils are completing their course with tangible proof of what they have learned. Collaboration with secondary vocational education (MBO) will be encouraged to enable more pupils to progress from practical training to MBO and the job market.
- Secondary vocational education providers will be allowed to issue certificates of progress to students who do not gain their occupational qualification after following a level 1 or 2 MBO programme. The certificate will indicate what skills the student has already learned. Students with a certificate of progress must be given the opportunity to complete their course and obtain their qualification at a later stage. MBO schools must continue to train students to qualification level, and will therefore receive no qualification-based funding for issuing certificates of progress. An evaluation will be carried out after four years, after which a decision will be made about whether to continue.
- Experimental demand-driven funding will also be made available to adults wishing to follow secondary vocational education.
- Secondary vocational schools will have to meet stricter requirements on preparing students for the regional job market, and on the extent to which courses prepare students for their chosen occupation. The macro-efficiency of existing courses in higher professional education will also be assessed. Intervention measures will be developed to deal with courses that do not adequately prepare students for the job market.
- We want to see a greater focus on citizenship education in secondary vocational education (MBO).
- In partnership with the sector, the government will investigate whether the currently restrictive effects of the occupational standards on innovation and localisation in MBO courses can be removed and the administrative burden lightened. At the same time, a study will be conducted into the possibility of introducing some form of accreditation for secondary vocational education.

Higher education and research

- We will halve tuition fees for the first year of higher education (at universities and *hogescholen*), starting in the 2018/2019 academic year.

- We will halve tuition fees for the first two years of primary teacher training (including at universities). This will make it more attractive for people to train as primary school teachers, at higher professional or university level.
- In the future, the interest rate charged on student loans will be based on the 10-year interest rate on government bonds.
- The government will step up monitoring of compliance with the statutory requirement that programmes may only be taught exclusively in English if this has added value, if the quality of teaching is satisfactory and there are a sufficient number of Dutch-taught programmes.
- A new internationalisation strategy will enable as many students as possible to attend courses abroad. We will also make Dutch education more attractive for foreign students, without compromising accessibility.
- During this government's term of office, the funding system for higher education will be overhauled, with a special focus on courses in engineering and technology. The annual budget for basic research will be raised incrementally to €200 million on a structural basis from 2020. The same will be done with the budget for applied research and innovation. In addition, two amounts of €50 million will be made available for research infrastructure.
- Funding for university-based research will be more closely linked to research quantity, academic quality and social impact. At the same time, sufficient scope must be given for free academic inquiry, now and in the future. There will be a special focus on engineering sciences and research groups with high costs. Under the new arrangements, the Netherlands Organisation for Scientific Research (NWO) will prioritise basic research in the framework of the National Science Agenda and the top sectors policy, with its renewed focus. Free competition will be continued.
- In order to reduce the administrative burden for researchers, NWO's experiments with innovative assessment systems will be continued.
- Open science and open access will become the norm in academic research.
- Start-ups and public-private partnerships with small and medium-sized businesses will be encouraged.
- The outstanding cutbacks to the budget of the Ministry of Education, Culture and Science will be cancelled. The resulting funding gap will be structurally offset by the efficiency gains in education.
- Funding freed up by the student loan system will be linked to quality agreements at institutional level. Institutions will be given the scope to work with partners in developing their own objectives and indicators, which must match the aims of the Strategic Agenda for Higher Education. This will be assessed by an independent body. When the agreement expires, the Ministry of Education, Culture and Science will assess whether the aims have been achieved. If the agreements have not been observed, future funding will in principle be reduced.
- There are legitimate reasons for selecting students, as well as concerns about the possible impact on access to master's degree programmes. The government takes these concerns seriously. Consequently, selection at entry will still be possible, but will be subject to a policy framework to be developed in response to the findings of the special task force on admission to master's degree programmes. This will serve to consolidate two aspects of the system: the transparency and fairness of the selection methods, and the accessibility of the master's degree phase. In principle, anyone holding a bachelor's degree must be eligible for admission to at least one master's degree programme within their own academic discipline.
- If student quotas are introduced for bachelor's degree programmes on the grounds of limited teaching capacity, adequate reasons must be given, or the minister may block the decision.

1.4 Care

Care concerns us all. Every day, thousands of knowledgeable and dedicated care professionals help improve the quality of life of care receivers and those close to them. It is no coincidence that our care system is among the best in Europe. At the same time, many people are concerned about whether the care they need is available and whether they can afford it. That is what we will be focusing on. We don't need new reforms, but we do need improvements. We aim to provide universal access to good quality care at the right place and at the right time. With this in mind, we will invest over €2 billion in care for older people, for example. We will also introduce measures and funding for preventive healthcare, health promotion, innovation and a greater focus on quality of life.

Good care for older people

- We all grow older and would prefer to do so in our own familiar surroundings. People should be able to rely on getting good quality care at home and on support for their unpaid carers. In many cases people get

the help they need, but there is still room for improvement. We will monitor implementation, especially in regard to clarity about social support, the quality of care needs assessment discussions, independent client support and procedures for complaints and objections. Following an evaluation of the Social Support Act (WMO), we will take a targeted approach to addressing any problems identified. We will also undertake work on the 'Growing Old with Dignity' manifesto, with €180 million being made available in this government's term of office, and €30 million per year thereafter.

- Unpaid carers are invaluable, but many find themselves under increasing pressure. Agreements will be made with local authorities on support for unpaid carers, including respite care and day care, good provision of information about the care services on offer and the regular care provided to the client.
- Through a coalition of municipalities and civil society organisations we will share ideas on effective local approaches to tackling loneliness.
- People who can no longer be cared for at home should be able to rely on good quality residential care. To ensure the new quality standards for care are met, €2.1 billion is being made structurally available. We will take an ambitious approach to implementing the labour market agenda to ensure sufficient numbers of well-trained care professionals, both now and in the future. Quality improvement calls for a different way of working and organising: small scale, demand-driven and innovative, with less regulation and more confidence in care professionals. These efforts need to result in tangible quality improvements, and the performance of directors will be assessed on this basis.
- To ensure efficient use of the scarce human resources in the care sector and give clients and patients the care and attention they need, we will promote digitally assisted care delivery and more widespread use of innovative working methods (e-health), both at home and in nursing homes. A total of €40 million will be set aside for this purpose during the new government's term in office, and €5 million a year thereafter.
- The outstanding cutback of €188 million to the Chronic Care Act (WLZ) budget will be structurally reversed.

Preventive healthcare and health promotion

- During this government's term of office €170 million will be available for preventive healthcare and health promotion, and €20 million a year thereafter.
- A national preventive healthcare agreement will be concluded with patient organisations, care providers, health insurers, municipalities, sports clubs and associations, businesses and civil society organisations. The focus of the agreement will be on tackling smoking and obesity.
- We support the goal of creating a smoke-free generation and will therefore increase excise duty on tobacco. Problematic alcohol use will also be addressed.
- The preventive healthcare measures we take must have been proven effective. We will promote the inclusion of such measures, including specific vaccines, nutrition and lifestyle interventions, in medical training and guidelines. Where a measure's effectiveness has not yet been scientifically established, we will commission additional research that also uses information from biobanks where appropriate.
- We will focus on preventing unplanned pregnancies, especially among adolescents, and on providing support in the event of such pregnancies. This will be based on the agenda drawn up by a broad coalition of organisations in the field. We will compile a range of individual support services and provide help with making choices on a national scale with national funding.
- We will support work to prevent depression and suicide, paying special attention to young people at school, and lesbian, gay, bisexual, transgender and intersex (LGBTI) people.

Curative care

- We support the shift from secondary care to primary care and efforts to prevent unnecessary care interventions. This will reduce the pressure on secondary-care providers.
- Healthcare professionals should think in terms of patient outcomes rather than interventions. This calls for solid efforts to develop outcome indicators, in line with international initiatives where possible. It will also require a broader approach by professionals and the creation of care networks. To promote a better convergence of interests in hospitals we will encourage medical specialists to make the switch to an employment contract or to become a 'co-owner' of their hospital under the participation model.
- Administrative framework agreements will be concluded again (for the 2019-2022 period) for specialist medical care, mental healthcare, general practitioner (GP) and multidisciplinary care, as well as for home-based nursing care, with total savings of €1.9 billion a year. If expenditure turns out to be higher than expected, the macro-management instrument (MBI) will be deployed.

- We will take measures to control the cost of pharmaceuticals and medical devices, including smarter purchasing and a recalculation of prices in the Medicines Reimbursement System. These measures will produce savings of over €460 million a year. We will seek cooperation at national and European level on the procurement of pharmaceuticals, cost transparency, innovation (such as personalised medicine) and accessibility for patients. We will encourage and, where necessary, put pressure on the pharmaceutical industry to lower prices. We will continue to postpone insurance cover for new and promising yet expensive medicines so that we can negotiate lower prices. At the same time, we will leave scope for decentralised negotiations between insurers, hospitals, professional associations and pharmaceutical companies.
- We will make additional funds available for better organisation and provision of palliative care.
- Access to and subsidies for non-invasive prenatal testing (NIPT) will be continued. The test will not be included in the standard health insurance package. Women and couples will be told that they can get information from the National Institute for Public Health and the Environment (RIVM) and parents' associations.

Private care providers and health insurers and the framework of conditions set by government

- We will preserve the current system of private care providers and health insurers operating within a framework of conditions set by government and make improvements where necessary.
- The right of insured persons, patients and clients to have a say in the policy of their health insurer and care provider will be laid down in law.
- The government wants to prevent funds intended for care from being spent elsewhere. We will look at how this can be achieved sustainably within the system. To this end, the government will consult with the initiators of the private members' bill prohibiting health insurers from distributing profits.
- Healthy competition contributes to freedom of choice, better care, innovation and downward pressure on prices. It should be noted that power structures in the system vary according to care category. The balance of power between hospitals and insurers is different from that in primary care. We want the competition authority to take this into account. Whenever the application of competition rules becomes an obstacle to cooperation that serves the interests of patients, it is appropriate to amend these rules or the way they are applied.

Greater transparency for the insured

- There is demand for low-cost policies among people taking out insurance, but they can also have a negative effect on the solidarity of the health insurance system. Due in part to changes in risk adjustment, the number of low-cost policies on offer is expected to decline. In early 2020 the government will assess whether this has occurred and whether further measures are needed.
- We will look at whether and how greater transparency and standardisation can be introduced in the full range of policies on offer (including group insurance) to prevent insurers from charging different prices for the same policies.
- When procuring care services, there should be a focus on quality as well as price. To this end, care providers and health insurers should facilitate their clients' access to information on the quality of the care they provide and on the procured care per policy. Price transparency will also be increased step by step.
- The contracts between care providers and health insurers, which may have a duration of one or more years, form the basis for agreements on price, quality and care provision. We will examine how the distinction between contracted and non-contracted healthcare can be clarified and strengthened.
- The Healthcare Institute of the Netherlands will work to ensure that joint decision-making on treatment by patients and care providers is included in medical guidelines. The aim is for treatment to give the patient the best possible quality of life.

Mental healthcare

- We will continue to help people with psychiatric disorders to participate in society as much as possible and combat stigmatisation.
- If the current agreements to reduce mental health wait times are found to be insufficiently effective, we will take additional measures, such as establishing a regional competent authority with extended powers. Within the existing budgetary frameworks we will work with insurers and the mental health sector to strengthen and develop outpatient mental health services.

- A comprehensive approach is needed for mental health clients living in the community. This will require municipalities, care providers and insurers to work together on care, support, participation, education, housing, debt management and addressing the concerns of local residents.
- We plan to submit a bill that would extend care under the Chronic Care Act (WLZ) to mental health patients who require long-term care. We will only do so once the effects have been studied and it has been established that they present no obstacle to sound implementation.
- In line with the current approach, we will introduce a better safety net for people presenting psychologically distressed behaviour. Where necessary regional round-the-clock crisis care centres must have a sufficient number of places and proper follow-up care. There will be more options for clients seeking temporary admission, following a meeting with a mental health professional. This will help prevent crisis situations and relieve pressure on the police and other emergency services.

Youth care

- Parents can count on support through pregnancy courses, youth and family centres, youth healthcare and schools. This is provided within existing frameworks, in which more attention will be paid to attachment problems and parenting. Families need easily accessible support and assistance that makes use of their own strength as a family.
- Children who are no longer able to stay at home with their parents must be able to rely on care appropriate to their needs, preferably in a foster family or in a family-based unit if this is in the child's best interests. There is scope for innovation in this regard. We will take a diligent approach to implementing the Foster Care Action Plan in collaboration with the sector in order to recruit sufficient numbers of foster parents and provide them with the support they need.
- The Youth Act will be evaluated, with specific attention being paid to mental health services for young people. We will address any problems identified. Follow-up measures will be taken to support the transformation process in youth care. We will consult with municipalities and the sector to determine how this is to be achieved and, as co-financer, the government will make temporary funding (totalling €54 million) available for this purpose.
- In order to maintain specialist youth care, regional cooperation may be necessary, for instance, on joint procurement and coordination of work processes and accountability systems. If municipalities fail to arrange this type of cooperation themselves, central government will step in to compel authorities to work together. Municipalities may opt for a grant-based relationship with certified youth care institutions.
- In line with the domestic violence and child abuse protocol, neighbourhood social support teams and youth health services will focus more strongly on early identification of cases of abuse and violence, including open discussions on suspected cases. At the same time, forensic expertise relating to child abuse will be strengthened.

An inclusive society

- We aim to create a society in which everyone can take part, irrespective of their talents or limitations. Implementing the UN Convention on the Rights of Persons with Disabilities is an important part of these efforts. If parties lag behind, we will take action, for instance by putting them in contact with frontrunners in the field.
- The framework for quality of care for people with disabilities provides a good basis for improving care in this area. It is essential that a place in an institution is available and can be found for those who need it, including children with intellectual disabilities or behavioural disorders. We will look into providing more tailored care to children with profound intellectual and multiple disabilities, taking into account the experiences of parents.
- We will take a closer look at groups of people with less severe intellectual disabilities and the homeless, including homeless young people, and ensure better alignment of the various forms of care and support available to them. We will also focus on the transition to adulthood.
- The combined provision of appropriate education and care financed from different sources will be made clearer and simpler. We will investigate how to combine education and care as effectively as possible for children and their parents, including better use of client support workers and school care advisers (see also the section on education).
- We will examine whether a national or supra-municipal programme is needed for specific services, such as the Child Helpline, to ensure knowledge and expertise is maintained.

- Volunteers who work with people in dependency situations will now be able to apply for a certificate of conduct free of charge. The maximum tax-free allowance for volunteers will be increased.
- We will also invest more in independent client support to assist people in various areas of their lives, including social support, and advice on care, income and work. This will be carried out in consultation with the municipalities and care administration offices, which are responsible for client support. During this government's term in office we will make €55 million available, and €10 million a year thereafter.
- Municipalities will be encouraged to make agreements with housing associations to ensure their housing stock is sufficient and adapted to demand, with a focus on small-scale and innovative housing initiatives and renter mobility. We will present a proposal for the organisation and funding of sheltered housing on the basis of the Dannenberg report.
- The personal budget will remain an integral part of all care legislation. There are currently a number of initiatives under way with respect to funding on the basis of client choice and a comprehensive personal budget. We will await the results and then take measures accordingly.
- In recognition of the serious impact of Q fever on patients, €9 million will be set aside to provide proper support, advice and guidance to people suffering long-term effects.

Personal contributions and administrative burden

It is important that care remains affordable for all and we acknowledge that personal contributions can accumulate. With this in mind we will take the following measures.

- The maximum compulsory excess will be frozen during the new government term at €385 a year. This can be achieved by suspending indexation in the period up to and including 2021. Given the way care is financed under the Health Insurance Act (ZVW), freezing the amount of excess will result in higher health insurance premiums.
- The ceiling for co-payments under the Medicines Reimbursement System will be €250 per policyholder per year, starting in 2019, and apply for the duration of the government's term of office.
- Most people who receive care under the Social Support Act pay the full health insurance excess every year. In order to prevent personal contributions from accumulating, a subscription costing €17.50 for each period of four weeks will be introduced for households using services provided under the Social Support Act. Because co-payment no longer depends on uptake, income, equity and household composition, implementation costs and administrative burden can be reduced significantly. Municipalities will still have the scope to reduce co-payments, for example when an unpaid carer provides some of the care and support. To enable a tailor-made approach, money has been paid into the Municipalities Fund. A further €145 million will be made available to co-finance this simplification and reduction.
- The current anti-cumulation provisions will remain intact: if a household is already charged a co-payment for care under the Chronic Care Act (WLZ), it will not have to co-pay for tailor-made services provided under the Social Support Act (WMO). The co-payments for WLZ-funded care and for sheltered housing (financed from the WMO) will also be reduced. In calculating the means-tested co-payment under the Chronic Care Act, a percentage of an individual's equity is added to their income. This rate will be halved to 4%. New clients who move into an institution or other accommodation will now have a co-payment based on the higher rate after four months instead of six months, and the marginal rate for the lower co-payments will be reduced.
- The policy laid down in the order in council regarding price-quality ratio when procuring chronic care services will be continued and evaluated in early 2019.
- Public tenders for government contracts in the social services sector can contribute to affordable, good quality support and provide opportunities for market newcomers and for innovative forms of assistance. The current legislation offers scope for imposing specific, functional requirements. Municipalities could make better use of this scope in their tenders. Central government will provide them with support in this area and identify problems that they are unable to solve independently. If these problem areas call for amendments to EU legislation, we will take steps in that direction.
- When it comes to contracting, data sharing and accountability, municipalities set many different conditions for care providers. In order to reduce administrative burden, the iWMO and iJeugd information standards will become the norm for social support and youth care, respectively.
- We will make a concerted effort to reduce rules and bureaucracy by holding 'scrapping sessions' with care providers, care professionals, insurers and supervisory bodies. Jointly with municipalities, we will also organise scrapping sessions with volunteers and unpaid carers.

Medical and ethical issues

Policy changes in the field of medical and ethical issues need to be approached with the greatest caution. There are sometimes fundamental differences of opinion in society and the political arena on these questions, particularly when it comes to matters of life and death. Similarly, the parties forming the new government have widely varying views on medical and ethical issues. In many other areas, give-and-take has allowed for compromises to which the parliamentary parties and future members of government can commit themselves. In the area of medical and ethical questions this is much more difficult. We cannot ask people to abandon viewpoints that are strongly based on ideology, beliefs, convictions, ideals and conscience. Besides setting out a number of specific arrangements, this coalition agreement points the way to dealing with our differences in this field with all due respect for each other's positions.

- Medical science should have sufficient scope to conduct research and apply the results. This can help prevent and cure disease, prevent unnecessary suffering and improve the quality of people's lives. But the scope for medical science is not limitless and is circumscribed by legislation which also has an ethical dimension. This means that due care must prevail over speed in political decision-making with regard to medical and ethical dilemmas. For all the parties, existing legislation is the basis for decision-making in this respect. If there are reasons for amending this legislation, the government will take into account the convictions of all the coalition parties and the general assessment framework described below. Three questions will be asked with regard to all new developments. First, is there a medical necessity on scientific grounds for expanding the scope for research and application of research results? Are there adequate alternatives requiring no, or less radical expansion of the policy space? Second, the issue of the medical and ethical dimension must be addressed. Continuing advances in medical science are not the only priority: ethical reflection by researchers and care professionals is also vital. The advisory reports of the Health Council of the Netherlands and other bodies advising on these issues will play a substantial role in that process. Third, there is the question of whether there has been a public debate and political reflection on the issue. Depending on the issue at hand, further advice from the Council of State may be desirable.
- Some of the problems, dilemmas and new developments referred to above in general terms become specific issues in the final stage of life. Growing old with dignity is a widely supported social objective (see the manifesto of the same title) which demands attention and action in a number of government policy fields. The euthanasia legislation was reviewed by a committee chaired by Professor Paul Schnabel to determine how it related to assisted suicide in the case of people who consider their life to be completed. In 2016 the committee concluded that the legislation offered greater scope than physicians were currently aware of, for example in areas such as dementia and mental suffering. The committee also concluded that extra caution was required in complex cases where patients are suffering from dementia or mental illness in conjunction with multiple geriatric syndromes. On the basis of the literature, the committee further concluded that the group of people who want assisted suicide because they consider their life to be completed and cannot make use of the options provided by the current legislation (Termination of Life on Request and Assisted Suicide (Review Procedures) Act; WTL) is probably small. The government responded to the committee's report; its publication also prompted member of parliament Pia Dijkstra to submit a draft private member's bill for public consultation. The bill focused on people who do not meet the criteria set out in the WTL. Subsequently, the third evaluation of the WTL was published. It is clear that both supporters and opponents of legislation enabling people who believe that their life is completed to have access to assisted suicide attach great importance to a broad public debate, as well as a thorough and careful approach to the issue.

Bearing in mind the considerations set out above, the government will take the following steps.

- It will take steps to implement the recommendations made in the manifesto *Growing Old with Dignity*.
- The health minister will consider, in conjunction with the third evaluation of the WTL, the Schnabel Committee's advice, including a recommendation on increasing knowledge of and familiarity with the legislation on euthanasia (more specifically, informing patients and physicians on the scope of the Act and on consulting an extra independent physician in certain situations).

- A study will be launched into the size and circumstances of the group of people who believe a broad interpretation and application of the existing legislation, as referred to by the Schnabel Committee, does not sufficiently meet their needs.

In consultation with the House of Representatives, without prejudice to each of the parties' positions and responsibilities, the government will facilitate a broad debate on growing old with dignity, the scope and application of the current euthanasia legislation, and the issue of a completed life. The results of the study referred to above will allow the government to decide what, if any, steps it should take, and allow the House of Representatives to decide independently on private member's bills.

- A separate issue is that of research involving embryos and the possibility of changing an embryo's DNA (germline modification). The aim of research using embryos is to prevent a range of diseases. Permission to culture embryos purely for research purposes would advance medical science in the Netherlands. Dutch legislation on this subject, as in many other countries, is restrictive. There are only a few countries where creating embryos for research purposes is subject to fewer restrictions (Belgium, Japan, Sweden, the UK and the US). As the Health Council has pointed out, expansion of the current legislation in this field is a fundamental issue which cannot be seen in isolation from a broader debate covering ethical and social questions as well. The government will encourage such a discussion, while at the same time exploring the alternatives. The policy on surplus embryos resulting from IVF treatment that are used in medical research remains unchanged. To reduce the risk of extremely serious hereditary diseases with diverging sex-specific incidence rates (such as LHON and breast cancer attributable to BRCA gene mutation), the scope for sex selection of embryos or sperm sorting will be expanded. In addition, the government will earmark extra funds for research into the scope for using induced pluripotent stem cells in research aimed at preventing serious hereditary diseases. The Netherlands aims to play a leading role in international research in this field.
- The third issue with a medical and ethical dimension is the private member's bill to amend the Organ Donation Act to enable the establishment of an active donor registration system. The parties' positions on this subject diverge, but the bill has now completed the three stages described above and due care has been exercised in the process. It has been passed by the House of Representatives and is tabled for debate in the Senate.
- Other issues of a medical or ethical nature are also covered by the general assessment framework described above. The government will assess and respond to any new initiatives in this area after questions concerning medical necessity on scientific grounds, medical and ethical dimensions and wider social and political consideration have been answered in a careful and broadly accepted manner. In its decision-making in this area, the government will take account of all relevant interests and viewpoints. The parties are convinced that they can reach solutions on individual issues with all due respect for each other.

1.5 Culture

Culture enriches individuals and binds society together. Besides its intrinsic value and its significance for our identity and history, culture boosts the national economy by fostering tourism and increasing the appeal of the Netherlands as a base for businesses and organisations. Ideally, interest in the arts and culture should start at a very early age, for instance through cultural education. After weathering a period of radical reforms, the cultural sector has succeeded in finding new sources of funding, new audiences and innovative partnerships. However, there is a shortage of expertise, and organisations' resources are under pressure. We will therefore be making extra, targeted investments in quality in the coming period.

- We will extend the basic infrastructure and ensure continuity, so that our flagship organisations can retain their national and international position. The legislation on tax-deductible donations will be retained.
- More scope will be created within the framework of cultural funds for innovation and the development of talent. It is important that the arts and culture remain accessible to all, not just for those living in major cities, but throughout the country. Provincial urban centres like Groningen, Breda, Enschede and Eindhoven can help drive this process, which will be aided by improved coordination between national, provincial and local authorities.
- More resources will go to the Cultural Participation Fund to help it preserve and develop popular culture.
- We seek to protect and provide access to historic buildings, artworks and archives, through digitalisation and by other means. Special attention is needed for historic church buildings, including those that are no

longer used as places of worship. We will invest in maintenance and repurposing. Financial support for privately-owned historic buildings will continue. A sum of €325 million is being earmarked for this purpose during this government's term.

- By providing indemnity cover in the case of loans of major artworks, the government can make it easier for museums to mount exhibitions. Sound management of collections, research and financial scope for new acquisitions lay the foundation for high-quality exhibitions in the future.
- We believe it is important to increase knowledge about our shared history, values and freedoms, as these are what make Dutch society what it is today. In the Netherlands, everyone is equal, irrespective of gender, sexual orientation or belief. Tolerance towards those who think differently is the norm, and there is separation of church and state. People are free to worship as they wish, or not to adhere to any religion at all. We are proud of these values, and how they have shaped our country. It is crucial that we actively pass on that history and those values, as they help to cement Dutch identity at a time of globalisation and uncertainty. Children will therefore be taught the Dutch national anthem at school, and have its origins explained to them. We will also ensure that all schoolchildren have the chance to visit the Rijksmuseum and the Dutch parliament. We will invest in raising awareness about sites that play a significant role in Dutch history and making them as accessible as possible, taking our lead from the Dutch Canon, drawn up in 2006. A copy of the canon will be issued to all young people when they reach the age of 18, and to those who acquire Dutch citizenship.

1.6 Sport

Sport promotes health, brings enjoyment and pride, and creates a sense of togetherness. It will therefore be a focus of this government, especially as sports associations are having increasing difficulty finding volunteers, and financial scope for further professionalisation in sports – both in general and at the highest level – is limited. We seek to work with the sports sector and local authorities to enhance funding and strengthen the organisation of sports. A central role will be played by sports associations and the country's flourishing network of local clubs.

- We want to conclude an agreement aimed at future-proofing the organisation and funding of sport. Sports associations, athletes with special needs and local authorities would be major partners. The agreement would also seek to promote diversity in the composition of sports associations, to reflect the changing make-up of society, as well as to foster the development of neighbourhood sports facilities and easy access for children. The government is earmarking €10 million on a structural basis to strengthen the position of sports associations. It will also extend the Energy Conservation and Sustainable Energy (Sports Facilities) Scheme.
- The government will double the extra funding agreed in 2016 for top-level sport from €10 million to €20 million a year, so as to boost the chances of our Olympic and Paralympic teams. More scope will also be created for promising young athletes to combine their training with education.
- The government is earmarking an extra €5 million on a structural basis to support the organisation of sporting events in the Netherlands, including European and world championships, and multi-sport events. The initiative to organise an event always lies with the individual sports in question and their partners. In its talks with sports associations, the government will address the issues of maintaining public order at events and dealing with unacceptable conduct, for instance at high-risk matches.
- The government will crack down more strongly on doping, match fixing, corruption and abuse in sport.

1.7 Media

Journalism and media companies face huge challenges, at national, regional and local level. Nowadays, big international corporations dominate the media market, and a great deal of information can instantly be obtained free of charge online. This means that independent, investigative journalism and a robust system of public broadcasting (at all levels) can no longer be taken for granted, at a time when they are sorely needed, in view of the changing media landscape. We therefore seek to bolster this sector in the years ahead.

- In the coming period our efforts will focus on fostering independent journalism at local and regional level and on promoting partnerships (both public and private). An example of these efforts will be the inclusion of regional news broadcasts on public channels during this government's term in office.
- The recent creation of the Regional Public Broadcasting Organisation (RPO) was an important step in strengthening partnerships between regional broadcasting organisations. More and more local broadcasting organisations are being set up. As this fosters professionalism, the government is looking into how such bodies are organised and funded.
- It is also earmarking funds to promote investigative journalism. This branch of journalism is under pressure at present; yet it is vital for journalists to fulfil their role as social watchdogs. In this context, the government attaches great importance to the system of an ombudsman for the media.
- In more and more countries, the freedom of the press is being eroded. The Netherlands will continue its efforts to protect journalists in other countries who are under threat.

1.8 Budgetary policy

We will aim to maintain a budget surplus during the government's term in office and will pursue a trend-based budgetary policy.

- By aiming for a budget surplus of around 0.5% of GDP by 2021, we will create scope for conducting a trend-based budgetary policy while respecting the fiscal norms laid down by the Stability and Growth Pact. The government will therefore adopt a fixed expenditure and revenue framework while allowing income and the cyclical part of expenditure on unemployment benefit and social assistance benefit to fluctuate as economic circumstances change.
- Whereas the cyclical part of unemployment benefit and social assistance benefit will be removed from the expenditure framework, the interest expenditure on the national debt and the fiscal consequences of policy decisions on natural gas extraction will be included by the government in the expenditure framework, as recommended by the Budget Margin Study Group. On balance, this will strengthen the government budget's stabilising effect on the economy without diminishing control over public sector spending.
- Linking the expenditure framework to salary and price indices will eliminate price-related public sector surpluses or deficits.
- The existing fiscal rules will continue to apply, including the alterations recommended by the 15th Budget Margin Study Group.
- An initiative entitled 'Insight into Quality' will be launched to increase knowledge of policy effectiveness and efficiency.

Financial relationship with local and regional authorities

- In the context of its programmatic agreements with local and regional authorities, the government will also make agreements concerning its financial relationship with these authorities during its term in office.
- The system of indexation applied to the Municipalities and Provinces Funds is based on the principle that funding for the subnational authorities goes or up down in line with movements in the central government budget. This system involves a link to total expenditure under the expenditure framework (minus adjustments such as the Municipalities and Provinces Funds themselves). This link makes the system more proportional and contributes to greater stability in terms of the increases or decreases in the Municipalities and Provinces Funds over time. The part of the social domain integration grant that can be integrated will be subsumed into the block grant as of 2019, thereby becoming part of the indexation system applied to the Municipalities and Provinces Funds.
- In accordance with the Sustainable Public Finances Act, agreements will also be made on subnational authorities' share in the EMU balance over the government's term in office, proceeding on the basis of the EMU balance after the Netherlands Bureau for Economic Policy Analysis (CPB) has analysed the impact of the measures in this coalition agreement.

2. Security and opportunities in a new economy

2.1 Labour market and social security

The economy is in good shape. But when we look closer, we can see that many people are not yet profiting from the economic upturn. The reality is that the labour market isn't working optimally for either employers or employees. Employers have been burdened with too great a share of the responsibility for the employment relationship. Those who treat their employees decently are at a competitive disadvantage compared with companies that invent clever constructions to keep wages down and pass on risks to others. Permanent staff, flexible workers and the self-employed have unwittingly become competitors. For many, a permanent contract is only a distant prospect. This is particularly the case for younger and older workers and people with an occupational disability. Too many people just don't get a look-in. It is time to modernise the labour market. The key to a fairer labour market lies in making permanent work less permanent and flexible work less flexible. It is the ambition of this government for more people to be employed on open-ended contracts. Independent contractors must be given the latitude they need to do business. The problem of false self-employment will be addressed.

The government has a responsibility to bring the labour market into balance and this agreement contains measures aimed at doing just that. For the economy, it is vital to strike a new balance between job security and opportunities. We look forward to working with the social partners, which also have a duty to work towards a fairer labour market.

Work should pay

Workers are still not benefiting sufficiently from the economic recovery. The tax burden on labour income will be reduced substantially to increase the financial rewards of work in general and of working more hours. But lowering taxes is not enough; more needs to be done to boost people's purchasing power. Generally speaking, there is room in the private sector for employers to increase wages. It would be good for employers and employees to come to agreements about modernising collective agreements (CAOs), creating scope for tailored solutions, freedom of choice in the relative emphasis given to primary and secondary terms of employment, and more attention for long-term employability. As an employer, central government is also committed to pursuing these objectives.

Taking on staff should be attractive for businesses – balance on the labour market

Businesses incur risks and costs when they employ workers. Even though many of the regulations that give rise to these risks and costs serve a valuable purpose, the sheer number of regulations can put employers off hiring staff or offering open-ended employment contracts. In order to turn the tide, it will be necessary to review each regulation to determine whether there is a proper balance. This process should lead to more durable employment relationships and a situation in which the nature of the work to be done rather than institutions and costs determines the way in which employment is offered.

- *Introduction of a cumulative ground for termination in dismissal law*
The provisions of the Work and Security Act (*Wet werk en zekerheid*, WWZ) have made it needlessly difficult for employers to dismiss employees in situations where termination is a reasonable course of action. As a result, employers are reluctant to offer open-ended employment contracts. Employers sometimes find themselves in situations where none of the individual grounds for dismissal offers a sufficient legal basis for terminating an employee's contract, but there are various problems related to multiple grounds for dismissal (for instance, culpable actions combined with unsatisfactory performance and an impaired working relationship). In such cases, it should be possible to ask the court to consider whether the employer should be required to maintain the employment contract or whether dismissal is warranted on the basis of the totality of circumstances specified in the different grounds. The court may award an employee dismissed on the cumulative ground extra compensation of up to half the transition pay (in addition to the standard transition pay to which the employee is already entitled).
- *More balance in the transition pay arrangements*
 - In the interests of dismissal law reform and balance between the different types of employment contract, two adjustments will be made to improve the transition payment scheme. Firstly, the two-year waiting period will be repealed so that employees are entitled to transition pay from the start of their employment contract. Secondly, for each year of service employees will be entitled to transition

pay in the amount of one-third of a month's salary; this rule also applies to employees who have been in service for more than 10 years. The transitional arrangement for employees aged 50 and older will remain in place.

- The possibilities for deducting training costs from transition pay will be expanded. At present, the deduction rule does not apply to costs incurred for training aimed at broadening an individual's employability outside the employer's organisation if the individual concerned has subsequently used the knowledge and skills acquired in a position with the employer, even if the position is different from the employee's current job. This provision will be repealed so that training that employers provide within their own organisations aimed at preparing employees to fulfil another position can be deducted from transition pay. No changes will be made to the rules that apply to training aimed at enhancing skills and knowledge needed for an employee's current position.
- Some of the more painful aspects of the obligation to award transition pay will be alleviated, especially for small and medium-sized businesses. In this respect, the House of Representatives is currently considering two proposals, set out in the government's letter to parliament on solutions to problems in the labour market. The first proposal concerns compensating employers for transition payments to employees whose contracts are terminated due to long-term incapacity to work. The second proposal is to eliminate the transition pay obligation in cases of dismissal for economic reasons if a collective scheme applies. In addition, the eligibility criteria for the transition pay transitional scheme for small employers will be eased and simplified. The government will also put forward proposals for compensating businesses, under certain conditions, that incur transition pay obligations when they terminate their company for reasons of retirement or illness. An amount of €100 million will be set aside for this.
- *Fixed-term contracts for temporary work*

The complete package of measures to be introduced will shrink the gap between open-ended and fixed-term employment contracts. This will enable employers to base their choice of contract form on the nature of the work that needs to be done. The aim is to prevent workers from being trapped in a 'revolving door' of fixed-term contracts.

 - With respect to consecutive contracts, the counter goes back to zero when the interval between contracts is six months or longer. This six-month interval will continue to apply. However, within individual sectors there should be scope for deviating from this rule and shortening the interval if the work so demands. This is already the case for seasonal work. This option will be expanded to include other types of recurrent temporary work that can only be done for periods of no more than nine months. Agreements on this matter should be made during consultations between the social partners. If, however, consultations in a sector demonstrably fail to produce a satisfactory outcome, it must be possible – under certain conditions – for the Minister of Social Affairs and Employment to make a final decision. Fixed-term contracts for primary school substitute teachers who replace staff on sick leave will be exempted from the regulations relating to successive fixed-term employment contracts.
 - The period after which successive fixed-term contracts are automatically converted into an open-ended contract will be extended from two years to three.
 - There will be more scope for setting a longer probationary period to make it more attractive for employers to offer open-ended employment contracts. When the first contract an employer offers a new employee is an open-ended contract, an extended probationary period of five months will apply. A three-month probationary period will apply to multi-year contracts exceeding two years. In all other cases, the probationary period will remain as it is now.
- *Making 'payrolling' arrangements and 'zero-hour' contracts fit for their original purpose*

Employers, client organisations and workers need the labour market to offer flexibility. There are different types of flexible working arrangements that meet different needs. However, it is important to prevent organisations using these arrangements to compete unfairly on employment conditions and to avoid excesses in which employers' and clients' need for flexibility undermines workers' opportunities on the labour market.

 - 'Payrolling' arrangements will remain possible, but only as an instrument to make things easier for employers rather than a way for businesses to use employment conditions to gain an edge on the competition. The government will prepare a bill that declares the more flexible regime under labour law applying to temporary contracts with employment agencies invalid and requires at least equal treatment in terms of primary and secondary employment conditions for temporary workers compared with workers employed directly by the hirer; the definition of a temporary contract with an

employment agency will remain the same. Practicability is an important condition for this proposal. Given the broader debate with respect to the labour market and the aim of making open-ended employment contracts more attractive, the government considers the payrolling proposal to be closely related to proposals in the area of continued payment of salary in the event of sickness, dismissal law and the amendment of the Assessment of Employment Status (Deregulation) Act (*Wet Deregulerend Beoordeling Arbeidsrelaties*, DBA). In addition, the government will review payrolling arrangements more fundamentally in the light of measures to merge formal and substantive employment. In other words, the definition of the temporary contract with an employment agency is also open to discussion. Temporary (agency) work and secondment as such are not up for debate. The government attaches great importance to consultations with the social partners on the development of the proposal and a more fundamental review.

- With respect to zero-hour contracts, the government wants to prevent workers being subject to permanent availability requirements where the work involved does not warrant them. In many sectors, good arrangements have been made in this respect. Nevertheless, undesirable situations exist in which unwarranted availability requirements make it difficult for workers to accept other part-time jobs. To counteract this, in such situations workers will not be required to respond to work calls immediately (or within a certain period) or workers will be entitled to payment of wages if a shift is cancelled.
- *Differentiation of unemployment insurance contributions by type of contract*
The government is going to examine how differentiation in unemployment insurance contributions could help make permanent contracts more attractive. At present, the contributions are differentiated by sector; the costs of the first six months of unemployment benefit are covered by the sector. Instead of this sector-based differentiation, it is possible to opt for a structure for the first six months of unemployment benefit whereby the percentage used to calculate the contributions for open-ended employment contracts is lower than the percentage for fixed-term contracts. This will make permanent contracts, i.e. open-ended contracts, more attractive. In addition, the government wants to engage in discussion with the social partners about increasing incentives for work in the unemployment benefit system.
- *Easing the obligation to continue paying wages during sick leave*
 - To encourage small and medium-sized businesses to hire more staff and offer more open-ended employment contracts, the period during which small companies (up to 25 employees) are required to continue paying wages to employees on sick leave will be reduced from two years to one year. This will ease the burden associated with this obligation for a large share of Dutch companies. The responsibility for paying wages during sick leave and a number of reintegration obligations in that year will be transferred to the Employee Insurance Agency (UWV). The collective costs for the second year will be paid for via a uniform cost-covering contribution charged to small employers.
 - In addition, the period for which differentiation in contributions applies with respect to the work resumption benefit for persons partially capable of work (WGA) will be reduced from 10 years to five. This will substantially limit the period over which all employers are exposed to risk in the event an employee becomes medically incapable of work. A collective, uniform contribution is levied after the period of differentiation in contributions.
 - Work will continue on a number of supplementary measures developed to resolve problems on the labour market identified in the government's letter to parliament on the subject. There is an amendment aimed at removing uncertainty regarding the risk of being required to continue paying an employee's wages during sick leave (*loonsanctie*). Employers who bear the full risk of WGA liability can initiate the second avenue of reintegration (i.e. finding suitable work with another employer for a worker who is partially capable of work). Employers who have taken out public insurance to cover their risk can request an interim assessment of their reintegration plans.
 - Adjusting the arrangements for continued payment of salary during sick leave also increases employees' chances of working during or after a long-term illness, such as cancer. In addition to the current trials with a no-risk policy, the government is also committed to the implementation of specific reintegration arrangements and reducing absence by providing information for employers and doctors.
 - The effects of reducing the period during which employers are required to continue paying wages during sick leave and the differentiation in contributions for work resumption benefit for persons partially capable of work (WGA) will be monitored closely. If the financial burden can be reduced further without this leading to employee absence (and consequently an increase in new incapacity benefit claims (i.e. claims under the Work and Income (Capacity for Work) Act, WIA) and higher taxes

and social insurance contributions for employers), the government is open to making more substantial changes. The government is interested in any proposals put forward by the social partners that produce the same outcome. It believes there is scope for the social partners to take the amounts of enhanced benefit supplements into consideration in this regard.

- *Adding more incentives to work to incapacity benefit schemes*

The measures described above will ease employers' obligations with respect to sickness, disability and incapacity for work. At the same time, a number of measures will be pursued to make it easier for incapacity benefit claimants to find a job and reduce their dependence on benefit.

- It will become more attractive for incapacity benefit recipients to return to work. During the first five years after accepting a job, returners will not be subject to a review of their earning capacity. So, individuals who accept work – even if the job is temporary or part-time – will not have to live with uncertainty about the possible loss of their benefit entitlement (should they lose their job). As a result, the decision to return to work will be an easier one for people to make.
- Decisions on the degree of incapacity of new benefit claimants will be based on a more focused assessment of suitable work. The requirement that it must be possible to find three types of work that the person in question could do and that each of these three types of work is represented by at least three job opportunities (so, nine in total) will be interpreted differently. In future, the requirement of nine job opportunities will still apply, but how they are divided among the different types of work will not be a factor. As a result, fewer people will be declared fully incapable of work.
- In addition, an inconsistency between the Sickness Benefits Act (*Ziektewet, Zw*) and the Unemployment Insurance Act (*Werkloosheidswet, WW*) will be remedied. The Unemployment Insurance Act does not stipulate a right to the employed person's tax credit (*arbeidskorting*) and the income-related combination tax credit (*inkomensafhankelijke combinatiekorting*), while the Sickness Benefits Act does. As a result, the monthly income of unemployment benefit claimants increases substantially if they fall ill and begin receiving sickness benefit and, conversely, sickness benefit claimants who have no employer see their income fall substantially when they report that they have recovered and stop receiving sickness benefit. Entitlement to the employed person's tax credit and income-related combination tax credit will therefore be scrapped for new sickness benefit claimants who have no employer.
- There will also be incentives encouraging new WGA 80-100 benefit claimants (people with a residual earning capacity of between 1% and 20%) to return to work. Because the percentage of incapacity for work is related to a claimant's previous salary and not just to their ability to work, there is a group of WIA incapacity benefit recipients among the WGA 80-100 who could work but for whom employment is financially disadvantageous. These are individuals who have a relatively high insured wage, while people who could perform the same work and have a lower insured wage have an incentive to work. For this reason, the regulations that apply to people in the WGA 35-80 category will also be applied to people in the WGA 80-100 category who are able to work. Specifically, this means the right to the wage top-up benefit will be subject to the requirement that 50% of the residual earning capacity must be used.
- Greater investments will be made in support for incapacity benefit recipients to increase their chances of finding work. First, a training experiment will be launched for people who are deemed medically able to follow a course and for whom training could increase their opportunities to return to work. If the trial leads to a positive business case, training could be offered more widely. Second, the Employee Insurance Agency (UWV) will receive €30 million to provide personal services for adults and young people who are entitled to incapacity benefit (i.e. WGA and Wajong benefit claimants).

- *Self-employed persons*

People who are self-employed and have no employees have a key position on the labour market. It is important that they choose to be self-employed for the right reasons and that they are not engaged in what are actually formal employment relationships. The Assessment of Employment Status (Deregulation) Act failed to create clarity with respect to the latter; in fact, the law caused unrest and as a result too many truly independent contractors were adversely affected. False self-employment and unfair competition on employment conditions are still a problem, particularly in the lower segment of the labour market. The Assessment of Employment Status (Deregulation) Act will therefore be replaced. The new legislation must, on the one hand, assure genuine self-employed people and their clients that there is no formal employment relationship and, on the other, prevent false self-employment, particularly in the lower segment. Stakeholders will be involved in the development of the legislation and consideration will be given to enforceability and the impact on the administrative burden.

- For self-employed persons without personnel, the rule will be that there is always an employment contract if the rate is low and the duration of the contract is long or if the rate is low and the work constitutes regular business activities. A low rate will be defined as an amount equal to wage costs corresponding to 125% of the statutory minimum wage (the limit that also applies to the low-wage benefit (LIV), for example) or to the lowest wage scales in the relevant collective agreements (CAOs). A single rate will be set to demarcate the lower limit for the entire market. On the basis of the reasoning set out above, this rate will most likely lie between 15 and 18 euros per hour. A long contracting period will be defined as a period exceeding three months.
- In the top segment of the market, a facility will be introduced allowing self-employed people to opt out of salaries tax and the employee insurance schemes when they charge a high hourly rate in combination with a short-term contract or a high hourly rate for work that does not constitute regular business activities. The government is considering defining a 'high rate' as a rate above 75 euros an hour. A short contracting period will be defined as a period of less than a year.
- A 'client statement' will be introduced to enable organisations to check the status of self-employed workers who charge more than the 'low' rate. The statement will give organisations clarity and certainty in advance of engaging self-employed workers. Clients can obtain this statement by filling in an online form. (The UK employs a similar service.) The client statement will provide organisations that engage self-employed workers the assurance that they will not be liable for salaries tax and employee insurance contributions (unless the information provided on the form is not accurate). The online form will contain a number of clear questions for the client regarding the nature of the work to be done. In addition, the section on the relationship of authority between parties will be clarified. For example, requiring a worker to attend a meeting will not in itself be regarded as evidence that there is a relationship of authority. In addition, the government will amend the law to allow the relationship of authority to be assessed on the basis of substantive rather than formal circumstances.
- The market will be given time to adjust to these changes in the law. The current moratorium on enforcement will be phased out after these measures have been implemented. For up to a year after the new legislation is introduced, a policy of relaxed enforcement will apply. For example, during this period no fines will be imposed following an initial check. The Tax and Customs Administration will play a coaching role and will help parties apply the new regulations.
- The government intends to explore, in consultation with social partners and other stakeholders in the field, whether and how self-employment can be incorporated autonomously into the Civil Code through the introduction of a specific contract form for self-employed professionals. This would clarify the status of self-employed persons and strengthen their position.
- In addition, the government will examine ways of increasing the percentage of self-employed people who have incapacity insurance. It is important for self-employed people to be able to make a conscious choice about whether or not to insure themselves and for those who do choose to buy insurance to have access to the insurance market. The government will engage in dialogue with insurers in order to improve the kinds of insurance on offer.
- Of course the government will continue to assess whether these changes are, in practice, meeting the objectives, namely to prevent false self-employment and enable people who are genuinely self-employed to do their work.

Activation by means of municipal schemes

Social policy was largely decentralised five years ago. Decentralisation created opportunities for a comprehensive approach close to the people who are reliant on support in their everyday lives. This

comprehensive approach has not yet been fully realised. The various tiers of government will continue to work to put it in place. More money will be available to municipalities through the standardisation system for the Municipalities and Provinces Funds. Programmatic agreements will be made on how this money is to be spent in the social domain. In addition, a number of specific measures will be taken.

- *Jobs for people with disabilities*

Municipalities must make provision for supported employment for people who cannot work in a regular job because of a disability. The aim is to give people in vulnerable positions a better future. Work is the best way to achieve this. Additional efforts are needed in this area.

- The budget for activating and providing services to people in a vulnerable position will be increased, opening up the possibility of supported employment for an additional 20,000 people. As a result, more people with disabilities will be able to perform paid work because municipalities will have more possibilities to organise more supported employment, provide tailored solutions leading to work, and provide support to employers who hire disabled people.
- The extra funds needed to intensify the focus on supported employment will be unlocked by replacing wage subsidies in the Participation Act with the option of wage dispensations. This enables an employer to pay less than the statutory minimum wage, in accordance with the earning capacity of the employee concerned. Depending on which income support scheme the employee is using, the municipality supplements their income.
- The government will take steps to make it more attractive to offer a job to people with a work-limiting disability. First, the government will support and spur on initiatives to create jobs for this group of people by means of reshoring. Second, an assessment will be made of the results of the broad-based survey of problems and opportunities, paying particular attention to improving government performance. Third, measures will be taken in the near future to ensure that jobs of people covered by the Jobs and Job Quotas (Work Disabled Persons) Act who start earning more than the statutory minimum wage continue to count towards the job quotas. This eliminates a potential disincentive for employers to invest in their workers.

- *Prospects for social assistance benefit claimants*

The government wants social assistance benefit claimants to have better prospects of finding work, not least because long-term dependence on benefits can lead to social isolation and increase the likelihood of debt problems. In the Netherlands social assistance benefit is the safety net that everyone can fall back on. Municipalities offer support to social assistance benefit claimants in finding work, but the onus in this regard is primarily on the benefit claimants themselves. Actively seeking employment and finding a job can prevent long-term benefit dependence. This government will enter into dialogue with municipalities about best practices as regards enforcement.

- The government will enter into dialogue with municipalities about how the latter actively implement existing arrangements whereby benefit claimants have to do something in return for the benefits they receive. Because work is a very important part of integration, improvement is needed in the labour market position of Dutch people with an immigrant background – both newcomers and established migrants. To enhance immigrants' command of Dutch – and their prospects – municipalities will actively encourage them to fulfil the existing obligation to learn the Dutch language. The government intends to conclude mandatory administrative agreements with municipalities on this point.
- It is important that when social assistance benefit claimants find a job, working actually makes them better off. This government therefore intends to conclude agreements with municipalities on local policy to help people escape the poverty trap. In addition, the scope currently provided by the Participation Act for experiments to encourage active re-engagement with the labour market by social assistance benefit claimants will remain.

Reducing indebtedness and poverty

One in 10 households has problematic debt. In addition, a substantial share of the population is at risk of debt problems. This government aims to reduce the number of people with problematic debt and offer more effective help to people in debt.

- Assisting people with debt problems will remain a municipal responsibility. The government will seek to conclude programmatic agreements with municipalities in order to arrive at an innovative approach to tackling debt and improve services to help people with debt problems. This approach could include the following components:

- Improving help with debt problems and access to such help, with shorter waiting times.
- Improving cooperation with other parties to prevent debts mounting up needlessly.
- Preventing evictions, especially if children are involved.
- Allowing municipalities freedom at local level to experiment with innovative and customised approaches.
- As creditors, government authorities bear a special responsibility to prevent debts accumulating unnecessarily. They must respect the statutory exemption from attachment of earnings. More emphasis will be placed on direct contact with debtors to prevent debts spiralling out of control. A limit will be set on the combined amount of fines that may be levied for late payment and on the administrative premiums incurred for defaulting on health insurance premiums. Greater scope will be provided for arranging debt payment plans.
- Abuses in debt collection procedures will be combated more effectively. The maximum collection charge will be maintained and the possibility of lowering the minimum amount will be studied. A register will be introduced for debt collection agencies that satisfy requirements relating to setting up such businesses, operations and staff training. If a debt collection agency transgresses too frequently, it will be fined and struck from the register.
- Unscrupulous lending practices will be tackled, as will revenue models that rely on high interest rates getting people into difficulties and passing on the cost of default to society at large.
- The legal procedures for dealing with debt will be improved. Creditors must first explore the possibility of a payment plan before bringing a case before the courts. An experiment will be carried out with a debtors court and debt consolidation. Municipalities will have the right to give an opinion in legal proceedings concerning the appointment of a financial guardian.
- Municipalities and recognised voluntary organisations will work on building a nationwide network of voluntary projects aimed at providing debt assistance and financial guidance.
- The government will set aside extra funding to prevent debt problems and combat poverty, especially among children.

Learning, caring, working and getting older

When there is balance in the labour market, working people are able to devote sufficient time and attention to their loved ones and take care of them. They also have the time and opportunities to continue investing in themselves so that they can stay productive. This means that it is also quite possible they will be able to continue working, in good health, until they reach the state pension age. It is primarily up to employers and contracting organisations on the one hand and workers on the other to reach joint agreements on these matters. The government will however play a facilitating role and set minimum requirements.

- *Partner leave upon the birth of a child*
The government is opting to substantially increase the length of (non-transferable) leave granted to partners on the birth of their child. This has a positive impact on the development of the bond between the partner and his or her child. A longer period of leave for the partner also increases women's opportunities in the labour market because there is less difference between the duration of the leave taken by the two parents.
 - Under the current rules on partner leave, partners are entitled to two days of leave on full pay after the birth of a child, to be taken within four weeks. As of 1 January 2019, this will be extended to five days. This extension takes the place of the previously submitted bill to extend partner leave, which envisaged three extra days' leave with payment by the Employee Insurance Agency (UWV).
 - In addition, entitlement to supplementary partner leave of five weeks will be introduced as of 1 July 2020. This leave will have to be taken in the first six months after the birth. During this period of leave, employees will receive an allowance from the UWV of 70% of a day's pay (up to 70% of the maximum day's pay).
 - In addition, adoption leave will be extended from two weeks to six weeks. This extension also applies to foster parents.
- *Child benefits and allowances*
 - This government will set aside an extra €250 million per year for childcare benefit. Parent participation nurseries will retain their right to exist.
 - Families will be given additional support by means of increases in child benefit (€250 million) and the child budget (€500 million).
 - A proposal for a new funding system for childcare is currently being developed. In the new system

central government will finance childcare providers directly rather than via parents. This is a promising avenue that merits further examination. However due care must be exercised because of the fundamental nature of the proposed changes.

- *Lifelong development and the ability to work up to the state pension age*

It is primarily the responsibility of employers and employees to ensure that workers remain employable. The government's role is to ensure that the necessary conditions are in place. A breakthrough in the area of lifelong learning is an important success factor in this regard. It would ensure future generations of workers can remain productive and healthy until they reach the state pension age.

 - Many people spend too little time on training and professional development during their careers. This is particularly true of a number of specific groups, including older people and people with few qualifications. For this reason, and to ensure that everyone can continue to develop once they have completed their studies, the government intends to replace the tax deduction for training costs with a personal learning account for all Dutch citizens who have a basic qualification. This personal learning account is intended to draw together all the strands of the government's lifelong learning policy. Agreements will be made with the social partners and educational institutions on their contribution to lifelong learning when this training scheme is introduced. The position of training and development funds will also be included in this initiative. In this connection, employers will be given more leeway to deduct from transition payments the costs of investing in their staff's employability within their own organisation.
 - Creating a new culture for older people in the labour market calls for an ambitious age-aware personnel policy. The government expects the social partners to make binding agreements in this regard, focusing on training, mobility between industries, prospects for less demanding work and the need for specific provisions for older people in collective labour agreements. If the government takes the view that too little progress has been made in addressing this issue in earnest, it will not hesitate to take appropriate action after having consulted with the social partners. It is in turn incumbent on the government to take a critical look at any impediments to the effective fulfilment of this responsibility, which is shared by the government, employers and employees. This could involve, for example, spotlighting or facilitating options such as part-time retirement (by means of the two-pillar pension system or 'intergenerational pacts').
 - For older employees who – despite the efforts of employers and employees – become unemployed or unable to work due to sickness or disability, the Income Support (Older Unemployed Workers) Act (IOW) will be extended by four years, so that employees in this category do not have to 'eat up' their own assets if their unemployment benefit (WW) or work resumption benefit for persons partially capable of work (WGA) ends before they become eligible for income support. With the share of older people on the labour market increasing, and the need to ensure the affordability of the IOW, the scheme will be amended by raising the age threshold in line with rises in the state pension age starting in 2020. The government will also invest €40 million per year in extra personal coaching to be provided by the UWV to jobseekers receiving unemployment benefit.

Enforcement and international agreements needed for a properly functioning system

- *Sharper focus on enforcement and efforts to combat fraud*
 - €50 million per year will be set aside for the enforcement system headed by the Social Affairs and Employment Inspectorate in line with Inspection Control Framework. This will enhance the Inspectorate's ability to oversee the statutory minimum wage and to step up its efforts to tackle sham employment arrangements, unsafe and unhealthy working conditions, and exploitation.
 - Labour market discrimination cannot be tolerated and demands a robust response. The labour market discrimination action plan will therefore be continued, focusing in particular on combating discrimination in job application procedures and pregnancy discrimination, with a strong enforcement role for the Social Affairs and Employment Inspectorate.
 - The abuse of social provisions undermines public support for solidarity. The government therefore takes the view that executive bodies including municipalities must make effective use of opportunities to share, link and analyse data, in accordance with the applicable statutory rules and safeguards. This can also help benefit recipients to comply with the rules and avoid errors.
- *A level international playing field*
 - Enforcement efforts in the Netherlands must be accompanied by good international agreements, for example by tightening up the provisions of the Posting of Workers Directive. Within the EU we will continue to work towards a level international playing field for businesses and workers to avoid a

situation where workers from different member states compete unfairly on conditions of employment. The same work at the same place must be rewarded with the same pay.

- In the review of the EU Regulation on the coordination of social security systems, the Netherlands will push for the application of the country of residence principle to the export of child benefit and related provisions. Application of this principle will ensure that the size of the benefit is commensurate with the cost of living in the EU member state in question.
- EU labour migrants make a contribution to the Dutch economy. By working in the Netherlands they accrue rights to unemployment benefit just like any Dutch citizen. As things stand, weeks worked in the country of origin count towards the accrual of unemployment benefit entitlements. The Netherlands will seek to have a waiting time of 26 weeks introduced, so that labour migrants will have to have worked for 26 weeks in the Netherlands to qualify for unemployment benefit.

2.2 Modernising the pension system

The Netherlands has a robust pension system. But changes in the labour market, rising life expectancy, the financial crisis and low interest rates have exposed its vulnerabilities. It is not adequately meeting expectations, it is characterised by intergenerational tensions, and it is no longer aligned with the changing labour market. The pensions dialogue, a national consultation exercise held over the past few years, revealed broad support for modernising the pension system. Reports published by the Social and Economic Council (SER) in 2015 and 2016 provide useful guidance for this endeavour. As it goes about the task of reform, this government intends to follow the contours of a new pension system outlined in the SER's reports. The SER is studying the option of personal pension capital combined with the retention of collective risk sharing. It will shortly offer an advisory opinion on this option. The government wishes to move, together with trade unions and employers' organisations (the 'social partners'), towards a modernised pension system which addresses the vulnerabilities in the current system while maintaining its strengths (compulsory participation, collective implementation, risk sharing and supportive tax rules).

Building on the SER's work and reports, the government intends to reform the pension system. Pension capital will be more personal in nature, risks will be shared collectively and the uniform premium system will be abolished. The government looks forward to receiving a broadly supported proposal from the SER. The following elements are essential.

- The uniform pension premium system will be abolished. A non-age-related premium will be mandatory for all contracts, and pension scheme members will accrue benefits in accordance with the premiums they have paid. This approach will eliminate the redistributive element stemming from the uniform premium system, increase the transparency of pension accrual and provide enhanced alignment with the labour market. The possibility of limiting the tax framework to the pension premium will be examined. When devising the tax framework, the government will keep in mind the need to facilitate adequate pension accrual.
- People will continue to share risks. A pension will remain a lifelong payment; people will not face the risk of having no money left if they live longer than expected.
- The social partners will develop a new pension contract. The SER has already explored the options for a new pension contract involving personal pension capital. This will make it easy for a pension scheme member to see how much they have accrued and allow interest rate sensitivity to fall. To ensure pensions are as stable as possible, there will still be a collective payment phase, which will in principle follow the rules laid down by the Pension Schemes (Improvement) Act.
- The SER's reports describe the option of a collective buffer, formed from excess returns, to protect against unforeseen changes in life expectancy and shocks on the financial markets. A buffer of this kind will therefore limit intergenerational differences.
- If a new contract features a buffer, a statutory framework will be prepared governing its maximum size and setting out rules on its accumulation and on the withdrawal of funds from it, on the understanding that the buffer cannot be negative. Within these rules, compulsory participation as it currently applies should be maintained.
- Eliminating the redistributive effects of the uniform premium system and introducing personal pension capital will create a system that is better able to accommodate freedom of choice for pension scheme members and allows self-employed people to join or remain members voluntarily.

- The system will provide sufficient cover for surviving dependants' pensions and invalidity pensions so as not to impede labour mobility.
- The modernisation of the system demands a careful approach:
 - The impact of the transition to a new method of pension accrual must be spread evenly across all pension scheme members. The government will devise frameworks that will enable the social partners and pension providers to adopt a customised approach during the transition.
 - The simultaneous switch to a new pension contract and abolition of the uniform premium system will make the transition easier. The aim is for as many pension funds as possible to switch to the new contract, which will simplify the system and in due course mean fewer forms of contract are needed. The new system must remain compatible with EU law, and compulsory participation in industry and occupational pension funds will be maintained.
 - The government will help to cushion the financial impact of the abolition of the uniform premium system and the transition to a new method of pension accrual by temporarily relaxing the tax framework, provided that this does not affect the long-term sustainability of the public finances.
 - The government will facilitate the collective conversion of existing entitlements to personal pension capital. The government and the social partners have a joint responsibility in this regard.
 - Effects on the size and volatility/stability of pension benefits will be important factors to consider when preparing the new pension contract.
 - During a limited implementation period, the social partners will be given the scope to adapt schemes to the new pension accrual method and possibly switch to a new pension contract. During this implementation period, account must be taken both of pension schemes that retain the uniform premium system temporarily and of pension schemes that no longer do so or employ a different system.
- The accrual of pension rights as part of terms of employment will remain a responsibility of the social partners. The Dutch government will provide the relevant framework. The pension system will remain a national competence and the government would reject any additional EU measures that may encroach upon it.
- The government would like to allow greater freedom of choice and will examine whether and if so how provision could be made in the reformed system for the withdrawal of a limited part of the pension capital as a lump sum upon retirement.
- In the reform process, the government will pay explicit attention to transparency and the control and – if possible – reduction of implementation costs.
- Both the design of the new contract and the transition require further work. The government will address this task in close consultation with the social partners. The aim is to have an agreement on the main points in place at the start of 2018, so that a start can then be made on legislation. A process of this kind helps generate confidence and broad public support. It is envisaged that the legislative process will have been completed by 2020, subject to the due care required to ensure the legislation's workability, so that implementation can start thereafter.

2.3 Housing

The economic crisis that began in 2008 has had a significant impact on the housing market, the construction of homes and the capacity of the construction sector. Now that the economy is gaining strength, the demand for housing has once again increased dramatically. More good-quality housing is needed to meet the requirements and financial capabilities of today's consumers. We will prioritise mid-range private sector rental housing. Housing market policy will require subnational authorities, housing associations and private parties to work together. In the period ahead, the aim is to build more rental and owner-occupied housing, ensure there are sufficient homes for specific groups to buy or rent and take significant steps towards making the existing housing stock more sustainable.

Construction of homes

- The new Environment and Planning Act will give municipalities more responsibilities, more instruments and greater freedom with regard to spatial planning policy and housing policy. This will allow customised approaches at regional and local level in terms of the scope, make-up and quality of home construction.
- In consultation with subnational authorities, housing associations and other stakeholders, the government will make agreements aimed at encouraging the construction of homes. The fact that housing supply is lagging behind the rise in demand is partly the result of the construction process, but is also partly due to

unnecessary obstacles created by government policy. We want to use the agreements to remove as many obstacles as possible. In addition, a customised regional approach must be made possible, both in large cities and in regions with shrinking populations and vacant housing.

- Target groups and differentiation are also important parts of this task. Housing supply must keep up with changing requirements and wishes. This means there needs to be homes that fit everyone's financial capabilities (such as social housing, mid-range rental housing and owner-occupied housing) and that are suitable for a range of target groups (such as older people, single people, residence permit holders, first-time buyers/renters, disabled people and students).

Rental market

- There is a need for more affordable housing in the private rental sector. The scope in municipal policy for increasing supply, taking price-related measures and selling social housing must be fully exploited. The recommendations of the Mid-range Rent Cooperation Group will be incorporated into the agreements made with subnational authorities.
- Housing associations' core task remains constructing, renting out and managing social housing for people with low incomes or people who, for other reasons, have difficulty finding suitable housing.
- In locations where no commercial party is willing or able to invest in mid-range rental housing, the market test will be simplified.
- Housing associations which invest in sustainability will be eligible for a reduction in the landlord levy. The government will set aside €100 million annually for this.
- In the future, housing benefit will be gradually reduced over a longer income trajectory. The personal contribution paid by housing benefit recipients will be adjusted in line with rent increases. To that end, the provision allowing the personal contribution to be adjusted on the basis of either rent increases or changes to social assistance benefit will be scrapped. In addition, we will simplify housing benefit where possible.

Owner-occupied housing market

- In order to limit the risks to banks' balance sheets and families, the mortgage rules were amended during the previous government's term in office. The maximum amount that can be borrowed is gradually being reduced to no more than the property's value. This policy will be continued. The maximum loan-to-value ratio will not be reduced any further in order to avoid making it more difficult for first-time buyers to access the housing market.
- The percentage of mortgage interest relief will be reduced in steps of 3 percentage points annually until the basic rate is reached. All the revenue generated by the accelerated reduction in mortgage interest relief will be used to compensate homeowners by reducing the notional rental value of their homes. In light of the redemption obligation, introduced in 2014, the Self-Financing of Home Purchases (Incentivisation) Act has become untenable. The provisions will be phased out over 20 years.
- The reforms to the two-pillar pension system will lead to clearer ownership rights regarding pension capital in the accrual phase. Another advantage is that, in the accrual phase, it will become simpler to integrate capital accrual from home ownership into pension capital accrual. This can be looked at once the pension system reforms are complete.
- Housing cooperatives are organisations whose members jointly own the homes they occupy. Housing cooperatives offer an alternative to the two 'traditional' solutions commonly found in the Netherlands: renting an individual home from an external party and individual home ownership. In housing cooperatives, occupants are more directly involved in managing their homes and the living environment. Ways of increasing the scope for members to purchase their properties will be investigated.

Making the built environment more sustainable

- The government will work with subnational authorities, housing associations, network companies and other stakeholders to develop a policy programme to make the built environment more sustainable. The first step is drawing up regional plans with municipalities, provinces, water authorities and distribution network operators in order to create a targeted approach for each region, with an optimum mix of energy savings, sustainable heating and sustainable energy generation.
- Making the existing housing stock more sustainable starts with using insulation to reduce heating demand. In the long term, the remaining heating needs will be met through heat pumps, solar boilers or heat grids that use residual or geothermal heat. Resources are available for this purpose.

- By the time the government's term of office ends, all new homes and other buildings will, as a rule, no longer use natural gas for heating. Steps will also be taken to gradually expand the sustainability market with regard to the existing housing stock. As the construction sector gains expertise and experience in this area, the costs will fall and the sustainability market will need less support. By the end of this government's term in office, the aim is to have built around 50,000 new homes per year that are not reliant on natural gas. This will help ensure that by 2021 a substantial proportion of the new homes built annually and the housing stock in general will not depend on natural gas.
- During this government's term in office, we wish to make between 30,000 and 50,000 existing homes 'gas free' each year, or at least make them as energy efficient as possible so that they can be made gas free in the near future. This is the first step towards making 200,000 homes per year more sustainable. This annual target must be met in order to increase the sustainability of the total housing stock (6 million homes) in the 30 years leading up to 2050.
- The required reduction in costs charged on by plumbers and building contractors will be promoted through an innovation programme focused on innovating and improving products and services in the built environment and guaranteeing their quality. Activities connected with the Energy Top Sector and the Construction Agenda will also focus on this issue.
- The energy performance standards for new housing will be tightened accordingly. The gas network will no longer automatically be extended to reach new housing estates. Instead of homes having a mandatory connection to the mains gas network, end users will have a right to heating. This will entitle them to be connected to a (possibly enhanced) power grid or a heat grid.
- When gas networks need to be replaced, network companies will, in consultation with municipalities, assess how future energy needs can be met.
- We will explore which forms of building-specific finance can make energy-saving measures attractive for private homeowners. Finance can come from pension funds or banks which provide a loan for investing in sustainability. Repayments and interest will be covered by savings on energy costs. If a loan can be linked to an individual home, bigger, longer-term investments will become attractive and the risk to the homeowner and financiers will remain limited, which in turn will also limit risk mark-ups. If necessary, the Financial Supervision Act (WFT) and provisions in the Civil Code on consumer protection for financial products will be amended.

2.4 Economy, innovation policy and business climate

Businesses are invaluable. They are the engine of our economy. Our jobs, prosperity and opportunities to develop are largely due to creative individuals, innovative start-ups, proud family businesses, global corporations and a large, varied and robust SME sector. They deserve scope to develop. We will invest in research and innovation because we believe the Netherlands has everything it needs to find the best solutions with regard to digitalisation and globalisation. We can become the European leader in the social, economic and digital domains. Ensuring a good business climate for companies and researchers that really add something to our economy and society is part of this challenge. In addition to ensuring high-quality (international) education, reliable and safe digital and non-digital infrastructure, good healthcare and a wide range of cultural activities, we will therefore also work to create an attractive financial investment climate.

Scope for businesses

- Legislation will be updated to help businesses respond better to social and technological developments through their products and services. Steps will be taken to limit the regulatory and administrative burden, such as extending the current business impact test to include an SME test.
- The various inspectorates will work together more closely so that better enforcement goes hand in hand with a lower administrative and supervisory burden.
- Appropriate rules will be drawn up and more scope will be created for businesses whose goals relate to civil society, while efforts will be made to maintain a level playing field.
- The government will increase the possibilities for regional and sectoral pilot projects, the legal scope for experimentation, and the number of test locations (including for drones) and 'non-regulated' zones. Minimum requirements and appropriate supervision will apply, however.
- To make the most of regional opportunities, central government will conclude deals with local and regional authorities in which parties pledge to work together on new solutions.

- After evaluating the current temporary ‘customary pay regulation’ the government will assess whether it needs to be amended. The regulations on paying out shares for start-ups and scale-ups will also be reviewed, to see whether they should be expanded.
- The government will make better use of its purchasing power in order to speed up sustainable transitions, involve vulnerable groups and ensure innovative procurement.
- When deciding whether to outsource central government activities, economic and social considerations will be taken into account.
- Government contract award procedures must be made more accessible to SMEs. Central government always pays within 30 days and encourages businesses and other public and semi-public bodies to similarly improve their payment practices.

Improving innovativeness

- In vocational education, tradespeople, technology and crafts will be prioritised, given fresh impetus and revalued. The National Technology Pact and the Science and Technology Forum will be continued.
- The government will invest €200 million each year in fundamental research. An additional €200 million per year will be made available for applied research. This will include an additional investment in large technology institutes which demonstrably meet market needs, and public-private partnerships with universities and institutions of higher professional education that focus on science and technology.
- The government’s top sector policy, which focuses on cooperation between the private sector, knowledge institutions and the government, will concentrate more on the economic opportunities offered by the following three major social themes: energy transition/sustainability; agriculture/water/food; and quantum/high-tech/nano/photonics.
- The Eindhoven region’s ‘mainport’ status will be strengthened in cooperation with the region itself.
- ESTEC in Noordwijk is the European Space Agency’s largest location. Given the major importance this has for the Dutch high-tech industry’s international standing, the government will take steps to ensure the continued use of this location, using resources from the regional envelope if necessary.
- The government will act as a launching customer to encourage innovation by making greater use of the Small Business Innovation Research (SBIR) programme. This will involve the Ministry of Defence and Rijkswaterstaat, for example.
- SMEs deserve to play a more powerful role in innovation policy. The innovation credits for SMEs and the ‘MIT scheme’ (for stimulating cross-regional SME innovation in top sectors) will be expanded.
- To remove obstacles (including national borders) to digital business, the government will work at EU level to create a European digital market.

Credit and the banking sector

- The government will press ahead with the establishment of a Dutch finance and development institution, InvestNL, in accordance with the three-pronged approach already in place (see Parliamentary Paper 28165, no. 266) and will make available €2.5 billion for its budget.
- Innovative financial technology (FinTech) will contribute to an innovative and competitive financial sector. The entry of these innovative companies into the sector will be simplified through the introduction of less strict licences for banking and other services, while ensuring sufficient consumer protection.
- Well-capitalised banks are crucial for lending. As soon as the more stringent requirements of Basel IV come into force, the leverage ratio requirement will be brought into line with European standards.
- To ensure enough fair competition in the financial sector, ABN AMRO – following a.s.r. – will be fully reprivatized, as quickly as is responsible. As regards Volksbank (formerly SNS), options for a future outside of government ownership are currently being assessed. Once this process is complete, the government will make a decision, taking into account the desirability of a diverse banking landscape.

A good, level playing field for businesses

- An open economy is hampered by the barriers that Dutch businesses too often come up against in non-EU countries. The same applies to foreign companies that are wholly or partly state-owned or which receive state aid. The Netherlands wants to make agreements at European level and with non-EU countries to ensure a more balanced economic environment.
- Vital sectors will receive special protection. After careful analysis of the risks to national security, selected companies working in vital sectors will only be eligible for takeover following explicit approval (subject to conditions if necessary) or will be protected by laying down other, suitable guarantees. Research will also

be carried out into whether, in addition to the existing list of vital sectors, such protection is also needed for farmland and certain regional infrastructure works. Measures will be taken if necessary.

- We will take steps to shift influence from certain activist shareholders who are primarily concerned with the short term to shareholders and other stakeholders who are interested in creating long-term value.
 - A company listed on the stock exchange that, during a general meeting of shareholders, faces proposals for a fundamental change of strategy, can call a maximum 250-day reflection period, provided capital transactions are not affected. In this period, the company should explain to shareholders the policy being pursued and all stakeholders involved in the company should be consulted. This measure cannot be used in combination with companies' own anti-takeover measures, such as issuing preference or priority shares.
 - Listed companies with an annual turnover of more than €750 million will be given the opportunity to ask shareholders (when they own more than 1% of the share capital) to register as major shareholders with the Netherlands Authority for the Financial Markets (AFM).
- The Netherlands Authority for Consumers and Markets (ACM) will be asked to set up a specialist team in the area of digital competition. By building up knowledge of digital innovations and digital markets, it will be possible to take more effective and targeted action against abuse of market power by dominant players in the internet economy. In order to tackle unfair trade practices and market distortion in the food chain, the ACM will also set up a specialist team for the agri-nutrition sector. Where necessary, the ACM will receive specific, additional powers concerning disputes relating to the code of conduct for fair trade practices.
- The Competition Act will be amended to explicitly allow parties in the agriculture and horticulture sectors to work together, with a view to rectifying the power imbalances in the chain.
- At the request of trade associations or producers' associations, the government may declare sector-specific agreements in agriculture and horticulture generally binding, e.g. for funding research into innovative products and making more sustainable standards compulsory. EU frameworks and the Netherlands' export position will be given due consideration in this regard.
- To prevent improper and unwanted competition between authorities and private parties, the public interest provision in the Public Sector Market Operations Act will be tightened up. For activities performed by public bodies which are not offered by market parties (or not to a sufficient extent), such as sport, culture, welfare and reintegration services, the option of having these services provided by public bodies will remain.
- Additional franchising legislation will be drawn up in order to strengthen the position of franchisees in the pre-competitive phase.
- For years, the postal market has been shrinking. Fewer and fewer people are sending physical mail. The government wishes to safeguard the current quality level of the universal postal service in rural areas and in areas with shrinking populations. Research will be carried out to see if a contract award procedure for the universal postal service should be favoured above the current model, in which the government compensates PostNL for loss-making activities.

A competitive business climate

- We want the Netherlands to be a country where foreign businesses want to establish themselves and which makes it easy for Dutch businesses to trade all over the world. The Netherlands benefits from this, because these businesses bring employment, innovation and strength to our economy. Large numbers of people work for companies that operate internationally and for businesses that act as their suppliers. For many internationally active companies, the Netherlands is an attractive business location. Measures need to be taken to ensure this remains the case in an increasingly globalised world. We will focus on companies that offer real added value rather than on shell companies, which merely have an address in the Netherlands.
 - We want to put an end to the situation where companies only establish operations in the Netherlands on paper in order to move millions around without paying any tax. We're going to charge them taxes, just like any other business. At international level, we will work to combat tax havens. We will set a good example by levying withholding tax on outgoing flows of interest and royalties to low-tax jurisdictions.
 - We will encourage businesses to use more of their own capital and limit tax advantages for loan capital. This will create more stable companies and healthier economic relations, especially in times of adversity. This applies even more so to banks, which called on the government for substantial assistance during the euro crisis.

- We will reduce corporation tax and abolish dividend tax, making it easier for businesses to raise their own capital abroad and making them less vulnerable to hostile takeovers. To finance this, we will limit interest relief and reduce the scope for carrying losses forward or back for corporation tax purposes. We will also limit the tax advantages for expats.

2.5 Reform of the tax system

The tax system will be reformed. Differences in tax treatment will be reduced, the financial incentive to work (more) will be increased, the price of polluting will be raised, tax avoidance will be tackled, and the tax climate will be improved for businesses that genuinely foster economic activity and create jobs in the Netherlands.

- Tax payable by individuals will be reduced by a net amount of over €6 billion by 2021 (including some €1 billion by means of income measures on the expenditure side of the budget), primarily through the introduction of two tax brackets with a basic rate of 36.93% and a top rate of 49.5%, an increase in the general tax credit and a net rise in the employed person's tax credit, besides a large number of smaller changes. These changes will make all income groups, but especially those in work, better off in the years ahead. The income package will ensure a balance between single- and dual-income households and will make it pay more to work (more), especially for working people in middle-income groups.
- The scope for further reducing tax on income will be created by raising the low rate of VAT from 6% to 9%, by making the tax system greener and by reducing deductible items – including mortgage interest tax relief and the self-employed person's tax allowance – in four annual steps of 3 percentage points to the basic rate from 2020. All the revenue generated by the accelerated reduction in mortgage interest relief will be used to compensate homeowners by reducing the notional rental value of their homes. The scheme whereby homeowners with little or no debt due to the financing of their homes are exempted from income tax on the notional rental value will be phased out over the next 20 years.
- Changes to capital yield tax (levied on savings and investments or 'box 3' income) that envisage a taxable amount that is closer to actual returns will be brought forward. The capital yield tax allowance will be raised from €25,225 to €30,000 (€60,000 for couples). During the government's term in office, a system of capital yield tax based on actual returns will be prepared.
- Tax rules help determine the business climate for international enterprises. The Netherlands must remain attractive to businesses seeking to establish a presence here and produce goods and services (see previous section).
- With this in mind, we will combat tax avoidance and broaden the corporate tax base. We will use the revenue this generates to lower corporation tax rates, partly in view of developments in neighbouring countries. The statutory rates of corporate income tax will be gradually reduced from 20% and 25% to 16% and 21% as of 2021. To prevent the private limited liability company (BV) exerting a strong attraction as a business form and to maintain overall balance in the tax burden, the tax rate on income from a substantial interest (box 2) will be gradually raised from 25% to 28.5% in 2021.
- In order to tackle tax avoidance, we also advocate establishing a blacklist of uncooperative jurisdictions in the area of tax and introducing a requirement for multinationals to report on their activities in each EU country and each country on the blacklist.
- Dividend tax will be abolished. At the same time, in order to counteract tax avoidance schemes involving shell companies, a withholding tax will be levied on outgoing flows of interest and royalties to low-tax jurisdictions. Equity financing will become more attractive due to limits placed on the deductibility of loan capital.
- A stricter regulatory framework will apply to trusts and company service providers; DNB (the Dutch central bank), which supervises the sector, will be equipped with a broader range of tools.
- In the light of the Panama Papers, the government will ensure that the Tax and Customs Administration has better access to information and greater investigative capacity. Transparency will be increased. A business case will be drawn up to this end.
- Environment-polluting activities will be priced through the introduction of a CO₂ minimum price in the electricity sector, changes in energy tax, a higher tax on dumping and incinerating waste and the abolition of the refund regulation for taxis. The Renewable Energy Grant Scheme (SDE+) – and the associated storage of sustainable energy – will be continued and expanded. The government will work to achieve agreement at European level on aviation taxes in the context of the negotiations due to take place in 2019

on the Paris climate objectives. The possibility of a levy on noisy and polluting aircraft will be explored. If these two routes fail to yield sufficient results, a flight tax will be introduced as of 2021. The revenue derived from these greening measures will be used to fund lower taxes for individuals and businesses.

- To improve the functioning of the tax system, €0.5 billion will be set aside over the coming years to implement the Tax and Customs Administration's investment agenda.

3. A sustainable future for the Netherlands

3.1 Climate and energy

The Paris climate agreement was a breakthrough: 195 countries pledged to keep the rise in global average temperature well below 2°C, and aim to limit this increase to 1.5°C. It is our duty to do everything we can to achieve these targets. Doing so will at the same time reduce our dependence on Middle Eastern oil and Russian gas. On behalf of all its member states, the European Union gave a firm undertaking that greenhouse gas emissions will be reduced by at least 40% by 2030, compared to 1990 levels. While this is a worthwhile undertaking, it will be insufficient to achieve the 2°C target, let alone the more ambitious target of 1.5°C. We note that this will require a greater effort and are setting the bar higher than the EU has done, by introducing measures to prepare the Netherlands for a 49% reduction in greenhouse gas emissions by 2030. We will draw up a national climate and energy agreement in order to give economic sectors certainty about the long-term targets. Measures to be taken in the short term include greening the tax system, designating more sites for offshore wind farms, and setting a minimum price for CO₂ produced by the electricity sector.

At EU level we will take the lead in striving to raise the EU target to 55%. The first opportunity to tighten the targets at international level will be in 2019, during the first five-year global review of the Paris Agreement. We will seize that opportunity. If the EU as a whole is insufficiently ambitious, we will make agreements with our neighbours on making an extra effort on top of the EU targets.

International strategy

- At EU level we will call for a 55% reduction in greenhouse gas emissions by 2030. The most opportune moment for doing this will be in 2018, when the EU decides on its contribution to the global review of the Paris Agreement targets in 2019.
- Should a more ambitious target for the EU as a whole prove infeasible, the Netherlands will strive to make agreements with like-minded countries in north-west Europe on pursuing more ambitious targets than required under the EU country allocations. In this way we will avoid putting Dutch economic sectors at a competitive disadvantage.
- National targets that are more ambitious than those required by the EU should not lead to higher emissions elsewhere. To this end, the group of leading countries will need to introduce supplementary policy, for instance on buying up ETS emission allowances.
- The outcome of the global review in 2019 is uncertain, so the final target for 2030 may be different from the 49% on which the government's current plans are based.

National strategy

- There will be a new national climate and energy agreement, based on a target of 49% fewer greenhouse gas emissions by 2030. The agreement will take account of any adjustment to the 2030 target.
- The main points concerning climate and energy in this coalition agreement will be laid down in a Climate Act.
- The national climate and energy agreement will give all stakeholders in society (companies, public authorities and environmental groups) more certainty about the long-term targets and establish a consultative platform where parties can engage in dialogue and respond to new developments in technology and other areas. The agreement will also contain concrete arrangements on institutional anchoring.
- Achieving 49% fewer emissions by 2030 will require an extra CO₂ reduction of 56Mt on top of the current policy scenario. The table below gives an indication of the reduction allocation per sector, based on foresight studies by the Netherlands Environmental Assessment Agency. In the framework of the national climate and energy agreement, timetables for achieving these targets will be agreed with all sectors.

Table: Indicative allocation of the 49% reduction by 2030		
Domain	Reduction by 2030 (Mt)	Measures
Industry	1	Recycling
	3	Process efficiency
	18	Carbon capture and storage
Transport	1.5	More fuel-efficient tyres, European standards, electric vehicles
	2	Biofuels and measures by cities
Built environment	3	Optimising energy use of office buildings
	2	Home insulation, district heating and heat pumps
	2	New builds that are more energy-efficient
Electricity	1	Energy-efficient lighting
	12	Shutting down coal-fired power plants
	2	Carbon capture and storage at waste incineration plants
	4	More offshore wind power
	1	More solar power
Land use and agriculture	1.5	Smarter use of available land
	1	Lower methane emissions
	1	Energy-producing greenhouses

- A relatively large part of the reduction has been allocated to industry because there is considerable potential there to increase efficiency (by technical means) at relatively low cost. An adaptive, innovation-focused policy package can safeguard the competitiveness of Dutch industry and build on the Netherlands' strengths. Good climate policy based on smart principles creates opportunities for economic growth and employment.

Financing the climate and energy transitions

- The government will explore, jointly with stakeholders, how future policy can be successfully designed, how expertise can be developed and what pilot projects can be carried out. €300 million per year will be set aside in the budget for this purpose.
- Funds from the Renewable Energy Grant Scheme (SDE+), increasing to €3.2 billion per year, will be used to develop a cost-effective climate package focused on emission reduction.
- The levy on landlords will be based partly on how much housing associations invest in energy-saving measures. The government will reserve €100 million per year for this purpose.
- In 2020 the net metering scheme for sustainable electricity will be replaced by a new scheme. The costs of solar power are expected to fall, so that greater sustainability gains can be achieved with the same level of funding.
- Adding up all the budget items gives a total of almost €4 billion in central government funding per year. This does not include the resources for top sector policy and innovation policy, which will be used with a stronger focus on achieving energy and climate objectives. In addition, a considerable share of the extra funding for subnational authorities will also go towards climate policy objectives. For instance, improving the sustainability of the built environment is largely a responsibility of these subnational authorities. Provisions to this end will be set out in an administrative agreement. Moreover, Invest-NL will increase the availability of risk capital, including for energy transition projects.

Measures

- The scope of the Renewable Energy Grant Scheme (SDE+) will be broadened, so that it will also offer incentives for developing other emission reduction technologies, including carbon capture and storage. This can play a key part in reducing emissions from industry, power plants and waste incineration plants.
- The energy tax regime will be adjusted so that the taxes charged on gas and electricity consumption will be more in keeping with carbon emissions. This will be made possible in part by the introduction of a minimum carbon price for the electricity sector, which will create incentives for energy savings and emission reduction. We will move towards a greener tax system for individuals and businesses.

- Coal-fired power plants will be phased out by the end of 2030 at the latest. A timetable for achieving this will be agreed with the sector in the framework of the national climate and energy agreement.
- Grants for co-firing biomass in coal-fired power plants will be stopped after 2024.
- We will introduce distance-based road pricing for heavy goods vehicles ('Maut'), as in neighbouring countries, as soon as possible. We will use the same registration and payment system as these countries, so that vehicles do not need to be fitted with additional hardware. In consultation with the sector, the income generated by the toll will be put back into the transport sector in the form of a lower motor vehicle tax on heavy goods vehicles and funding for innovation and sustainability.
- Innovation policy will focus more strongly on major societal themes such as the energy transition.
- We will designate more sites for offshore wind power.
- We will investigate whether competition law is an obstacle to companies and supply chain actors that want to work together towards sustainability goals, and if so, whether these laws could be amended, and how.
- The government will start talks with the Port of Rotterdam Authority and companies established there on using the Rijnmond region's enormous potential for carbon capture and storage and residual heat. Similar assessments will be made for the Port of Amsterdam and the Westland region.
- The grant scheme for sports clubs adopting energy-saving measures will be prolonged.
- By the end of the government's term of office, new builds, including homes, will generally no longer use natural gas for heating. Steps will also be taken to gradually expand the market for making existing housing more sustainable. As the construction sector gains expertise and experience in this area, costs will fall and this market will have less need for support.
- We will explore which forms of building-specific finance can make energy-saving measures an attractive option for individual homeowners.
- We will draw up regional plans, in consultation with local and provincial authorities, water authorities and distribution network operators, on making the built environment more sustainable. This process will result in a programme-driven strategy with an optimum combination of energy savings, sustainable heating and sustainable energy generation. (See also section 2.3 Housing.)
- Instead of homes having a mandatory connection to the mains gas network, residents will have a right to heating. This will entitle them to a (higher capacity) power supply or district heating connection.
- The energy performance standards for new housing will be tightened accordingly. The mains gas network will not automatically be extended to new housing estates.
- A special energy cooperative scheme will be introduced to facilitate groups of residents who want to take part in sustainable energy projects in their immediate surroundings.
- Provisions on climate adaptation will be laid down in an administrative agreement.

3.2 Transport and mobility

A smart, sustainable transport system, each part seamlessly interlocking – that is how we want to keep the Netherlands mobile and accessible. Now that the economy has picked up again, we can make a much-needed extra investment in infrastructure to reduce congestion on our roads, railways and waterways and in the skies. At the same time, we are taking measures to mitigate the impact of transport on the climate, on air quality and on the living environment. Innovation presents many opportunities. Technological innovation gives us the opportunity ultimately to achieve an increasingly cleaner, more integrated transport system.

Passenger transport

- In designing, constructing and maintaining infrastructure, we will take account of autonomous vehicles and the systems needed for them both in and alongside the carriageway. Wherever possible, government information on traffic and transport for vehicles, apps and journey and route planners will be provided as open data. To safeguard everyone's privacy, we will set rules on ownership and use of travel data.
- The aim is for all new cars to be zero emission by 2030 at the latest. Tax incentives for zero emission cars will be phased out as this ambition is achieved.
- We will ensure that charging infrastructure is in place to meet the needs of the new stock of electric vehicles. Market parties will continue to bear primary responsibility for supplying and operating charging equipment.
- By introducing low emission zones, and reducing parking charges for zero emission vehicles, the municipal authorities have instruments at their disposal to improve air quality in inner cities. Following Germany's

example, we will introduce a uniform system of low emission zones, with clear categories and signage, so that motorists in each municipality will understand the rules. Existing speed limits will remain in force, in line with applicable safety and environmental standards.

- During our period in office, we will work with the members of the Mobility Alliance on pilot projects to gain experience of alternative forms of transport and payment, though it is not our intention to introduce road pricing.
- Because cycling can be a good alternative to public transport and the car, the government has earmarked a one-off sum of €100 million to co-finance municipal and provincial investments in bicycle infrastructure and bicycle parking at public transport hubs.
- In all parts of the Netherlands, public transport must form a reliable alternative to the car. The interests of passengers are of paramount importance. They must be able to travel from A to B quickly, safely and in comfort. That calls for reliable, real-time travel information, easy access by bicycle, taxi and car and a safe and simple payment system.
- To achieve an integrated regional train, tram/metro and bus system, more local services on the main railway network will be added to regional public transport concessions. We will focus on one or more of the lines between Apeldoorn and Enschede, Zwolle and Groningen/Leeuwarden and Dordrecht and Breda (in combination with the Merwede-Linge line). Like every other market party, Dutch Railways (NS) may compete for these regional concessions.
- We will make agreements with urban regions on the co-financing and further expansion of public transport, for example with light rail systems.
- We will amend legislation to enable public transport and taxi operators to provide flexible, demand-driven services ('mobility as a service'). The provincial authorities and transport regions will be given scope to trial new forms of transport for specific target groups, public transport and transport sub-systems.
- Looking ahead to 2025, when NS's concession on the main railway network expires, further opening up of the market will remain an option. The first step will be the evaluation of current performance, to be held in 2019. In this interim evaluation of NS's concessions, we will also explore various options for ownership and operation of stations from 2025.
- If for the third time running NS fails to meet the performance indicators for the HSL-Zuid, the contract for transport on this high-speed rail link will again be put out to tender.
- ProRail will be converted into a public-law autonomous administrative authority with legal personality. This will have no consequences for the current legal status or conditions of employment of ProRail employees.
- In response to Belgium's investment in the Antwerp-Hamont line, the connecting line between Hamont and Weert will be reactivated for passenger transport. The project will be co-financed by the regional authorities. We will also explore how the link from Eindhoven to Germany can be improved.
- With a view to the safety of passengers and staff on public transport, the various transport operators and enforcement bodies will make a greater effort to share information on individuals under public transport exclusion orders and area bans.

Road safety

- In the past few years there has been an increase in the number of deaths and injuries on the Dutch roads, including among vulnerable road users like cyclists and pedestrians. We need to curb this trend. We will work with sector organisations, provincial and municipal authorities and enforcement bodies to achieve the objectives set out in the document '*Verkeersveiligheid: een nationale prioriteit*' (Road safety: a national priority).
- We will invest with the provincial authorities in safe road design, particularly on secondary roads. We are also committed to influencing road conduct, and to intelligent enforcement and better registration of the causes of road accidents.
- The street lighting on motorways will be switched on again in the evenings and at night if it helps to improve road safety.
- Habitual traffic offenders will be dealt with more severely. The system of fines will be changed so that fines for dangerous driving or repeated offences will be increased, and fines for minor offences may be reduced.

Goods transport

- We will encourage the use of quieter goods trains and the Betuwe line to reduce nuisance in the vicinity of other railway lines.
- The inland waterways and the railways can play a major role in limiting a further increase in volume of goods transported by road and reducing harmful emissions. As an incentive to transporting goods by rail, we will bring user charges in line with those levied in our neighbouring countries. For inland shipping, the hours of operation of bridges and locks will be more closely coordinated.
- Substantial environmental gains can still be achieved in the maritime and inland shipping sectors. A Green Deal for sustainable maritime and inland shipping and ports will be concluded with the sector.
- The government is committed to introducing low emission zones for all European waters in order to ensure a level, more sustainable playing field.
- Dutch sea ports are obliged to pay company tax. At the same time, they invest in public infrastructure which, in our neighbouring countries, is provided by the government. A review of infrastructure cost allocation should again bring the Dutch ports onto an equal footing with ports in our neighbouring countries.
- In line with the Council of State's recommendations, businesses in the transport sector will only pay the costs involved in acquiring licences, while the government will be liable for the costs of oversight and enforcement.
- We will introduce distance-based road pricing for heavy goods vehicles ('Maut'), as in neighbouring countries, as soon as possible. We will use the same registration and payment system as these countries, so that vehicles do not need to be fitted with additional hardware. In consultation with the sector, the income generated by the toll will be put back into the transport sector in the form of a lower motor vehicle tax on heavy goods vehicles and funding for innovation and sustainability.

Construction of new infrastructure

- The government has earmarked a total of €2 billion over the next three years to bridge the infrastructure gap. The budget will then be raised structurally by €100 million a year. In distributing these funds among road, water and public transport, the existing allocation formula will be used, with the exception of a one-off sum of €100 million which will be earmarked for central government co-financing of bicycle infrastructure and bicycle parking.
- New investments will be based on the results of the National Market and Capacity Analysis (NMCA). Priority will be given to the projects with the highest returns and projects for which co-financing is available from the regions.
- We will use the extra financial resources to deal in particular with the remaining bottlenecks identified in the NMCA. These are specifically the A4, A7 and A15 motorways in the Randstad conurbation and the transport arteries to and from the south, east and north of the country (the A1, A2, A12, A28 and A58 motorways). The connections between the main road network and the secondary network will be improved by means of agreements with the provincial and municipal authorities on spending of and accounting for infrastructure funds.
- The government will continue to fill in the missing links in the road network, including construction of the A15 extension, the section connecting the A13 and A16 motorways, the Blankenburg Tunnel and the Utrecht ring road. In addition to the compensatory measures already agreed for the Amelisweerd nature area, the government will work with the Utrecht region on the northern ring road and on better public transport services to Utrecht Science Park/Uithof, which will also act as an alternative to Utrecht Central Station.
- With the region, we will explore whether and how overland access to Schiphol airport – by car, train and/or metro – can be improved.
- Where possible from an environmental-technical and road safety point of view, rush-hour lanes will be opened more frequently.
- The extra resources for public transport will be used to co-finance public transport in urban regions, to ensure timely installation of the ERTMS safety system and to pre-finance the switch to 3kV DC overhead lines.
- The Infrastructure Fund will be converted into a Mobility Fund. The fund will no longer focus on transport modalities but on mobility. Up to 2030, the financial resources will be distributed among the traditional modalities: roads, railways and water. From 2030, we will use new categories, in line with the agenda for smart, sustainable transport. This will include in any event a separate budget for management and

maintenance, a budget for better use of existing infrastructure to encourage intelligent transport systems, like autonomous vehicles, carbon-neutral solutions and mobility as a service and a budget for the construction of new infrastructure to relieve bottlenecks. The division of responsibilities with other government authorities will remain intact. The development of a Mobility Fund will thus not result in a re-allocation of responsibilities.

Civil aviation

- A high-quality airport at Schiphol with a successful national carrier is of major importance to the Dutch economy, attracting foreign businesses to locate in the Netherlands. Civil aviation has grown rapidly in recent years, and the trend is expected to continue. This poses several challenges. Schiphol is close to the ceiling for the number of flights agreed up to 2020, regional airports are growing, local people experience noise and other nuisance, and the sector places a considerable burden on the environment.
- The government is planning to draft a new Civil Aviation Policy Memorandum for the 2020 to 2040 period. The key words will be smart and sustainable. In seeking to limit nuisance rather than the number of flights, we will work towards a better living environment and better air quality, while the sector can create space for growth by using cleaner, smarter aircraft. Safe handling of air traffic is the main priority.
- Selectivity policy needs improving. At Schiphol, we will prioritise flights that strengthen the continental and intercontinental network. Eindhoven Airport and Lelystad Airport will be the main hubs for flights to holiday destinations.
- The government will carry out the proposed reorganisation of Dutch air space in 2023 at the latest in order to optimise and shorten flight paths throughout the country. The reorganisation will lead to less noise nuisance and fewer carbon emissions and offer Schiphol and Lelystad Airport good opportunities for further growth.
- In line with the agreements reached at the Alders Tables, the sector may use 50% of its environmental gains achieved since entering into the Alders agreement for air traffic growth. The remaining 50% will be retained to reduce nuisance to local people.
- Short-term climate gains can be made by making more use of bio-kerosene. This calls for a commitment on the part of the entire supply chain – from producer to end user.
- At European level, the Netherlands will call for taxation of aviation in the context of the negotiations in 2019 on the climate goals set out in the Paris Agreement. We will also explore whether charges can be levied on aircraft that cause serious noise and air pollution. If neither of these measures yields sufficient results, an airline ticket tax will be introduced as of 2021.
- The growth in the number of passengers passing through Schiphol calls for efficient border control procedures. We will therefore invest in the capacity of the Royal Military and Border Police and further digitisation of passport controls.

3.3 Gas extraction

The earthquakes in Groningen have enormous impact. All aspects relating to this phenomenon will remain high on the agenda. The guiding principle is safety first. We will introduce measures to reduce dependence on Groningen gas, so that we can continue gradually scaling back production. This is necessary to ensure the safety of people living in the affected region and of gas buyers. Above ground, we will work on prevention, restoration and better prospects. The focus should be on restoring and strengthening homes, buildings, monuments and infrastructure – not on discussions about who is responsible for what. Damage claims and restoration will be dealt with by a body that is independent from Dutch oil and gas exploration and production company NAM. We will set up a fund to invest in the region's liveability and economy.

Safe and responsible gas extraction

- Necessary measures to ensure safe gas extraction will be implemented, and decisions on gas production will also take account of the safety risks involved in ensuring security of supply.
- The aim is to reduce demand for Groningen gas by 3 billion cubic metres (bcm) between now and 2021. According to current insights, both *less* extraction and *more stable* extraction reduce the earthquake risk. At the same time, it is clear that we must provide scope, now and in the future, for a fast response to new insights and incidents if necessary for safety reasons. NAM's measurement and control protocol, which has been approved by the State Supervision of Mines (SODM), can help ensure responsible drilling of the

gas field. We adopt the SODM's positive recommendation. About half of the leeway created by the fall in demand will therefore be used to enable more stable extraction with as few fluctuations as possible.

- During this government's term of office, the use of gas by electricity companies and industry will be cut back where this is legally and technically possible and can be done responsibly, with a view to permanently reducing demand for Groningen gas. The government will negotiate with gas buyers on the possibility of switching to sustainable sources or, if this is not possible, to high-caloric imported gas. We will also make agreements with local authorities, distribution network operators, housing associations, financiers and other stakeholders on a programme-driven strategy for making the built environment more sustainable.
- We expect to be able to reduce gas extraction by an extra 1.5bcm by the end of this government's term of office on top of the limit of 21.6bcm set by the most recent ministerial order on gas extraction (as at October 2017). The difference in total reduction in demand (3bcm) and the projected cutback in extraction (1.5bcm) can be used as a buffer to avoid fluctuations and achieve stable gas extraction in the interests of a safe subsurface, without compromising the stability and security of the gas supply to people's homes.
- A further reduction after 2021 is to be expected, for which the government will flesh out scenarios.

A responsible approach to the subsurface

- The energy agenda anticipates a phase of transition from fossil fuels to sustainable energy. In society's progress towards sustainability, the subsurface plays an increasingly important role, for instance as a source of geothermal heat and drinking water, and as a place to store certain substances. Risks may be involved in some uses of the subsurface. The Mining Act and other relevant laws will be amended where necessary to give potential risks a more prominent place in the decision-making process. This will be laid down in the Policy Strategy on Use of the Underground Space.
- This government will not issue new exploration licences to search for gas fields on land, but existing licences will remain valid within the framework of existing legislation.

Investing in restoration and prevention

- The damage caused by gas extraction is not just material. People in the region have become uncertain and need new prospects for the future. Conflicts between public and private parties on what their respective powers are aggravate this situation. In consultation with regional parties, the National Coordinator for Groningen (NCG) will be given an independent position enshrined in law.
- NAM will no longer be directly involved in dealing with damage claims and restoration and strengthening work. A damage compensation fund will be established under independent public management, but this will not affect NAM's financial responsibility.
- In consultation with the region, a damage protocol will be introduced to help residents in the affected region and ensure they are not caught in the crossfire between public and private parties.
- The National Coordinator for Groningen (NCG) will study how residents can be assured access to legal aid at a reasonable price. Existing arbitration schemes will remain in effect.
- Strengthening homes and other buildings will continue to be necessary, as gas drilling has increased the subsurface pressure. This means earthquakes can still occur, even now that extraction is being scaled back. Restoration and strengthening work will be carried out in a programme-driven strategy managed by the NCG.
- The NCG will also be asked to develop a buy-out arrangement that builds on the purchasing instrument pilot scheme (*Pilot Koopinstrument*).

A regional fund offering new prospects for a strong economy and liveability

- As of 2018, 2.5% of the annual natural gas revenues, which currently amounts to around €50 million per year, will be invested in a regional fund to strengthen the region's economy and liveability.
- To this end, central government and provincial and local authorities will sign a tripartite administrative agreement on establishing an investment programme aimed at strengthening the region's economic structure. A prominent role for Groningen in the energy transition and in the area of sustainability will be a key element of this agreement.
- The fund will also provide resources for care professionals and spiritual counsellors to help people with mental health problems resulting from the earthquakes and their aftermath.

- The heritage restoration information desk and the heritage advisory team will continue their work, financed from the regional fund.
- Restoration and strengthening activities, for which NAM bears financial responsibility, will be combined where possible with work to make homes more sustainable and to strengthen the region's economic structure – for which the money in the regional fund is intended.
- Supported by the fund, the province of Groningen can become the nation's frontrunner in the energy transition and serve as a centre of expertise in this area.

3.4 Agriculture, food, nature, fisheries and animal welfare

The Netherlands is the world's second largest exporter of food. Our agri-food sector can make a significant contribution to a sustainable food supply for the growing global population. Policy is aimed at achieving this potential within prevailing environmental standards. Innovation and entrepreneurship play crucial roles in this. It is also important to take account of the continuity of family businesses, which make up a large part of the sector. Innovation should also be part of a modern Common Agricultural Policy, alongside sustainability, food security and food safety. At international level, the Netherlands has joined forces with other leading countries to improve animal welfare. EU standards are non-negotiable in trade agreements. We will work on restoring and maintaining natural areas in the Netherlands, for instance by establishing a single management authority for the Wadden Sea.

National policy

- National policy is aimed at complying with EU requirements in the most efficient way possible. In the interests of a level playing field for producers in the EU, national governments should seek to minimise the introduction of stricter requirements in national legislation on top of the requirements in EU legislation, referred to as 'gold-plating'.
- Failure to comply with EU standards within the deadlines can lead to harsh measures which sometimes have dramatic consequences for individual holdings. We want to avoid this by taking stock of the long-term challenges, together with the sector, and drawing up joint action plans. These will also address the need for closed-loop agriculture and the problem of declining soil fertility.
- We will carry out the sixth national action programme (NAP) implementing the Nitrates Directive. The NAP defines measures that together set the standard for the sustainable and agriculturally efficient use of nitrogen and phosphate in Dutch farming. The implementation of these measures should result in a new derogation from the Nitrates Directive for 2018-2021.
- In the last decade the Netherlands has been confronted with risks to public health and the environment in regions with extremely high livestock densities. We cannot and do not want to disregard these risks. The government will consider ways of addressing them in consultation with the sector and the provinces concerned. An incentive scheme to scale back pig farming in affected areas will be outlined in collaboration with the provincial authorities (notably in North Brabant). Central government will reserve financial resources to this end.
- A farm succession fund will be introduced to financially support young farmers taking over the family farm and investing in innovation.
- To safeguard animal welfare and food safety, as well as the reputation of the Dutch agri-food sector, supervision will be stepped up. The cost-effectiveness and efficiency of the Netherlands Food and Consumer Product Safety Authority (NVWA) will be reviewed. We will increase structural funding by €20 million to strengthen the organisation.
- We support initiatives for a closer relationship between farmers and the public, such as urban farming and farmgate sales of regional produce.
- The Competition Act will be amended, giving explicit permission to parties in the agriculture and horticulture sectors to work together, with a view to offsetting the imbalance of power in the chain.
- At the request of trade associations or producers associations, the government may make sector-specific agreements universally binding, with due consideration for the EU framework and the Netherlands' export position. Examples include setting higher sustainability standards or financing research into innovative products. A special team for settling disputes in agriculture and food production and supply chains will be established within the Netherlands Authority for Consumers and Markets (ACM).

- The ACM will ensure that farmers and market gardeners are paid higher prices by buyers who set standards, for instance on sustainability or animal welfare, that go beyond the legal requirements.
- To safeguard a healthy environment for people and animals, the government will support cooperation in the Food Valley region and make the results of this effort available to the rest of the country.
- Agricultural greenhouse gas emissions must be 3.5Mt lower by 2030 compared to the emission pathway in the current policy scenario. The government will consult with the sector about how this is to be achieved. Technical measures (e.g. manure processing, feed mixes and energy-producing greenhouses) will take preference over measures aimed at curbing volumes.
- In cooperation with water authorities and farmers, various studies will be carried out with a view to reducing agricultural methane emissions, including experiments with a flexible water table, further research into infiltration via underwater drains and field research into reducing methane emissions from manure storage. Together with farmers situated near Natura 2000 areas, we will look at whether agri-environment schemes can contribute to climate targets and the restoration of natural values by reducing the intensity of agricultural land use. Participating farmers will be compensated for this by the government, making full use of the instruments provided under the Common Agricultural Policy.
- Where this is necessary and feasible, supermarkets, restaurants and catering businesses will be given more scope for donating surplus food to food banks.
- With a view to achieving the 2027 objectives of the Water Framework Directive, the government will make agreements with local and regional authorities on supporting the Delta Plan for Agricultural Water Management (DAW).
- It is possible to meet the Nitrates Directive norms at a minimum social price through customised regional approaches to flooding, water quality problems and freshwater use.
- The national parks policy will be continued.
- There will be a single management authority for the Wadden Sea, which will implement an integrated management plan to achieve better nature conservation and better fisheries management.
- The PAS nitrogen deposition programme will be continued, but will be adapted in line with the judgments of the European Court of Justice if necessary.
- Agricultural education will receive student-based funding, just like other types of education. In keeping with this development, responsibility for policy on agricultural education will be transferred to the Ministry of Education, Culture and Science. The close collaboration between government, schools and the private sector will be maintained. The earlier €10 million funding cut imposed on agricultural education will be reversed.
- The government will pay a one-off contribution of €15 million to co-finance a fisheries innovation programme.

Efforts pursued in the European Union

- The government will aim for reform of the Common Agricultural Policy (CAP) after 2020. The focus of the new CAP should shift from income support to innovation, sustainability, food security and food safety. The CAP should also facilitate cooperation between farmers and help make the sector more resilient to crises. The change in focus can also compensate for the lower CAP budget following Brexit.
- At the same time we will pursue simplification of the CAP and thus reduction of the EU regulatory burden. At EU level we will call for outcome-based regulations, for instance on air and surface water quality, so that member states have the freedom to decide how to achieve these goals. Member states should also be given sufficient scope for pilot schemes aimed at satisfying the requirements of EU directives (e.g. the Nitrates Directive) in an efficient manner.
- Fishing zones will only be closed in so far as this is required under EU law. Within the EU the Netherlands will urge that fisheries interests be considered when designating offshore wind farm sites and that multifunctional use be allowed where possible.
- An EU ban on pulse trawling must be avoided. Landing obligations should be relaxed as soon as alternatives are developed that serve the same purpose. The Netherlands is committed to making this happen.
- The Dutch government will defend Dutch fisheries interests in the framework of the Brexit negotiations. The Netherlands will continue to work with other frontrunners in the area of improving animal welfare and ensuring a level playing field in the EU and beyond (trade agreements).
- In the international arena the Netherlands is committed to maintaining plant breeders' rights.

- Within the EU the Netherlands will pursue the authorisation and use of new breeding technologies such as CRISPR-Cas9, provided species boundaries are not crossed.

Animal welfare

- The government will explore scope for further animal transport restrictions and for improving animals' comfort during transport. To this end, it will submit proposals for EU legislation, including a balanced regime of control and sanctions.
- The government wants to reduce the incidence of livestock barn fires. It will therefore make agreements with insurers and quality assurance organisations on rodent control by farmers and periodic electrical system checks. These agreements should be in place before 2019.
- The government does not support mandatory pasturing for dairy animals. The sector must therefore ensure that it meets its own targets by 2020.
- A proposal will be submitted for a white list of bona fide dog traders.
- The illegal import of protected animal species must be stopped. The regulation on mammals that may be kept as pets ('positive list') will be amended.
- There will be a review of the need to boost forensic-pathological examinations of animals by the Netherlands Forensic Institute.

3.5 Quality of the environment

The Netherlands has numerous laws to safeguard the quality of our environment. The government will continue work to streamline this body of law and make it easier to understand. The dos and don'ts should be clearly laid down in legislation. It is important that we continue to provide room for nature, housing, work and recreation.

Environment and Planning Act

- The procedure leading to a new Environment and Planning Act will be continued. The transposition of existing laws and orders in council into this Act and its secondary legislation (four new orders in council) will be aligned with the goals and instruments of the original legislation ('policy neutrality').
- In the first National environment and planning strategy (NOVI), to be presented in advance of the implementing act, the government will lay down the framework for protecting national interests.
- Central government will continue to assume responsibility for achieving the EU targets for air and water quality, among other things. The National Air Quality Cooperation Programme will end when the Environment and Planning Act enters into force. It will be replaced by a National Action Plan on Air Quality aimed at a sustained improvement in air quality.
- The government will perform a comparative study into the way EU member states have implemented the various directives (the National Emissions Ceilings (NEC) Directive, the Water Framework Directive, the Birds and Habitat Directives, etc.).

Quality of surface water and drinking water

- In recent years our drinking water and surface water have become more polluted with microplastics, medicine residues and other endocrine disrupters. In consultation with the relevant sectors, the government will introduce a policy programme to tackle these pollutants cost-effectively.

Landscape and water

- Protecting valuable, uncluttered landscapes like the 'Green Heart', the Wadden Sea and the Veluwe will always be an important part of national spatial policy.
- The government will fully comply with the agreements laid down in the Coastal Pact.
- The implementation of the Delta Programme will continue. More than ever, the focus of spatial planning will be on making the Netherlands climate resilient and 'water robust'.

Circular economy

- Implementing the government-wide circular economy programme and the transition agendas set out in the Raw Materials Agreement is an important part of meeting our climate commitments. In this regard, the government will place extra emphasis on developing and sharing knowledge and best practices.

- The government will also identify bottlenecks to sustainable innovation in legislation, supervision and enforcement, and see whether these can be resolved.

4. The Netherlands in the world

4.1 Foreign policy

The world has never been as prosperous and developed as it is today, but continued progress is at risk. While the challenges the world is facing demand a common approach, international cooperation is under pressure. A world of prosperity and security is in the Netherlands' interests. So it is essential for us to have a distinctive, active and fully integrated foreign policy. Realistic foreign policy serves Dutch interests and promotes the international legal order. To sharpen our policy's focus and enhance its effectiveness, we will concentrate on the arc of instability on Europe's periphery and on working with the EU's neighbouring countries and with tried and tested international forums such as the EU, NATO and the UN. The government will invest heavily in diplomacy, the armed forces and development cooperation.

- Military missions are an integral part of Dutch foreign policy and should be carried out in accordance with international law, preferably on the basis of a clear UN mandate.
- As recommended in the Advisory Council on International Affairs' advisory letter 'The Dutch Government's Presence Abroad', the Netherlands' network of missions will be expanded and strengthened. The Netherlands will endeavour to be a world leader in consular services. A 24/7 International Hub will be established to give Dutch nationals abroad a one-stop shop for all central government services and products, thus strengthening their bond with the Netherlands. Additional funds will be earmarked for the diplomatic network, increasing over the government's term in office to a structural increment of €40 million.
- The Netherlands will contribute to peace and security in the Middle East, using its good relations with Israel and the Palestinian Authority to promote and achieve a two-state solution: an independent, democratic and viable Palestinian state alongside a secure, internationally recognised Israel. We will also strive to improve relations between Israelis and Palestinians.
- The Netherlands will use its active foreign policy to promote universal human rights, particularly for vulnerable groups such as Christians and LGBTI people. To this end, the budget of the Human Rights Fund will be increased.
- In deciding whether to recognise events as genocides, the Netherlands will base its position above all on judgments by international courts and tribunals, on clear-cut academic research, and on determinations by the UN. The Netherlands will fulfil its obligations under the Convention on the Prevention and Punishment of the Crime of Genocide. In the UN Security Council, the Netherlands will actively work to combat ISIS and ensure that its fighters are brought to justice.
- We will continue to work with the other affected countries to do everything possible to bring the perpetrators of the attack on MH17 to justice, and we will take diplomatic action against countries that fail to cooperate fully with the implementation of UN Security Council Resolution 2166.
- The government will press ahead with efforts to eliminate obstacles that people face in the Netherlands' border regions, working with the Belgian and German authorities, particularly in Flanders and in the states of North Rhine-Westphalia and Lower Saxony, to tackle the main problems in the areas of infrastructure, social affairs and employment.
- Given the current domestic tensions, bilateral relations with Venezuela, an immediate neighbour of the Kingdom, deserve special attention.
- Within the framework of the Netherlands' obligations as a member of the North Atlantic alliance, the government will work actively to rid the world of nuclear weapons, in view of the great risks associated with nuclear proliferation.
- Within the EU, the government will work for better enforcement of European arms export criteria.

4.2 Defence

With global instability rapidly increasing and the nature and scope of threats and crises constantly changing, the Netherlands needs modern and well-equipped armed forces. Domestic and international security problems are becoming ever more intertwined, and the turbulent countries in the arc of instability on Europe's periphery are increasingly the cause. We need versatile armed forces that are capable of fulfilling their constitutional tasks, and this requires investment. In a rapidly changing world order, the Netherlands must

make a relevant contribution alongside its allies in order to deal with the international security threats we face. In our own region we will work more closely with our European allies.

- The government will substantially increase its investment in the Defence organisation by allocating additional resources that will eventually exceed €1.5 billion per year. Basic readiness levels will be restored, operational readiness will be increased and funding for the necessary investment in replacing and upgrading materiel will be made fit for the future.
- The government will propose ways to increase the predictability and shock-resistance of the Defence materiel budget, such as a specific price index or a structural solution for fluctuations in currency values.
- The government will draw up a security strategy for dealing with domestic and foreign threats, including terrorism, to replace the current International Security Strategy. It will also periodically update the Defence White Paper, taking into account the planning processes of NATO and the EU, as well as the strategic choices of key allies. The Defence White Paper will form the basis of long-term decision-making on the acquisition and necessity of major weapon systems. To increase the armed forces' flexibility and operational readiness, the concept of adaptive armed forces will be fleshed out in detail during this government's term of office.
- International military missions will be underpinned by an integrated foreign policy and security strategy. Decision-making processes must take into account the need to be able to sustain military missions of sufficient scope for longer periods. The investment in the armed forces is intended in part for this purpose.
- The government will focus on furthering bilateral and European cooperation on the joint procurement of materiel, on setting up training and education courses together with partners, and on pooling existing materiel.
- The government will continue its policy of developing agreements with like-minded countries on specific bilateral and multilateral cooperation, with the aim of strengthening each other's capabilities and increasing the deployability of our combined armed forces through extensive interoperability.
- In Europe, the Netherlands will continue to press for a level playing field to create scope for European production and sales, as well as our innovative industry. In defence-related public procurement procedures, the Netherlands will expressly reserve the right to interpret the relevant article of the Treaty on the Functioning of the European Union (article 346) generously from the point of view of national economic and security interests.
- A National Debt of Honour Fund of €20 million will be created within the defence budget, for military personnel who have suffered lasting physical injury, trauma or other disorders during missions abroad.
- The Netherlands must have armed forces that are equal to the challenges of dealing with technologically advanced adversaries. The government will therefore invest in a significant expansion of cyber capabilities and technology for all elements of the Defence organisation, and it will enhance its role in the digital protection of the Netherlands, based on its constitutional responsibility.

4.3 Development cooperation

Development cooperation, an integral part of Dutch foreign policy, is aimed at combating the root causes of poverty, migration, terrorism and climate change, within the framework of the UN Sustainable Development Goals. Global cooperation is yielding visible results. Extreme poverty and hunger have been reduced. Infant mortality is declining, and people are living longer than ever before. A record number of children are attending school. All this is thanks to economic development, development cooperation and scientific progress. Our future policy will be guided by considerations of impact and added value, with a focus on the most vulnerable groups, such as women and children.

- The government will compensate for the cuts made by the Rutte II government. Accordingly, in this government's term of office ODA will increase by €119 million in 2019, rising to €331 million in 2021, and the budget will once more amount to 0.7% of GNI, minus €1.4 billion. During this government's term of office the growth of the ODA budget will continue to be tied to the growth of GNI.
- In addition, extra resources totalling €1 billion will be added to the ODA budget on a one-time basis.
- The government will make adjustments to the development cooperation budget to tackle the root causes of poverty, migration, terror and climate change. Additional expenditure will focus particularly on the causes and consequences of migration, including reception in the region and education for refugee

children. The Netherlands will tackle the root causes of migration by taking a targeted approach to improving reception in the region.

- Country policy will be reviewed to sharpen its focus and increase its effectiveness in the light of the new foreign policy objectives. The first step in this review will be making Jordan, Lebanon and Iraq focus countries. An assessment will also be made to determine which countries, in Africa and elsewhere, should be added as focus countries, and with which countries the development cooperation relationship will be terminated.
- Education for refugee children will be given priority, alongside measures to create more employment for refugees in the region.
- The Netherlands recognises that there are people in distress around the world. Aid to refugees will therefore be increased. Besides immediate emergency aid, Dutch efforts will focus more than before on resilience, prevention and access. The emergency aid coalition Dutch Relief Alliance is a proven success and will be continued.
- Sexual and reproductive health and rights (SRHR), agriculture, water and promotion of the rule of law are issues on which the Netherlands has traditionally made major policy contributions, and these areas will remain the priorities for poverty reduction.
- A national climate fund will be established within the development cooperation budget, aimed at ensuring the greatest possible return on internationally agreed public and private climate finance.
- Due to the specific expertise and reach of Dutch civil society and the business community, the government will continue its joint efforts with these parties.
- The government will work actively to foster free and fair trade, promote exports, and work for trade agreements that take account of UN standards and safeguard legal certainty. This includes better access to the EU market for developing countries.
- Work on voluntary agreements on international corporate social responsibility will be continued. After two years, the government will consider whether to adopt binding obligations and, if so, what the nature of such obligations should be.
- The number of Holland Scholarship student grants will be doubled with funds from the development cooperation budget, particularly for the new focus countries.
- The Fund for Combating Child Labour will be expanded with resources from the development cooperation budget.

4.4 Europe

Europe brings the Netherlands peace, security and prosperity. The European Union is not only an economic community. It is also a community of values in which the Netherlands feels at home. Freedom and justice are its core principles. With Europe currently reassessing the Union's role, this government would like to reaffirm the Netherlands' inseparable bond with the EU. There are important issues that call for a more active approach on the part of the EU, because the Netherlands cannot achieve the relevant objectives on its own. Migration, climate change and cross-border crime are examples of such issues. Conversely, in some areas – public housing for instance – the EU has laid down rules that needlessly curtail member states' own responsibility.

- It is important that rules and decisions are consistently enforced and implemented. The accession of new member states is assessed on the basis of the Copenhagen criteria. These criteria also apply to the accession negotiations with Turkey, which have already been in progress for some time. In the light of the Copenhagen criteria and the disturbing developments in the human rights situation and the rule of law in Turkey, there is no prospect of agreement on the country's accession to the EU. Nevertheless, the EU has decided not to terminate negotiations at this stage. In these circumstances, the Netherlands will seek an alternative form of cooperation with Turkey.
- With regard to the Brexit negotiations, the EU27 must continue to form a united front. The Netherlands will work to ensure that this is the case. We will pay particular attention to the position of Dutch nationals in the United Kingdom.
- The Economic and Monetary Union (EMU) is meant to ensure currency and price stability and economic growth in the eurozone and the Netherlands. Consequently, a properly functioning EMU is vital to the Netherlands and a poorly functioning EMU poses a threat to the continued existence of the EU as a whole.

Recent experiences have strained the credibility of its fiscal rules. To ensure that the EMU operates effectively, measures must be taken to improve it. All member states must fulfil their responsibilities, and must not be allowed to shift the negative impact of their policies onto other countries. The government has therefore adopted the following position:

- The agreement that one country's debts should not be assumed by other countries (the 'no-bail-out clause') must be credibly restored. The government therefore favours the introduction of a formal mechanism that can be employed for the restructuring of a country's unsustainable debts in the event that an official request for support is submitted to the European Stability Mechanism (ESM). If a country is in trouble because of unsustainable national debt, the bill for restructuring must be borne in the first instance by bondholders and investors, thereby reducing the need to draw on rescue funds. Assistance programmes must be subject to strict conditions, *inter alia* with regard to tasks (how they are divided between the ESM and other institutions such as the IMF and the ECB) and through linkage with economic reforms. This new mechanism would ensure that the financial risks to which the Netherlands is exposed through the rescue fund and debt purchases by the ECB and national central banks are properly controlled and mitigated.
- The joint financing of the debts of EU member states is undesirable. The EU must not become a debt community. The government's guiding principle is therefore that no further steps should be taken towards a transfer union, whether through the introduction of Eurobonds (or forms thereof) or otherwise.
- Fiscal rules should be simplified and enforced more independently.
- The government is not in favour of a stabilisation mechanism (fiscal capacity) at EMU level to absorb the impact of economic shocks.
- It is important that member states' economies be made future proof. Because their economies are closely interconnected, member states must keep each other focused on this task and learn from each other (by means of benchmarking). In order to achieve this, disbursement of the existing structural and cohesion funds should be linked to compliance with country-specific criteria and the criteria set out in the Stability and Growth Pact (SGP).
- The European Fiscal Board – the body that advises the Commission on the sustainability of member states' budgets – must be strengthened and made fully independent.
- Since banks operate across national borders, the common EU policy on banks and their supervision is a positive development. A European deposit guarantee scheme should be put in place only once the banking industry in every member state has been restored to health and appropriate risk weightings have been assigned to government bonds on banks' balance sheets.
- The EU budget should be modernised, with a stronger emphasis on innovation, research, climate and sustainability.
- Financial crime is often closely interconnected with serious cross-border organised crime, which the Netherlands cannot tackle effectively by itself. Cooperation between the EU's member states is essential, not least to ensure the effectiveness of Dutch criminal investigations. Participation in the European Public Prosecutor's Office (EPPO) will facilitate joint efforts to combat fraud involving EU funds. The government will therefore make a decision during its term in office on when the Netherlands will join the EPPO. The Netherlands will join only on condition that membership does not interfere with the ability of the Dutch Public Prosecution Service to exercise its discretionary powers.

4.5 A humane and effective migration policy

Unprecedented numbers of people are moving from one place to another, either to flee war and instability or seek better economic opportunities. The paths and methods they are using to travel to Europe in particular have resulted in countless human tragedies, and people smugglers are abusing the situation. The influx of asylum seekers and issues with reception, combined with integration difficulties, have heightened tensions within Dutch society and between EU member states. If the impact of migration becomes too severe, trust and social cohesion could begin to crumble.

The government will therefore work towards a humane, effective policy on migration and integration at both national and EU level, a policy that will encompass tackling the causes of refugee flows, improving reception in the region, accepting refugees in accordance with international agreements and combating irregular

migration. To improve opportunities for newcomers who are allowed to remain, they will be required to begin participating in society soon after their arrival. Those who are not allowed to remain must leave quickly.

International: migration agreements

- Refugees fleeing from disaster must be given protection, as laid down in international agreements. The Netherlands honours this obligation and believes that other countries, notably EU member states, should do so too, since the protection of refugees is a shared international responsibility.
- By creating places of safety that offer refugees and displaced persons protection, aid and opportunities close to home, we can eliminate the need to migrate further away. This calls for long-term investment in political and economic cooperation with the countries in question through development cooperation in addition to emergency assistance. To this end the government will seek to work together with the International Organization for Migration (IOM) and the UN Refugee Agency (UNHCR).
- In addition, both the Netherlands and the EU should invest in eliminating the root causes of migration. Investments of this kind are needed to improve economic conditions and the rule of law in countries of origin and, in that way, improve opportunities there. The Netherlands will also invest in countries and regions that shelter large numbers of refugees, such as our new partner countries Jordan and Lebanon, with a view to improving the protection they can offer and helping refugees to become self-reliant.
- Refugees are entitled to protection but that does not mean they have the right to choose which country is to offer them protection. It is preferable for protection to be provided in the same region as the home country from which they have been forced to flee. The Netherlands will make an active contribution to creating and maintaining safe and adequate reception facilities in the region. In order to regulate the uncontrolled flow of migrants to Europe, to ensure people smuggling ceases to be profitable and above all to put an end to the numerous drownings in the Mediterranean, agreements on migration can be concluded, preferably at EU level, with safe third countries that substantively comply with the terms of the Refugee Convention.
- These agreements should be used to make arrangements at EU level with transit countries and countries near conflict zones concerning the reception and return of asylum seekers, i.e. nationals of both the country in question and other countries in the region.
- An asylum procedure based on international law will assess whether an individual should be given access to this safe reception in the region. Where possible, this procedure will be organised by the host country and otherwise by UNHCR, for example. Once refugees have been admitted to a safe reception facility they may be eligible for resettlement. There will be independent monitoring of safeguards even after a migration agreement has been concluded with a safe third country. To ensure that they can monitor living conditions and protection, UNHCR and UNICEF will be given resources for and access to accommodation and educational facilities.
- Once these measures are in place, the need to migrate onwards, at risk to life and limb, will decrease. Anyone who nevertheless decides to continue onwards will in principle not qualify for protection in the country of their choice. After an accelerated procedure asylum seekers can be sent back to reception facilities in the region in accordance with the safe third country principle, since that is where they may avail themselves of the right to protection enshrined in international agreements, provided their asylum application is granted. However, asylum seekers do have the right to put forward individual circumstances during the accelerated procedure if they believe they will be exposed to specific unacceptable risks in regional reception facilities. Specified vulnerable groups will be given particular consideration. In practice, the immigration authorities will decide whether or not individuals will be given access to the regular asylum procedure.
- If these measures reduce the flow of migrants to the Netherlands, the government will be prepared to offer resettlement opportunities to an increasing extent, in order to relieve pressure on reception in the region. It would be preferable for binding agreements to be reached on this matter at EU level. UNHCR's resettlement quota for the Netherlands is set to rise from 500 to 750. The government's resettlement policy will devote special attention to vulnerable minorities and refugees who are likely to integrate successfully into Dutch society.
- Migration agreements with safe third countries will also improve the chances of detecting terrorists or war criminals at an early stage.
- International asylum law is based on the UN Refugee Convention of 1951, which will continue to be the framework for this government's policy too, but the nature and volume of global asylum-related migration has drastically changed in recent decades. The government will therefore commission independent

research into the question of whether and if so how the Convention should be updated to create a sustainable legal framework for international asylum policy in the future.

European asylum policy

- The Netherlands is working towards a fully-fledged European asylum policy. Only together can we tackle the important issue of migration.
- Although the obligations under international law are the same for all member states, fulfilment of these obligations is complicated by regional and national differences in asylum procedure. Dutch legislation should be the same as EU legislation. The level of protection offered and the framework for asylum procedures should be the same in all EU member states. The Netherlands is aiming for harmonisation in this field, to prevent competition brought about by a deterioration in living conditions for asylum seekers and in asylum-related legislation.
- In the meantime, the goal is to eliminate the following cases of gold-plating of EU law.
 - The validity of initial temporary asylum residence permits will be reduced from five years to three. At the end of the three-year period, asylum seekers may qualify for a permit for an additional two years. Those who still fulfil the requirements for refugee status after these two temporary permits will be granted a permanent residence permit.
 - If the documents attached to a repeat application indicate that the application has no chance of success, the applicant will not be interviewed.
 - In line with EU legislation, legal assistance will be provided after a notification of intent to deny an asylum application has been issued, partly with a view to relieving pressure on the justice system. This will free up capacity at the Immigration and Naturalisation Service (IND), which can then be otherwise deployed.
- It is not always easy to bring about amendments to EU legislation. However, success can be achieved in a number of specific fields. The Netherlands will work actively towards this goal. The term ‘safe third country’ should be defined more exactly in order to put the principle of reception in the region into effect more successfully. In addition, there should be an emergency legal mechanism that can be activated in the event of a large influx of migrants, to ensure there is a clear EU framework for accommodating refugees in locations in the region where they will find safety, shelter and medical care. The Netherlands plans to continue to play a leading role on this matter within the EU.
- The European Commission is right to urge countries to be more effective in returning migrants whose applications have been denied after going through the asylum procedure. To that end, legislation – both European and national – must be amended and tightened up, for example in the area of immigration detention under administrative law. Families with children and unaccompanied minor asylum seekers will still be given child-friendly accommodation, as they are at present.

Europe’s external borders

- Well-controlled external borders are a prerequisite for open internal borders within the EU. In addition to the measures discussed above, the EU’s external borders must be effectively controlled if we are to put a stop to tragedies at sea and the growth of people smuggling. In order to increase the Dutch contribution in this area, the government will expand the Netherlands’ border control capacity and will deploy emergency funding where necessary, including inside the EU. Procedures for the return of migrants to their country of origin or safe reception locations should also take place at the EU’s external borders. Greece and Italy, in particular, should be given assistance with asylum procedures and reception. The Netherlands will contribute additional capacity through the Border Security Teams.
- Cooperation with countries that migrants depart from must be stepped up, for example in the area of maritime search and rescue in territorial waters. In accordance with prevailing international law, people who are rescued at sea should be taken to the nearest place of safety, even if it is on the coast from which they left. Non-refoulement is the guiding principle here. The practice of transporting migrants to EU territory while the nearest place of safety is in Africa or the Middle East facilitates people smuggling and should be stopped. Leaders of organisations involved in migration crime must be dealt with more effectively at national and international level by imposing systematic sanctions such as trial before an international court and the use of an EU sanctions toolbox like that deployed against terrorists.
- When it comes to international cooperation on places of safety in third countries, the guiding principle will be ‘more for more and less for less’, as is the case in relation to cooperation with forced return. Both positive and negative incentives will be used to convince countries of origin to take their nationals back. These may include the provision or withholding of development aid funds, the issue or denial of visas for

residents of the country in question, especially government officials or dignitaries, and the granting or withholding of landing rights for flights from the country.

Combating asylum shopping within the EU

- In the negotiations on the Common European Asylum System the Netherlands will adopt a strong stance on effectively combating onward travel and asylum shopping within the EU. Every member state should help to ensure that travelling independently to the EU, instead of applying for asylum via the safe reception facilities in the region, will be unsuccessful.
- Information on previous residence in another member state should mean a swifter transfer to the member state in question. Asylum seekers who are stopped at the border will be denied entry to the Netherlands and handed over to the Belgian or German authorities, either through a Dublin claim because they are registered in EURODAC, or by direct notification to the authorities that a particular individual has not been registered by them.
- Onward travel within the EU from a country that has offered protection, for instance after resettlement or a first asylum application in another member state (Dublin Regulation), to a different member state should be discouraged by means of accelerated procedures in which onward travellers of this kind are denied the right to residence and facilities.
- In the meantime, as requested by the European Commission, the Netherlands will continue to take its fair share of asylum seekers who are eligible for relocation in accordance with the original relocation decisions. In this way the Netherlands will demonstrate solidarity with its European partners. EU subsidies should be reduced for member states that do not fulfil their obligations in this respect.

Reception and support base in the Netherlands

- Fluctuations in the numbers of asylum seekers entering the country, requiring extra reception facilities to be provided at short notice, erode support for the reception of asylum seekers. In addition, there is little sympathy in the Netherlands for asylum seekers from safe countries of origin, particularly if they remain for long periods in asylum seekers' centres in residential areas.
- The Netherlands must continue to respond flexibly to fluctuations in the numbers and types of asylum seekers entering the country. To this end we need a flexible asylum system, which is more effective financially and socially than ad hoc measures. This system should involve a comprehensive approach to reception, the asylum procedure, and integration or return. It should also improve cooperation within the immigration system and with municipalities. In a limited number of places in the Netherlands, the parties in the immigration system will work under one roof with medium-sized reception centres in and/or near the same location. This will make it possible to make an initial selection by means of a quick, efficient procedure that will determine how asylum seekers will progress through the rest of the procedure. Asylum seekers with a good chance of being granted asylum will go to smaller reception centres near the municipality where they will later be housed. They will immediately begin Dutch lessons and the municipality where they will later live can initiate the integration process. When placing asylum seekers who have a good chance of being granted residence permits, the authorities take account of both their work qualifications and the local job market. This comprehensive approach minimises the number of times asylum seekers have to move, particularly where school-age children are involved: as a rule they are not required to move elsewhere in the Netherlands. Asylum seekers whose applications have little or no chance of success remain in the medium-sized centres, where they go directly into the accelerated procedure. If their application is denied, this will lead immediately to an expulsion procedure.
- This means that there has to be room near the processing centres for restrictive accommodation (VBLs) and centres with extra supervision (EBTLs) for asylum seekers who cause nuisance.
- Where possible, the authorities prevent asylum seekers from lodging multiple consecutive applications by ensuring that the asylum procedure takes eight days and that the 'one-day assessment' in the event of a repeat application takes place within two days of an application being submitted. The IND will use its extra capacity to ensure that these procedures advance rapidly.
- The Netherlands wishes to afford protection only to those who merit it. War criminals must not be able to avail themselves of Dutch protection. The IND's international crimes team (1F unit) will therefore be strengthened in order to identify possible war criminals among the influx of asylum seekers.

Effective return procedures

- If it has been legally established that an individual has no right of residence in the Netherlands, they will be returned to their country of origin. In practice, problems can arise. For instance, the failed asylum

seeker or the country of origin may not be willing to cooperate. The Repatriation and Departure Service (DT&V) will be given additional capacity in order to increase the percentage of failed asylum seekers actually leaving the Netherlands. More intensive case management could lead to an increase in voluntary departures, for example by encouraging willingness to return among groups who are currently reluctant to do so. To this end, cooperation with municipal authorities will be crucial.

- The incidence of forced departure, for example in the case of criminal aliens, will also be increased by expanding the scope – within the framework of EU legislation – for holding foreign nationals in immigration detention under administrative law. In addition, funding will be given to the DT&V to contribute to capacity building in its counterparts in third countries, as a way of boosting operational cooperation.
- Special consideration will be given to minors. Children find themselves in life-threatening situations far too often. The government will provide appropriate reception facilities for minors in their countries of origin so that they can grow up safely, if this will enable them to return to their homeland. This does not apply to countries that are currently unsafe, such as Syria.

Facilities for those who have to leave

- Failed asylum seekers should leave the Netherlands of their own volition and as quickly as possible. Those who do not do so immediately may be housed for a limited period in one of the eight National Immigration Facilities (LVVs) that are to be set up, under the supervision of the DT&V and in cooperation with municipalities. For the first two weeks their accommodation will not be dependent on cooperation with their return to the country of origin; thereafter they will be obliged to cooperate in their return, unless it turns out that they are in fact eligible for a residence permit. Facilities and support will be denied to those who do not make a serious effort to return to their country of origin.
- To this end the government will conclude an agreement with the Association of Netherlands Municipalities. Municipalities will then be able to refer asylum seekers who must leave to an LVV. It will still be possible to provide individual emergency reception facilities for a few days on the basis of public policy, but not individual ‘bed, bath and bread’ shelter.

Amnesty Scheme for Minor Asylum Seekers

- The permanent scheme for minor asylum seekers resident in the Netherlands on a long-term basis (Amnesty Scheme for Minor Asylum Seekers) will remain in place in its present form.

Legal migration

- Asylum is intended to provide protection, not to facilitate finding employment. The asylum procedure is not meant for people who wish to come to the Netherlands for economic reasons. This misapplication of the asylum procedure is undesirable and must be prevented. However, there are migrant workers who can make a valuable contribution to Dutch society and the economy of the Netherlands. Labour migration that is beneficial will therefore be facilitated, to enhance the knowledge economy, innovative strength and competitiveness of the Netherlands. To this end we will pursue a positive policy on legal migration that is commensurate with the requirements of the labour market. Three-year work permits will be available and active measures will be taken to combat the exploitation of migrant workers.

4.6 Integration

In a just society, a person’s origins should never be a hindrance to their prospects. Integration into society is therefore essential, both for the sake of individuals themselves and for Dutch society as a whole. For integration to be successful people need to take responsibility for themselves and society needs to give everyone the opportunity to develop their talents. This requires *participation*: by learning the language, working, actively taking part in society and respecting the Netherlands’ freedoms and equalities, which are enshrined in our Constitution.

The government will invest in improving people’s prospects. More early years education will be offered – four half-days – to prevent or remedy educational disadvantages. There will also be significant investment in policy on eliminating educational disadvantages, in primary education, in effective civic integration measures by local authorities, and in reducing functional illiteracy. We provide the opportunities, and it is up to people to seize those opportunities themselves.

We must not resign ourselves to the fact that young people from a non-Western background have far greater difficulty finding a job, or even just an internship. Being in such a position is demotivating and does not help people feel fully part of Dutch society. Discrimination on the labour market will be tackled vigorously. As an employer, the government will set a good example by pursuing active diversity and anti-discrimination policies.

A democratic society can only function if we draw a line when one person's freedom threatens another's, if everyone gets involved and if we take action against discrimination. There is no room in our society for homophobia, anti-Semitism, Islamophobia, honour killing, female genital mutilation, child marriage, forced marriage, hate speech, or violence against minorities or people whose beliefs are different from our own.

- Dutch citizenship is something to be proud of and it should be earned. It is essential for asylum seekers to integrate into Dutch society quickly. Newcomers are expected to do everything they can to integrate: learn the language, respect our laws, embrace our freedoms and equalities, and find work. Active integration on the part of the asylum seeker is the guiding principle. All asylum seekers who stand a good chance of having their application granted, and all asylum-residence-permit holders staying in accommodation provided by the Central Agency for the Reception of Asylum Seekers (COA) will be given Dutch lessons from day one. The language proficiency requirement will be upgraded from A2 to B1. For this purpose, central government will also fund Dutch lessons at B1 level.
- Local authorities will continue to have the scope to experiment with ways of enabling asylum seekers who have applied for a residence permit to find work.
- Too many newcomers remain reliant on social assistance for too long. This is an unacceptable outcome of civic integration policy. To prevent this, where possible there should be a comprehensive system of social services that encourages people to find work. Such a system for residence-permit holders could include: an integration element including civic values and compulsory participation in a study programme including paid or volunteer work experience; assisted access to the welfare state, with the local authorities collecting healthcare benefit, housing benefit and benefit under the Work and Social Assistance Act on behalf of newcomers for the first two years, and issuing these benefits and support in kind to them, along with a subsistence allowance. After a review, residence-permit holders who are able to fend for themselves on the labour market may be allowed to leave the system earlier. Those who do not pass the review will stay in the system. Resources and methods to enhance newcomers' self-reliance will be developed for use in all municipalities, if necessary on the basis of legislation.
- In addition, the public-order criterion for naturalisation applications will apply for five years instead of four. This means that a person can acquire Dutch citizenship only if they have not committed a serious offence in the five years preceding their naturalisation application.
- There will be consequences for newcomers who through their own fault fail to meet the civic integration requirement. Possible consequences include loss of residence permits for regular migrants or denial of more secure residence permits for holders of asylum residence permits. People who do not integrate sufficiently may also have their benefits cut. Civic integration is an obligation and it is a requirement for acquiring Dutch citizenship. The conditions for civic integration in the Netherlands relate to language proficiency, knowledge of the law and the freedoms and equalities enshrined in it, constitutional rights and obligations, demonstrable participation in society, and fulfilment of the obligation benefit claimants have to seek work and do something in return for the benefits they receive. The government will review the way in which civic integration courses are taught and exams are assessed, focusing on quality, effectiveness and enforcement. Public service broadcasters can play a role in this respect. Refugees who are to be resettled will also be prepared for their arrival in our country.