university of groningen

Annual report 2023

University of Groningen



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This is an English translation of the original Dutch version of the annual report, including the financial statements. In case of any discrepancies or different interpretations between this translated version and the original Dutch annual report, the latter will prevail. The Dutch version is published online as well.

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Cover: Feringa Building
photographer Marcel Spanjer

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Report of the Supervisory Board

As an independent body, the Supervisory Board is responsible for overseeing the governance and management of the University of Groningen (hereinafter also referred to as 'the University' or 'the UG') as conducted by the Board of the University. The composition of the Supervisory Board is such that its members can operate independently and critically in respect of each other and of the Board of the University. As always, in 2023, the Supervisory Board monitored developments in key areas, i.e. teaching, research, and impact, as well as finances and the University's business practices.

There was one change in the membership of the Supervisory Board in 2023 in that Mare Riemersma-Diephuis joined to replace Annette Roeters, who was a member of the Supervisory Board for eight years and served on its Quality Assurance Audit Committee. On behalf of myself and the other members of the Supervisory Board, I would like to take this opportunity to thank our former fellow member for her valuable input and her commitment to the University's academic community.

Cisca Wijmenga, who was the University's dedicated and dynamic Rector Magnificus for four years, stepped down on 31 August 2023. The Supervisory Board is deeply grateful for her ever-present drive to promote interdisciplinary research and to bring together researchers from different faculties of the University's four Schools for Science & Society. Jacquelien Scherpen was appointed as the University's new Rector Magnificus with effect from 1 September 2023. Jacquelien has our full support and we wish her every success in her new role.

The energy crisis and rising inflation heavily affected the UG's results for the second consecutive year. The Supervisory Board is concerned about the financial situation and is following it closely. We engaged frequently with the Board of the University to discuss financial developments as well as the process and the proposed measures outlined in the Back to Balance 2026 programme (in Dutch: TeRUG in balans 2026), which provides supporting arguments for, and expands upon, target-driven austerity measures. By cutting costs, the University aims to achieve a sustainable budget equilibrium by 2026. We are pleased that the Board of the University has managed to garner broad support for the measures and that the central consultative participation body was invited to provide input. The University is not afraid to make choices that need to be made, being mindful of cushioning the impact for the primary processes of teaching and research where possible. That said, I am well aware that these may be difficult choices with potentially serious implications for those affected.

Where business operations and facilities were concerned, the Supervisory Board focused much of its attention in 2023 on the University's strategic real estate plan and on the update of this plan. The update was needed because of such developments as rising construction costs as a result of inflation, the expected drop in student enrolment numbers, and the effects of hybrid working. The construction of the Feringa Building specifically will have a major impact on the University's financial position going forward. This is due to the size of this building. For this reason, the Supervisory Board, mainly in the form of the Finance Audit Committee, is monitoring the construction process and its financial implications with particular interest.

We are delighted that, in collaboration with the consultative participation bodies, we were able to give the go-ahead to the newly-to-be-constructed Sports Centre as the two conditions imposed by the Supervisory Board, i.e. that the capital expenditure stay within the budget and that no additional loans be raised, were met. The cost of the construction of the Sport Centre falls within the budgeted limits of the capital expenditure plan thanks, in part, to the fact that student sports association ACLO undertook

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to increase its operating contribution. This higher contribution will be financed from an increase in the price of the ACLO pass, as agreed with the student body. The discussion and acceptance of the consequences by the Committee of Deans and the central consultative participation body was another decisive factor for the Supervisory Board.

There were a number of recurring issues for the Supervisory Board to address in 2023. One such issue was integrated safety, for instance in areas such as knowledge safety, cybersecurity, privacy, and international partnerships. The members of the Supervisory Board were briefed, and provided input, on social safety on more than one occasion. Topics addressed included the effect of the social safety campaign that was rolled out in 2023 to increase awareness, as well as other actions taken at and by the University. I have every confidence that the University will implement the required measures as there is no place for inappropriate behaviour in our academic community. As the Supervisory Board, we will continue to closely monitor the University's efforts to create a safe environment.

In 2023, the Supervisory Board performed its self-assessment with the help of an external agency. We were happy with the findings that the members maintain convivial and respectful relationships, and that decisions are reached as a group. Another finding was that the members' relationship with the Board of the University is open and constructive. The Supervisory Board organized special thematic sessions that served to take a deep dive into specific topics with University experts in the field. These sessions help the Supervisory Board to make better, more informed decisions. The self-assessment also identified some areas for improvement. They will be discussed in early 2024. One of these areas has already been addressed now that Wim van Saarloos has been appointed deputy chair. Ahead of the discussion of the areas for improvement, a number of changes have been made to the governance calendar, so as to flag key policy issues promptly and to prevent loss of focus.

The UG is a university with ambition and it fulfils its role as an engine of activity with gusto, both in the region and far beyond. It has a sizeable capital expenditure programme for its real estate portfolio and it takes the required steps to increase integrated safety. The UG boasts committed and enthusiastic staff, and a lively student community, as well as a discerning and active consultative participation body. The Supervisory Board is positive about its constructive dialogue with the Committee of Deans and the University Council, which is the joint merit of the UG's administrators, staff, and students. Coming from their own specific roles and responsibilities, they all contributed to this dialogue.

All in all, we have complete confidence that the University will continue to develop and improve, despite the current headwinds and the geopolitical situation that cannot but have an impact on our academic community. The Supervisory Board is grateful to everyone – both staff and students – for all their efforts in these challenging and uncertain times. We are especially thankful to the Board of the University for its unwavering commitment under continually difficult circumstances.

J.W. Remkes
Chair of the Supervisory Board



Photo by P. Schrijen, Provincie Limburg

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Foreword
By the President of the Board of the University

The University of Groningen is facing uncertain and challenging times. There are concerns about the financial position of our University, plans and developments in the area of internationalization, social safety, and the geopolitical situation, which regrettably has brought us war, conflict, and natural disasters in the past year. I am horrified by the news and frankly deeply concerned, obviously about the terrible state of affairs and the ordeals suffered by those affected, but also about the implications for our UG community, and about increasing polarization. The UG's task is to protect and promote independent thinking, and to analyze global events. We devise solutions and alternatives, and encourage our researchers to share their expertise with society at large. We support our researchers in this endeavour. I would stress that, at our University, there is room for differences of opinion and opposing ideas. Independent thinking is, after all, the foundation on which the UG was built.

Despite having received additional funding under the Administrative Agreement 2022, the UG is facing a number of major financial challenges that affect our financial performance and call for policy changes. The UG has incurred a financial shortfall since 2022, prompting structural austerity measures. The shortfall is primarily attributable to a combination of high inflation and rising energy prices on the one hand and a drop in contributions of the central governments on the other. That is why, in 2023, the UG launched the Back to Balance 2026 programme, which sets out the underlying reasons for, and expands upon, the austerity targets. The aim is to achieve a sustainable budget equilibrium by 2026.

It became apparent, during the course of 2023, that budget tightening was in order as the Dutch Ministry of Education, Culture and Science made a downward adjustment to its reference forecast and announced that the UG's enrolment-related funding would be reduced starting from 2024, culminating in a nearly €19 million drop by 2027. In addition to this reduction in contributions of the central governments and the high rate of inflation, the UG was forced to increase salaries by 9% in 2023 under the new collective labour agreement. These salary increases were only partially covered by the government-funded pay adjustment, creating a funding gap. To date, the funding providers in question have not paid any indexation for staff paid from indirect contributions of the central governments, income on third party contracts funding, or private funding. As yet, these developments have resulted in an annual shortfall of €22 million, galvanizing the need for additional structural spending cuts and target-driven austerity measures.

The second phase of the Back to Balance 2026 programme was initiated recently. This phase entails implementing the adopted austerity measures, particularly in the areas of IT, use of space, and energy consumption, over the next few months. The urgency is high, but there is great support for, and commitment to, the measures. This is a prerequisite for the effective implementation of the proposed measures, as well as for closing the gap between income and expenditure, and subsequently achieving the desired and much-needed positive results starting from 2026.

At present, the Dutch caretaker government is working on the Balanced Internationalization Act (WIB), the goal being to preserve Dutch as an academic language, both in teaching and in research, as well as managing the influx of foreign students into the Netherlands. The introduction of the Act is motivated by the lack of student housing, increasing work pressure on staff, and the potential decline in education quality. In this context, all Dutch universities are now taking their own initiatives to manage the influx of foreign students and raise Dutch proficiency levels. The aim is to curb the influx of foreign students, reduce the number of English-taught bachelor programmes, introduce more Dutch-taught programmes, and encourage foreign teaching staff and students to improve their Dutch.

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One of the steps the UG took in this regard in 2023 was that we stopped actively recruiting foreign students, which had an impact on the influx numbers of foreign Bachelor's and Master's students in the current academic year.

We are committed to overcoming the challenges, precisely because we recognize the added value of internationalization. The international dimension is invaluable for the teaching and research climate in the Netherlands, and for the Dutch knowledge economy. Besides home-grown talent, talented foreigners make an important contribution to the development of academic knowledge in this country, particularly in our regional area, with its population decline and talent acquisition challenges. Also, it is specifically a regional approach that is needed to address global societal issues, such as the energy transition, vitality, and digitization. This regional approach hinges on our University holding appeal for both Dutch and international talent, as well as on cross-border knowledge-sharing, and high-quality teaching and research. Because of regional differences, it is important for a university such as ours to be able to take charge, at least partially.

In June 2023, we celebrated the grand opening of the House of Connections (HoC), when the University invited everyone interested to visit the building at Grote Markt. The HoC is home to the UG's four Schools for Science & Society, and the University of the North. It is the central hub for dialogue on societal themes, where students, researchers, networks, and the general population can come together to learn from and inspire each other. The HoC is where the UG joins its forces and where we work together to navigate today's and tomorrow's urgent transitions. By organizing events and activities, the HoC demonstrates how the academic community contributes to resolving major societal challenges.

In her capacity as Rector Magnificus, Prof. Cisca Wijmenga was a driving force behind making connections, which also happens to be the title of the UG's Strategic Plan 2021-2026. She stepped down from this role, which she had held since 2019, on 31 August 2023. The UG owes her a deep debt of gratitude for her commitment and her service to the academic community, also in difficult times such as the pandemic. As members of the Board of the University, we will miss her collegiality and her expertise. Thankfully, the UG was fortunate enough to find a worthy successor in Prof. Jacquelien Scherpen, who was appointed Rector Magnificus with effect from 1 September 2023.

In closing, I would like to say a few words about social safety, which continued to be a priority for the Board of the University in 2023 – and rightfully so. Social safety is something that concerns us all. It is no coincidence that promoting a safe learning and working environment is one of the goals of our Strategic Plan 2021-2026. At the UG, we are committed to facilitating an open and fair dialogue without taboos. We promote constructive and respectful debate to ensure the safety and comfort of our students and staff. I take my own responsibility in this regard very seriously. Together, we will keep the dialogue about improving social safety at the UG alive by continuing to engage with each other openly and honestly. As a university, we need one another to form an inclusive and united academic community. The successes we achieve are our shared responsibility and our shared reward.

Prof. Jouke de Vries
President of the Board of the University of Groningen



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I. REPORT OF THE BOARD OF THE UNIVERSITY



UG Management Board.
Left to right: Jouke de Vries (President),
Ruben Wagenvoort (Student Assessor),
Jacquelien Scherpen (Rector Magnificus) en
Hans Biemans (Vicepresident)

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1. Strategy



Procession before the opening of the Academic Year
photography Reyer Boxem

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1. Strategy

1.1 Mission

The University of Groningen is a broad-based university, where teaching and research are inextricably linked. The UG operates at an international level and leverages its innovative strengths to address academic and societal challenges, and train students to become global citizens. The University is committed to regional initiatives and actively contributes to bolstering and shaping the regional knowledge system.

1.2 Vision

The UG is a close-knit, open academic community that gives all its members the opportunity to reach their full potential. Its students and staff are open-minded, committed, and motivated; they take ownership and are keen to excel. They abide by the UG's core values when cultivating knowledge to enhance their understanding of the world and sustainably applying their knowledge for the benefit of people and society.

The UG's robust disciplines, which span the entire academic spectrum, form the basis for talent and collaboration to flourish. We team up in interdisciplinary partnerships as well as collaborations with the non-academic world. Our excellent networks allow us to forge alliances with partners in the Northern Netherlands and with universities and institutions across the globe. This is how we create added value for today's and tomorrow's world.

The UG's teaching and research programmes attract talented individuals from around the globe to the Northern Netherlands, boosting both the University and the region. Thanks to the diversity of the academic community and access to international experience, students at the UG have the opportunity to acquire a global perspective and intercultural skills, which fosters social engagement during their academic years and instils in them a drive to help tackle societal issues later on in their professional life.

Core values
The UG's core values define the University's institutional culture. The core values determine how decisions are made and the way staff, students, and other stakeholders interact and relate to each other.

Academic freedom
The teaching and research environments are characterized by freedom of opinion and expression as defined by UNESCO.

Integrity
Integrity is about honesty, respect, truthfulness, openness, transparency, and responsibility. This definition is based on the UG's internal rules of conduct for academic integrity and the Netherlands Code of Conduct for Research Integrity. We refer to the Netherlands Code of Conduct for Research Integrity (2018), which has been adopted by the Royal Netherlands Academy of Arts and Sciences (KNAW), the Netherlands Federation of University Medical Centres (NFU), the Netherlands Organisation for Scientific Research (NWO), Associated Applied Research Institutes (TO2 federation), the Netherlands Association of Universities of Applied Sciences and the Association of Universities in the Netherlands (VSNU). The Code is binding and the UG adheres to it consequently.

Diversity/inclusion
The UG seeks to be a university where all students and staff feel respected, safe, and comfortable, regardless of differences in background, experience,

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perspectives, and identity. Diversity and inclusion are also recognized as key factors in achieving academic success.

Sustainability

The UG respects the environment and the ecosystem through the rational use of natural resources and reducing the eco-footprint of all University processes. The UN's Sustainable Development Goals (SDGs) and the UG's own Sustainability Roadmap serve as the guiding principles in our sustainability drive.

Openness

The UG aims to be an academic community with an open culture. Research results are made available to the entire academic community as well as society at large. Our governance culture is transparent and we have a consultative model by which input is sought from all stakeholders.

1.3 Making connections

Making connections – in teaching, research, and impact – is the title and the central theme of the Strategic Plan 2021-2026. This theme is reflected in the responsibility we feel and the connections we make with the world around us, through our focus on societal issues, globalization, and sustainable business practices. It is also mirrored in our connection with our local region and in our interdisciplinary approach to issues.

In addition, the Strategic Plan addresses the systematic monitoring of the wellbeing of students and staff, with particular emphasis on the workload of staff in the context of employee vitality. Obviously, a healthy work environment and a sound work-life balance for our staff are prerequisites for achieving the results the UG is looking for. In this context, the UG focuses on communities, such as Young Academy Groningen (YAG), Teaching Academy Groningen (TAG), and YoungRUG. These are networks of young researchers, lecturers, and staff respectively, who help and support each other in developing solutions to academic and societal issues.

High-quality fundamental and applied research and teaching excellence are our utmost priorities. The UG is always looking to shore up its research and teaching capabilities. We offer interdisciplinary programmes so as to increase the scope and depth of our teaching. These programmes give students more freedom to pursue interdisciplinary minors at different faculties, which is in line with the broad range of societal issues we seek to cover. Over the coming years, the UG also plans to develop new educational concepts, allowing students to gain targeted knowledge of the latest insights in their chosen field and encouraging them to come up with their own ideas.

1.4 Internationalization

Since its foundation in 1614, the UG has developed into a successful university with global reach. Our international focus and our foreign connections improve the job opportunities of our students and staff. That is why we encourage foreign exchanges of both staff and students, and why we maintain excellent ties with universities and institutions in countries relevant to the UG's teaching and research. As in previous years, internationalization and international partnerships were key issues for the UG in 2023 too.

Dutch Balanced Internationalization Act

The internationalization effort of Dutch universities has come under pressure lately due to political and geopolitical developments, the bill for the Balanced Internationalization Act (WIB), public debate, and real-world challenges (such as housing). At present, it looks as if recent political developments in the Netherlands will significantly affect the UG. In the run-up to the introduction of the Act, we have decided to address a number of issues.

These include an update of our language and culture policy, a self-regulation-driven review of our academic offering (which programmes will continue to be taught in English and which will become Dutch-taught), assessment of the financial and staffing implications of the introduction of the Act, and an analysis of the impact of the Act on our ability to attract and/or retain international talent. Finally, in the spirit of the Act, we are currently duly evaluating our marketing strategy and we have abandoned our active recruitment drive at international fairs.

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Global Engagement Plan

In 2023, we worked towards a more integrated vision and a balanced approach to help shape a successful and future-proof internationalization policy for the UG. We formalized this approach in our Global Engagement Plan, which was adopted by the Board of the University in the autumn of 2023. This plan fleshes out, and somewhat expands upon, the international elements of the Strategic Plan 2021-2026. The defined ambitions were combined into five interrelated building blocks:

1. International opportunities for students
2. Local solutions to global challenges
3. Talent attraction and retention
4. Dedicated and diverse partnerships
5. A robust basis for internationalization

Other issues that were addressed in 2023 included routine implementation of internationalization activities (e.g. mobility), further development of the knowledge safety policy (see also the section on integrated safety), and three strategic initiatives designed to intensify our partnerships with a select group of partners in and outside Europe. These initiatives are the European University Alliance ENLIGHT, the Strategic Partner Framework, and the Sub-Saharan Africa Strategy.

ENLIGHT

ENLIGHT is a European university alliance whose aim is to facilitate structural collaboration in teaching and research. By 2030, ENLIGHT seeks to have established an open, integrated space for its partners' students, teaching staff, and researchers, enabling lifelong access to the best education environment and connecting research capacity via systemic sharing of digitized resources. The first phase was completed in 2023. It was also announced in 2023 that the proposal for continuing the project had been approved by the European Commission. The four-year follow-up phase, plus a possible two-year extension, will be funded from the Erasmus+ programme. The Dutch Ministry of Education, Culture and Science (hereinafter referred to, for the sake of brevity, as the Ministry of Education) has also pledged a contribution. The University of Bern (Switzerland) joined the nine partners of the alliance at the end of 2023.

In the past year, the UG's participation in ENLIGHT mainly involved consolidation of the pilot projects. We ran various blended intensive programmes (BIPs) and challenge-based learning courses for Bachelor's, Master's, and PhD students. These two ENLIGHT approaches are reflected in the Global Engagement Module coordinated by Campus Fryslân, embedded in the Bachelor's programme in Global Responsibility & Leadership, in which context 65 ENLIGHT students worked on local projects at the three guest universities in Ghent (Belgium), Göttingen (Germany), and Groningen. The Aletta Jacobs School of Public Health contributed greatly to the development of the local case in Groningen.

The collaboration between the different ENLIGHT partners also came to the fore in the Summer School in Rome, which was developed together with the UG's Faculty of Arts and was hosted by the Royal Netherlands Institute in Rome (KNIR). Staff also had the opportunity to join ENLIGHT programmes; there were two teacher training sessions on challenge-based learning, and a staff week for communication officers of ENLIGHT partners was organized in Groningen. ENLIGHT's research component is developed via RISE, which is funded from the Horizon programme. In 2023, the UG played a prominent role in organizing and arranging for a series of webinars on such topics as social engagement.

Strategic Partner Framework

We continued to roll out the Strategic Partner Framework (SPF) in 2023. The SPF's goal is to promote in-depth, sustainable, and impactful partnerships with key global partners in Latin America, Africa, Asia, and Oceania. In our pursuit of this goal, we identified nine partners in 2021 with whom we planned to intensify our partnership.

In 2023, the UG welcomed visits by the chancellors/presidents of Universitas Gadjah Mada (Indonesia), Macquarie University (Australia), and Universidad Nacional Autónoma de México. Administrative and academic delegations from the UG travelled to the Universidade de São Paulo (Brazil), Universidad de Chile, Osaka University (Japan), and Stellenbosch University (South Africa). Our partner Universidad Nacional Autónoma de México (UNAM) and our own UMCG organized a joint Summer School in Nanomedicine, Biomaterials, and Bionanotechnology in Mexico. Campus Fryslân teamed up with our partner Universidad de Antioquia (Colombia) to host a Summer School in Planetary Health. Finally, about 50 staff and students were awarded travel grants in 2023 to fund visits to and by SPF partners. These partial grants allow academics to build a network

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of contacts and help them identify talented PhD candidates for joint supervision.

One of the SPF's priorities is to facilitate the development of joint PhD programmes between the partners. Besides the standardization of processes between partners and faculties, important steps were taken towards developing co-financing structures to enable these types of collaborative programmes. This potential is illustrated, for instance, by UNAM; the UG initiated 15 new projects with this university in 2023, bringing the total number of partnerships with them to 49. Academic Ambassadors, i.e. UG academics with SPF-facilitated links to specific regional partners, were a key driving factor in this development.

Sub-Saharan Africa Strategy

In 2023, the UG leveraged its Sub-Saharan Africa (SSA) Strategy first of all to undertake a ten-year commitment to two new interdisciplinary Africa-Europe Clusters of Research Excellence (CoREs, 2023-2032), led by the African Research Universities Alliance (ARUA) and The Guild. These were CoRE Inequalities, Poverty and Deprivation (with Cape Town (South Africa), Ghana, Nairobi (Kenya), Göttingen (Germany), and Aarhus (Denmark)), and CoRE Renewable Energy (with Stellenbosch (South Africa), Ghana, Makerere (Uganda), Oslo (Norway), and Ghent (Belgium)). The clusters aim to build research capacity in Africa and Europe on the one hand, and create research excellence on the other, with a view to contributing to a number of SDGs. Joint PhD programmes, new teaching and research modules, and networking play a prominent role in the CoREs.

We also worked on encouraging teaching partnerships with SSA. Seven new summer and winter schools have been started since 2022, for instance, four of which saw the light in 2023 (the other three will be kicked off in 2024). Makeni University (Sierra Leone) is now a member of the prestigious NOHA Erasmus Mundus network, and talks about a joint minor and a double-degree MSc programme with Stellenbosch (South Africa) are ongoing.

We organized a series of activities for staff and PhD students to improve our internal and external SSA networks and to highlight our partnerships with African universities. In October 2023, we hosted the successful first edition of iAfrica Groningen, a satellite version of the iAfrica The Hague film and culture festival, showcasing the vibrancy and urgency of contemporary African film-making to a broad audience. We will be expanding this event over the coming years.

Finally, as usual, there were two application rounds for partial travel and other grants in 2023. Grants were awarded to 53 SSA and UG colleagues, who used them to initiate or promote teaching partnerships, research partnerships, and PhD programmes.

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2. Teaching



Students in the University Library
photography Nick Hannes

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2. Teaching

2.1 Vision and objectives

The aim of the UG's teaching strategy is to impart to students the values, knowledge, and skills they need to develop into global citizens who are able to tackle today's challenges in academia and society. To achieve this, they are taught in an environment that focuses on personal development and ambition, and feeds their curiosity, creativity, flexibility, critical thinking, teamwork, and entrepreneurship. This teaching philosophy rests on the following pillars:

- Building close-knit learning communities: active, contextualized, and blended learning
- Increasing the innovation potential and promoting evidence-informed teaching
- Designing physical spaces that facilitate different types of learning
- Enhancing focus on interdisciplinarity and diversity of learning
- Maintaining international focus: preparing students for the global job market
- Fostering lifelong development

2.2 Innovation

Teaching support

The goal of Phase 2 of the UG Support Plan (in Dutch: Ruggesteun) – Making Connections, which was initiated in 2023, is to create broad, UG-wide support for an online Platform for Teaching & Learning. This platform is meant to support lecturers in developing teaching methods within the parameters of the Strategic Plan 2021-2026. To come up with a shared functional design for this teaching environment for lecturers, we organized multiple interfaculty sessions for teaching support teams, as well as forming numerous faculty-based focus groups with lecturers and experts. The outcomes were wireframed and a website mock-up was created with the help of a professional media company. In the next stage, the design will be tested at detail level and transposed into an implementation plan. The platform is strategically linked to the Center for Teaching & Learning, which is currently being developed as part of the National Growth Fund Programme Npuls.

Within the scope of the project, five newly created Active Learning Classrooms (ALCs) will be available at the start of the next academic year. Lecturers have already produced three video testimonials with useful real-life examples of active teaching methods in an ALC. In addition, an action plan for a mobile DIY video studio for lecturers has been developed in collaboration with the audiovisual support team and University College Groningen.

Lecturers are offered targeted support to promote the use of blended learning technologies. In close consultation with the faculties, we worked on integrating blended learning into active learning as a core methodology in the UG's teaching philosophy so as to create a consistent concept. In the past year, we fleshed out this integration into what we have termed 'blended active learning'.

AI policy

In 2023, there was much focus on generative (Gen) AI tools, such as ChatGPT. These tools are becoming increasingly accessible and more complex in their applications. The biggest difference between these new tools and earlier AI tools (e.g. spell check or translation) is that, besides adjusting output, GenAI tools are also capable of generating new output. While the tools allow students and lecturers to work faster and differently, they also fuel questions about academic procedures, competencies of students and lecturers, and teaching and assessment methods. In

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2023, the UG set up a structure for information provision and knowledge networks on AI tools (including a Community of Practice at the TAG), as well as adopting a UG-wide policy to lay down a basic framework for using AI in teaching and to develop angles for providing support to students and lecturers in their use of AI. The faculties are free to adjust and/or expand upon this policy as appropriate to their situation.

Open Education

In 2023, the UG continued to support the transition to Open Educational Resources & Practices via the UG-wide Open Science Programme (OSP), which is designed to promote the broader adoption of open education as per the objectives of the Administrative Agreement. We aim to achieve this through the professional development of teaching staff, as well as by offering assistance in applying open educational resources (OERs) and supporting publication of open teaching materials via our own University of Groningen Press and/or Edusources, a nation-wide platform. We published 13 new open teaching materials via Edusources in 2023. These materials are publicly available. In addition, we published three open textbooks via University of Groningen Press in the past year. They were partially funded from the OER project. What is more, since 2023, open education activities have been included in the annual open research awards.

The Open Science Programme was successfully completed in 2023 and reviewed positively by the external assessment committee. The OER services will be continued in the form of regular support services after the project has ended.

Smarter Academic Year – flexibility and breathing space for students and lecturers

The UG was invited by the Ministry of Education to take part in the Smarter Academic Year project, with pilots in five different faculties. In 2023, we made the first adjustments with a view to developing a more flexible academic calendar. These adjustments included a reduction in the number of teaching and exam weeks to create guaranteed non-teaching periods. Also, existing teaching activities were streamlined.

Academic minors

The policy for academic minors was revised in 2023. The new policy ties into the Strategic Plan and dovetails better with the UG's teaching philosophy by distinguishing between discipline-specific and interdisciplinary academic minors, each with their own function and features. We also adopted a more transparent procedure for starting new minors and we introduced an evaluation cycle. Minors will be offered for six years. After three years, they will be subject to a mid-term evaluation. The final evaluation will take place after five years. The outcome of the final evaluation will be decisive in determining whether to continue or phase out a minor.

New Timetabling

The New Timetabling project was initiated in July 2021. After a public procurement process, a new timetabling application was selected in 2023. In the past year, we worked on implementing the application in the new timetabling function, which is made up of three campuses, i.e. Zernike, City Centre, and Healthy Ageing. In 2023, we focused heavily on the further harmonization of timetabling processes, which is needed to streamline the new timetabling application.

Drawing and selection

Because of the Dutch Reintroduction of drawing for fixed-quota programmes Act (*'Wet herinvoering loting bij numerus fixus'*), Dutch universities now again have the option to use decentralized drawing as an admission method for fixed-quota programmes. The UG adopted parameters in 2023 by which the admission method for fixed-quota programmes is based, by default, on unweighted drawing, as per the UG strategy and the objective of the Act. If a fixed-quota programme decides to select students rather than using drawing, they are expected to explain their reasons for doing so. Also, the selection procedure is required to meet the new UG criteria. These criteria are meant to promote equal opportunity, validity, and efficiency in the selection process.

Learning environment

It is in the Active Learning Classrooms project that teaching and housing coalesce. Eight teaching spaces have been created in five faculties to enable active instruction methods for relatively small groups of students. Furthermore, in collaboration with four faculties, plans were adopted for accommodating both larger and smaller groups of students at the same time in flexible active learning classrooms at three locations. These plans provide for easily adaptable spaces, making them versatile and efficient for various uses.

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As far as the Brightspace online learning environment is concerned, we worked on better integration of the video platform and the automatic lecture recording system. This has resulted in a significant improvement in video quality as well as in recording stability. What is more, the online lecture system was replaced by Kaltura Classroom, which offers more scope for blended active learning.

2.3 Interdisciplinary programmes

Interdisciplinary Schools for Science & Society

The Schools addressed their teaching activities for the academic year 2023-2024 in their annual plans and they geared these activities to their respective objectives and target groups. To achieve this, the Schools bring together lecturers from different faculties, while collaborating closely with the faculties in order to develop and adjust interdisciplinary programmes.

From an organizational perspective, the Schools basically operate as a networking platform for the purposes of promoting inclusive, interdisciplinary, challenge-based, and socially relevant learning. A number of examples of minors offered are 'Expedition Healthy North' (Aletta Jacobs), 'Geospatial Data Sciences' (Jantina Tammes), 'Hydrogen Hackathon, discovering the potential of green hydrogen' (Wubbo Ockels), and the summer school 'Land Acquisition, Resettlement and Social Sustainability' (Rudolf Agricola). Besides developing academic minors, the Schools also offer summer and winter schools, post-academic programmes, and public activities such as hackathons.

Consultative sessions between the Schools, faculties, and the Board of the University showed that more resources needed to be dedicated in order to promote and ensure the offering of UG-wide interdisciplinary and project-based programmes addressing academic and societal issues. For this reason, programme coordinators were hired where possible to provide support in this endeavour.

Honours College

As part of the reduction from 45 to 30 ECTS credits as a requirement for the interdisciplinary Honours Bachelor's programme, some changes were made to this programme in 2023. From 2024 onwards, the focus will be on attracting a broader group of students who feel resonance with teamwork, interdisciplinarity, and giving and receiving feedback. Rather than seeking to attain excellence, the emphasis will be on interdisciplinary team and project-based learning.

2.4 Flexibilization

In the context of the completion of the national microcredentials pilot project of the Acceleration Plan, the UG awarded microcredentials for the first time in 2023. During the Rudolf Agricola Summer School 'Land Acquisition, Resettlement and Social Sustainability', which was held in Groningen for the 13th time, the learning outcomes were tailored towards the national quality framework for microcredentials. As a result, successful graduates of this summer school received a microcredential to certify these learning outcomes. Also, Campus Fryslân introduced the Digital Leadership module for which microcredentials are awarded. Microcredentials certify the learning outcomes of short-term learning experiences. They offer a flexible, targeted way to help professionals develop the knowledge, skills, and competencies they need for their personal and professional development. In 2023, we also started developing two more microcredential modules (one at Behavioural and Social Sciences and one at the Jantina Tammes School).

The UG distinguishes between digital certificates for microcredentials and certificates of competence, both in accordance with the national quality framework. In dialogue with the boards of examiners for initial degree programmes, the Teaching Quality Assurance department and Legal Affairs have drawn up guidance for a new Microcredentials Committee. The members of this committee, who are also on a Board of Examiners, are responsible for assuring the overall quality of the module. They will also advise on the required quality assurance structure after the project phase has been completed. The UG plans to continue its participation in the national pilot within the scope of the National Growth Fund Programme Npuls.

Lifelong development

The educational institutions of the North (vocational schools (MBO), universities of applied sciences (HBO), and research universities (WO))

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have agreed on a joint approach to lifelong development (LLD), including an agenda, by the name of Action Plan Lifelong Learning Northern Netherlands (AP-LLD-NN). One of the aspects addressed in the action plan is the joint development of the building blocks of the National LLD Catalyst Project. In the first round of the LLD Catalyst Project in October 2023, the consortium submitted an application for Building Block 2 (LLD solutions for energy and natural resources transition). It plans to file a follow-up application in the second round (April 2024). The consortium is also preparing an application for Building Block 3 (professionalization of LLD at teaching and knowledge institutions). This application will also be submitted in the second round.

2.5 Teaching Academy Groningen

In 2023, the development of the Teaching Academy Groningen (TAG) led to an increase in activities, staff and student engagement, applications for teaching grants, and interfaculty collaboration. In the autumn, the TAG entered the third stage of its development: the consolidation phase. The principal goal in this phase is to galvanize the connection between the TAG as a network organization and existing structures for teaching support and development (at both centralized and faculty level). The TAG plays a key role in the planned establishment of a UG Center for Teaching & Learning that will combine all activities involving professional development of teaching staff, research into higher education, and teaching innovations.

Teaching grants

Teaching grants are an important instrument for allowing lecturers to experiment with teaching innovations in real-life situations and thereby contributing to the quality of academic programmes. Both the interest in, and the number of applicants for, teaching grants continued to rise in 2023. A key target group are lecturers with a teaching-oriented tenure track. The TAG assists lecturers in applying for these grants, both in terms of subject matter and procedure, by offering workshops, information sessions, and giving feedback on proposals. In doing so, they work in close collaboration with trainers, editors in Talent Development, and educational advisors of Educational Support and Innovation.

In 2023, for instance, the TAG provided support to a team vying for a nomination for the Dutch Education Award. In addition, five Comenius teaching innovation grants were awarded, three of which went to Teaching Fellows and two to Senior Fellows. Of the 14 proposals submitted for Virtual International Cooperation Projects, 13 were accepted. The TAG also introduced Scholarships of Teaching and Learning (SoTL). After an assessment on merit, 18 applications were considered scholarship-worthy. In total, six scholarships of €5,000 each were awarded based on random selection.

Events

The TAG organized 20 events for UG lecturers in 2023. These were attended by more than 300 patrons, more than half of whom had not been to a TAG event before. The highlight of 2023 was the Education Festival: Connecting the dots! One of the more memorable moments of this multi-day festival was the presentation of the Best Practice Award, which is granted in recognition of lecturers who are committed to innovating and improving their teaching. The festival also boasted various workshops and keynote speeches on topics such as blended learning, student wellbeing, and assessment and feedback. The festival was opened and closed with an interactive poster session featuring posters about innovation in education and new academic perspectives on teaching in higher education.

EQUiiP

The UG's EQUiiP programme focuses on the structural integration of inclusion and diversity into degree programmes via continuing professional development of lecturers ('equipping'). The EQUiiP programme, which is offered by the TAG, among other communities, allows lecturers to exchange expertise with colleagues and reflect jointly on options for more inclusive educational practices. The programme has four flexible modules that are customized to the needs of the target group in collaboration with lecturers. As a result, the teaching materials are not just supplemented, but also enriched with faculty expertise and integrated into the faculty context. These partnerships serve to further promote professional communities of practice, continued development of learning pathways within a programme's curriculum, and broader integration of inclusive education.

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2.6 Internationalization

Summer and winter schools

In 2023, all 11 faculties together organized a total of 53 summer and winter schools. With these short programmes, we mean to cultivate interdisciplinary partnerships with Dutch and international partners, and introduce international talent to our University and to the city of Groningen. Of these one or two-week programmes, 42 were held in Groningen. Our multi-disciplinary summer and winter schools attracted 937 participants (91 nationalities), most of whom were bachelor's, master's, and PhD students.

What was unique was that, in 2023, one of our summer schools took part in the national pilot project for microcredentials in higher education. This initiative marked the start of the UG's awarding of microcredentials for both our summer and winter schools. The microcredentials serve as a highly regarded quality mark and they simplify the recognition of certified learning outcomes by other institutions of higher education and employers.

Erasmus+ projects

Erasmus+ projects are an important incentive for teaching innovation; they support capacity building and promote the mobility of students and staff. The UG actively worked on all Erasmus+ Key Actions in 2023. Project proposals for Key Action 1 (mobility of individuals), Key Action 2 (cooperation partnerships, capacity building, alliances for innovation), and Key Action 3 (forward-looking projects), in which the UG serves as coordinator, were accepted. The UG also offers ten prestigious Erasmus Mundus Joint Master Programmes that attract talent from across the globe. The introduction of blended intensive programmes (BIPs) paved the way for closer collaboration with partners and inclusion of students who are on limited stay. In 2023, the UG primarily participated in BIPs that were organized in the context of ENLIGHT.

Student mobility

After the pandemic had ended, the number of mobility movements continued to recover in 2023. Incoming and outgoing mobility both in and outside Europe is fairly balanced. There are more European students coming to the UG than UG students going to our European partners. The numbers are opposite for non-European exchanges.

Outgoing mobility

Type of mobility	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023
Marco Polo	597	596	603	615	617	703	16	172	507
Erasmus +	748	716	683	741	854	795	132	648	862
Erasmus + ICM	0	2	0	6	15				
Unregistered (approx.)	0	0	625	625	625	625	625	625	625
Total	**1,345**	**1,314**	**1,911**	**1,987**	**2,111**	**2,123**	**773**	**1,445**	**1,994**

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ENLIGHT

Joint teaching initiatives, most of which have a challenge-based and blended approach, were developed with input from both UG staff and students in the context of ENLIGHT. One example is the Global Engagement Module, which was taught for the second time in 2023. This is an interdisciplinary pilot programme led by the UG, embedded in the Bachelor's programme in Global Responsibility & Leadership offered by Campus Fryslân in collaboration with partners of the universities of Göttingen (Germany) and Ghent (Belgium).

Introduction of application fee

With effect from the academic year 2023, prospective students have been required to pay a non-refundable application fee towards the assessment and verification of academic credentials. The fee, which is €100 per student, is due regardless of the faculty or programme. Prospective students with foreign credentials will be assessed for meeting the entry requirements.

2.7 Quality assurance

External quality assurance

In 2023, we started preparing for the Institutional Quality Assurance Assessment, which will be performed in January 2025.

Internal quality assurance

As usual, the faculties reported on teaching quality in their faculty teaching monitors in 2023. Their findings were discussed during the education interviews the Teaching Strategy department conducts annually, with the Faculty Board members for education and the directors of education of all faculties, among others. The principal findings and action points from these interviews were shared with the Board of the University and the Supervisory Board.

Microcredentials

As part of the national microcredentials pilot for professionals, Dutch research and applied universities have pledged their commitment (via the Netherlands Association of Universities of Applied Sciences and the Universities of the Netherlands umbrella organizations) to a joint quality framework for microcredentials, the basic principle of which is that the developed microcredentials meet the quality standards governing accredited higher education. In line with the quality framework, the Board of the University has designated the Microcredentials Committee, which is made up of experts from the faculties' boards of examiners, as the body responsible for ensuring the UG's overall level of microcredential-certified programmes. Guidance was drawn up to aid this Committee in its decision-making. At the end of the pilot phase, the Committee will evaluate its experiences, based on which it will issue an opinion on the envisioned structure for ensuring overall quality levels for microcredentials.

As of yet, there is no fixed procedure for external quality assurance of microcredentials. Institutions currently perform peer reviews to mutually audit, and instil trust in, each other's microcredentials. The participating institutions of higher education use the quality commitments undertaken as part of the pilot project and the standards and guidelines for quality assurance in the European Higher Education Area (EHEA) as a basis for organizing and arranging for internal quality assurance of the offered microcredentials. They also describe their offering of microcredentials based on mutually agreed arrangements. By way of peer reviews, institutions solicit external feedback on the internal quality assurance system and their written descriptions.

2.8 Support of disciplines

Sustainable Humanities

Humanities faculties in the Netherlands have received extra contributions of the central governments since 2009. This extra funding is meant to improve the programme offering, resolve teaching and research challenges, foster up-and-coming talent, and provide training to incumbent staff. The UG received nearly €2 million in extra funding in 2023. The funding was spread across the three relevant faculties using a fixed ratio. These faculties are Arts, Philosophy, and Religion, Culture and Society. The funding contributes to a better balance between teaching and research time of academic staff and is an essential income stream for humanities faculties in the Netherlands to guarantee the continuity of humanities.

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Dutch Studies

The Ministry of Education has allocated €0.3 million per year to the UG for a four-year period (2021-2024) to be invested in strengthening the Dutch Studies programme. The funding is put towards:

- Closing the gap between university-level Dutch Studies and the level of preparation provided by secondary education in the Northern Netherlands
- Updating the Bachelor's and Master's curricula
- Bringing research in Dutch Studies into the public eye

Organizing a range of events with community partners

2.9 COVID-19 disclosure - teaching

Budget for post-pandemic contributions of the central governments

At the UG, the budget for post-pandemic contributions of the central governments (in Dutch: corona-enveloppe) is largely linked to the internal UG Support Plan. In February 2021, the Board of the University launched the UG Support Plan to give the organization more breathing room by expanding its teaching capacity in the short term, and allowing it to work on teaching innovations, including blended learning, in the medium term. Administrators, lecturers, and students came together in different sessions and platforms to discuss the details of the plan.

The National Programme for Education (NPO) was introduced in the same period. Where student support is concerned, the goal of the NPO coincides with that of the UG Support Plan, which is why the Board of the University decided to allocate a substantial portion of the funding (€7 million) to student support. The funding the UG receives specifically for teacher training programmes (€0.8 million) and clinical placements (€1.4 million) was allocated to the faculties in question. With the approval of the University Council, the Board of the University adopted a funding framework as well as a strategic framework for the UG Support Plan, also addressing governance during the planning and implementation phases. All faculties then drew up decentralized plans for the exact application of funds, subject to the approval of all faculty councils. The faculty plans for teacher training programmes and clinical placements were adopted in a separate, parallel process.

After having received the faculty plans, the Board of the University and the University Council concluded that all plans were in line with the funding and strategic frameworks. The Board of the University subsequently approved the plans and the University Council agreed to the approved plans based on the statements of approval from the faculties, thereby adopting the application of post-pandemic contributions of the central governments.

Looking back, the UG concludes that linking a substantial portion of the post-pandemic contributions of the central governments to the internal UG Support Plan inspired a high level of engagement on the part of administrators, students, and consultative participation bodies in the application of funds.

Status of plan for post-pandemic contributions of the central governments

The UG Support Plan and, by extension, the budget for post-pandemic contributions of the central governments, were intentionally based on a decentralized approach, in which the faculty boards were responsible for defining envisioned actions, subject to the approval of the faculty councils. This is how we make sure that plans are appropriate in a faculty context. Faculties render accountability for the application of funds and the status of their actions via the regular PDCA cycle in the quarterly reports they submit to the Board of the University. The central consultative participation body formed a coordination group for the UG Support Plan. In addition to routine meetings between the Board of the University and the University Council, the coordination group is regularly updated on the status of the UG Support Plan by the working group. The faculty plans can be adjusted if needed, subject to the approval of the faculty council. Not a single faculty adjusted its plans in 2023.

The post-pandemic contributions of the central governments is mainly put towards student support within the scope of the UG Support Plan. Student support is aimed at providing assistance and counselling to students, which ties in seamlessly with Theme 1 of the NPO Administrative Agreement on Teaching. In addition, funds have been applied specifically to clinical placements (Theme 4) and teacher training (Theme 5). More details on the application of funds are provided below.

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Better student support (Theme 1)

To improve student support and counselling, the UG used the post-pandemic contributions of the central governments to hire more staff, particularly for roles focusing mainly on assisting and advising students, such as lecturing staff with a Lecturer 4 profile and study advisors. In other words, where Theme 1 is concerned, the budget is spent entirely on the 'extra support' action point in the NPO Administrative Agreement on Teaching.

As mentioned, each faculty individually considered which measures were appropriate in their particular situation and coordinated them with their own consultative participation body. The UG will hire a total of 39 FTEs worth of extra staff to improve its student support. This concerns 26.5 FTEs in extra lecturing capacity and 12.5 FTEs of extra study advisors.

In accordance with the effective period of the UG Support Plan, these new staff members will be hired for the duration of three academic years. As a consequence, the associated expenses will be recognized in the period 2021-2024. The total NPO funding of €7 million awarded to the UG has been broken down in the table below (amounts in millions of euros):

Theme	Total available	2021				2022				2023				2024
		Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Planned
Smooth inflow and flow through	7.0	3.3	0.8	0.5	2.8	3.7	2.3	2.3	4.2	0.0	2.3	2.6	1.7	1.7

In 2021, all faculties started to apply themselves to recruiting and selecting candidates for the available vacancies, trying to fill them with both internal and external candidates. Unfortunately, they were thwarted in their hiring efforts by labour market shortages, which caused them to be unable to fill every vacancy in 2021. They did, however, manage to fill any remaining open vacancies in 2022. Since then, the spend has been in line with the budget.

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Clinical placements (Theme 4)

The UG has allocated €1.4 million of its NPO funding to the Faculty of Medical Sciences to help prevent extended time-to-degree in respect of clinical placements. Due to the pandemic, students are faced with two to four months' extended time-to-degree. As is clear from the budgeted and actual figures below, most of the funding was spent in 2022 (amounts in millions of euros):

Theme	Total available	2021				2022				2023				2024
		Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Planned
Medical fellowship	1.4	1.4	0.3	0.1	1.3	0.0	1.0	0.7	0.7	0.0	0.7	0.5	0.2	0.2

The funding is put towards the Master's programme in Dentistry (€0.2 million) and the Master's programme in Medicine (€1.2 million). In the Dentistry programme, the focus is on supervision of research clerkships, additional support for skills training (particularly endodontic therapy), and availability of more clinical lecturers. In other words, this spend concerns the 'extra teaching in degree programme' action point in the NPO Administrative Agreement on Teaching.

In the Medicine programme, the focus in the first year of the Master's degree is on extra lecturers, additional support staff, and more simulation patients. This spend concerns the 'more patient contact' action point in the NPO Administrative Agreement on Teaching. In the second year of the Master's degree, the focus is on extramural clinical placements, addressing the 'extra clinical placements' action point in the NPO Administrative Agreement on Teaching, while the third year of this programme focuses on research clerkships, which covers the 'extra teaching in degree programme' action point in the NPO Administrative Agreement on Teaching. In Medicine, the intended action points are progressing as planned. In 2022, efforts were made to further scale up the activities, although not all available funding was ultimately spent. Most of the funds that went unspent in 2022 were spent in 2023. The remaining budget for 2024 is minimal.

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Teacher training (Theme 5)

The UG has allocated €0.8 million in NPO funding to teacher training to help prevent students from experiencing extended time-to-degree or dropping out due to a lack of internship opportunities. The funds are invested in extra staff and extra student support and counselling. The extra staff will also be put to work on continuing to develop the internship curriculum (flexibility and customization), strengthening alliances with schools and institutions of higher education, developing digital and other solutions for gaining hands-on experience, and using IT tools to practise classroom management. The budget is for three financial years, spanning the academic years 2021-2022 and 2022-2023 (see table below, amounts in millions of euros):

Theme	Total available	2021				2022				2023				2024
		Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Planned
Teacher training programme	0.9	0.4	0.1	0.1	0.3	0.4	0.4	0.4	0.3	0.0	0.3	0.3	0	0

The budget is spread over 15 activities, meaning that the funds are applied to a broad range of measures, covering all three action points in the NPO Administrative Agreement on Teaching ('extra teaching', 'extra support', and 'extra hands-on experience'). Nine open online courses, an improvisation course, and a Professional Learning Community (PLC) for induction were developed and offered. Every two weeks, students are proactively updated on issues involving socio-emotional wellbeing, and trainers provide extra support in educational theory, teaching methodology, and tutoring. The activities were wrapped up and evaluated in 2023.

The majority of projects were completed successfully and were fit for purpose. The costs associated with developing, implementing, and managing the activities and the application of funds were as budgeted. A number of subprojects turned out to meet a structural need – even more so than expected – and they were brought to a successful conclusion. More staff were assigned to these projects. After a resoundingly positive evaluation, the BRiTE modules, which are designed to empower students, became a required element of the curriculum. In addition, the improvisation course, the use of virtual reality (VR) in classroom

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management, and peer reviews with schools were added to the teacher training curriculum as fixed elements.

A small number of subprojects did not go as expected; some were delayed and one project hardly came off the ground, if at all, due to implementation obstacles. Privacy restrictions proved a major stumbling block to developing a video technology system as a feedback instrument for observing lessons without being physically present. Also, it had already become clear earlier that schools are not particularly interested in, and willing to, place tutoring students.

All in all, we have arguably achieved our objectives and results. Some activities were temporary in nature, either intentionally or not, but others have now been permanently incorporated into the teacher training curriculum. All activities were converted into tasks in the past few years (through staffing) and, in addition to some material costs, the NPO funding was more than fully spent.

Financial recognition of post-pandemic contributions of the central governments

The UG was awarded a total of €9.2 million in post-pandemic contributions of the central governments: €5.1 million in 2021 and €4.1 million in 2022. To keep its spend realistic and feasible, the UG drew up a budget that runs until the financial year 2024. As per the NPO Administrative Agreement on Teaching, the UG is permitted to recognize any unspent funding in its balance sheet. The table below shows what portion of the €9.2 million in awarded funding was spent and what portion was recognized in the balance sheet (amounts in millions of euros):

Theme	Total available	2021				2022				2023				2024
		Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Received	Planned	Spend	Balance sheet	Planned
Smooth inflow and flow through	7.0	3.3	0.8	0.5	2.8	3.7	2.3	2.3	4.2	0.0	2.3	2.6	1.7	1.7
Student well being and social bonding education	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Support and mentoring in the context of internships	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Teacher Training programme	0.9	0.4	0.1	0.1	0.3	0.4	0.4	0.4	0.3	0.0	0.3	0.3	0	0
Medical fellowship	1.4	1.4	0.3	0.1	1.3	0.0	1.0	0.7	0.7	0.0	0.7	0.5	0.2	0.2
Other themes	0	0	0	0	0	0	0	0	0	0	0	0	0	0
To be decided	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**9.3**	**5.1**	**1.3**	**0.7**	**4.5**	**4.1**	**3.8**	**3.3**	**5.3**	**0.0**	**3.4**	**3.4**	**1.9**	**1.9**

university of groningen

3. Quality agreements



Meeting about inclusivity
photography Anouk Brekhof

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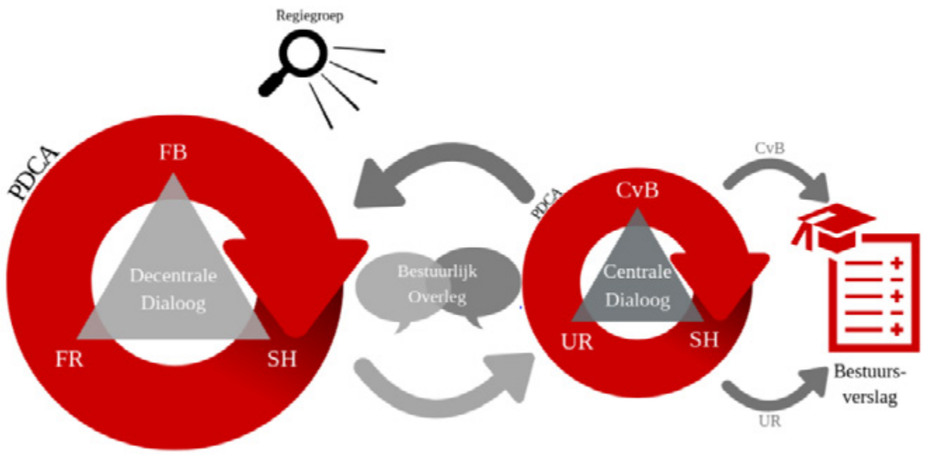
3. Quality agreements

Following an intensive process with input from faculties and consultative participation bodies, the Board of the University adopted the UG Quality Agreements at the end of 2018. These were mainly faculty plans, which are subject to the approval of the faculty councils. The decentralized approach is in line with the UG's governance structure that is rooted in shared goals and a broad mandate for faculties. Up to 10 percent of the available funding was earmarked for five supra-faculty plans. The Accreditation Organization of the Netherlands and Flanders (NVAO) panel issued a positive opinion on the UG Quality Agreements in 2019. The Minister echoed the NVAO's positive opinion and approved the UG Quality Agreements.

The UG reports on the status of the Quality Agreements every year in its Report of the Board. Below, we will first address the monitoring process and the procedures for consultative participation. After having expressed an overall opinion on the headway gained on the Quality Agreements, we will briefly elaborate on the UG's views on the themes covered in these Agreements, before proceeding to describe the progress of the related activities.

3.1 Monitoring and consultative participation

The monitoring process of the UG Quality Agreements is shown in the diagram below.



NB: FB = Faculteitsbestuur, FR = Faculteitsraad, SH = Stakeholders, CvB = College van Bestuur, UR = Universiteitsraad

- FB: Faculty Board
- FR: Faculty Council
- SH: Stakeholders
- CvB: Management Board
- UR: University Council
- Regiegroep: Coordination Group
- Centrale Dialoog: Central Dialogue
- Decentrale Dialoog: Decentral Dialogue
- Bestuurlijk Overleg: Administrative Meetings
- Bestuursverslag: Report of the Board
- PDCA: Plan-Do-Check-Act Cycle

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Decentralized dialogue

After the Quality Agreements had been adopted in 2018, all faculties went on in 2019 to draw up project plans and appoint project leaders to pursue activities within the scope of the Quality Agreements. The project plans address the resources they plan to use, the activities they intend to undertake, and the time frames. They also include descriptions of envisioned income streams in as much detail as possible. As such, the project plans provide a robust basis for faculty boards to monitor progress and discuss the status of the plans with their respective faculty communities. The project plans were coordinated with, and officially approved by, the faculty councils.

Each faculty has its own coordinator, who monitors progress on behalf of the faculty board. At least once a year, a formal written progress report is produced. This report is shared and discussed with the faculty council. Due to the outbreak of the COVID-19 pandemic in 2020, a number of faculties, i.e. the Faculty of Science and Engineering (FSE), the Faculty of Economics and Business (FEB), and University College Groningen (UCG), decided to adjust their original plans after having sought the approval of their faculty councils. No plans were adjusted in 2021 and 2022. As the Campus Fryslân projects ended in 2022, Campus Fryslân submitted new plans for 2023 and 2024. A number of activities that were originally intended to be project-based or started out as temporary projects under the Quality Agreements have now been embedded in standard faculty activities. The faculty reports were submitted to the Board of the University. In these written reports, the faculty councils share with the Board of the University their opinion as to the progress their faculty is making towards achieving the Quality Agreements. All the faculty councils issued positive opinions, which can be regarded as a sure sign that we are on the right track.

Centralized dialogue

Progress towards achieving the Quality Agreements is a recurring agenda item for the Administrative Meetings between the faculty boards and the Board of the University. If prompted by a faculty report or a faculty council's opinion, the members of the relevant faculty board are expected to attend the Administrative Meeting in order to verbally respond to questions and elaborate on the faculty's headway. No such further elaboration was required in 2023. The faculties and consultative participation bodies were happy with the progress made in 2023.

Project plans were also drawn up, and project leaders appointed, for the five supra-faculty activities. The specific resources, activities, time frames, and envisioned income streams from these activities were discussed with, and officially approved, by the University Council. The Board of the University will write a progress report on the supra-faculty projects and share this report with the University Council. The status of the faculty plans is addressed as well. To facilitate this, all faculties' progress reports and the opinions expressed by the faculty councils are submitted to the University Council.

The University Council will then draw up its own independent reflection report for inclusion in the Report of the Board. The University Council also issued a positive opinion on the implementation of the Quality Agreements in 2023, another reassuring sign that we are making progress.

Finally, the Board of the University engages with the Supervisory Board every year to discuss the status of the Quality Agreements. Their progress meeting for 2023 took place in May 2024. The Supervisory Board has said that it is happy with the progress that has been made so far.

3.2 Support of consultative participation bodies

A coordination group, which is made up of two Deans (or Vice-Deans) and two members of the University Council, has been formed to provide support in the implementation of the Quality Agreements. This coordination group meets two or three times a year to discuss current developments and evaluate whether things are progressing as they should. This is how the University Council stays up to date on any developments throughout the year.

The coordination group is supported by an administrative working group, which liaises with the faculty coordinators and organizes annual support sessions for the faculty councils. A support session was held in September 2023, when the members of the new faculty councils first took up their duties. The nature of the Quality Agreements and the process were explained, focusing specifically on the role of the consultative participation bodies and on questions the newly appointed and incumbent council

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members had. A second session was organized in December 2023. This session served to look ahead with the faculty councils to the way forward for the Quality Agreements in the years beyond 2024. The forward-looking process was initiated early in 2024, again with active input from the consultative participation bodies.

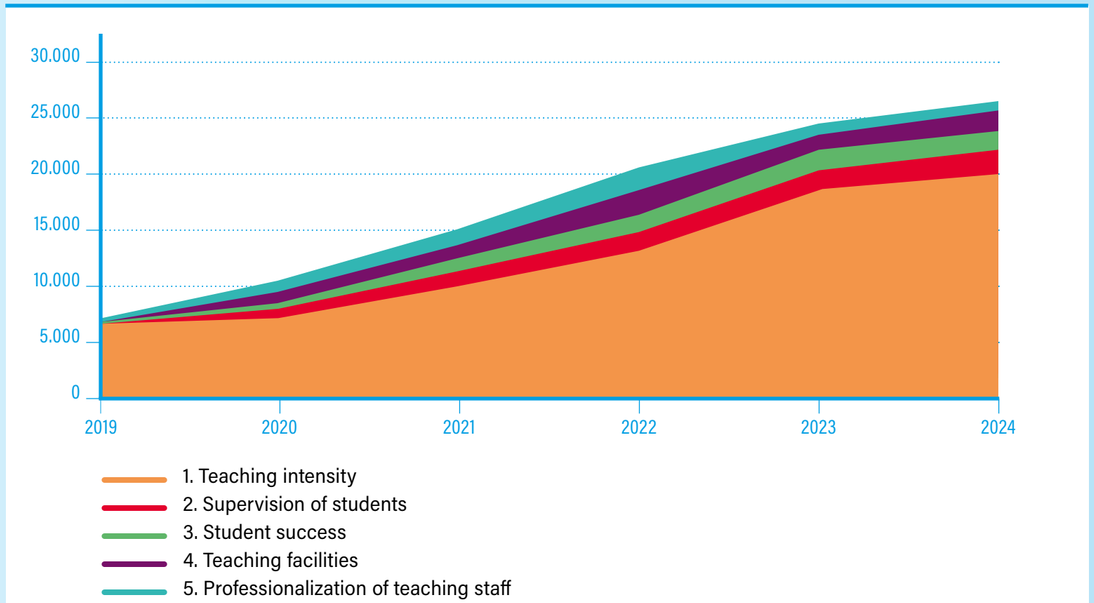
3.3 Themes covered in UG Quality Agreements

As is clear from the above, the progress towards achieving the Quality Agreements was adequately monitored in 2023 and the related activities have the wide support of the consultative participation bodies. We will elaborate on the activities for each theme below.

The UG Quality Agreements mainly pertain to the theme of 'teaching intensity' and the vast majority of funding is allocated to this theme (see figure below). In consultation with the academic community, the UG has decided not to include one of the six national themes in its Quality Agreements, i.e. that of 'educational differentiation'. The UG is committed to giving students the opportunity to explore their interests and harness their talents. With this in mind, all necessary steps have been taken to offer differentiation options to students.

Below, we will describe the UG's views on each theme and the commitments the UG has undertaken in the context of the Quality Agreements to improve teaching. After that, we will go on to address the progress that has been made on each project.

Funding by theme covered in UG Quality Agreements (€ * 1.000)



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Teaching intensity

One of the key pillars of the UG's vision of teaching is the presence of a close-knit academic community with active student participation and effective and meaningful interaction between students and teaching staff. Active participation in the teaching and learning process is encouraged, which has been promoted over the past few years by implementing active, intensive teaching concepts (such as active learning, project-based learning, flipped classrooms, and formative assessment) and integrating them into the curriculum. The size of the University and the strong growth of certain degree programmes occasionally work against the teaching philosophy that is based on a high level of interaction and a social learning process. The UG is committed to creating a learning environment that contributes to effective and meaningful interaction between students and teaching staff at even more levels within the University, and aims to achieve this by:

- Allotting more time to prepare and teach courses
- Fostering more effective and meaningful interaction between students and teaching staff
- Introducing more small-scale and interactive instruction methods in degree programmes
- Encouraging more frequent personal interaction and feedback

Each of these commitments calls for an adequate number of teaching staff, which is why the UG has decided to structurally allocate €11.3 million in student loan system funding to hiring 94 FTEs worth of additional teaching staff to improve the student-staff ratio. For 2023, this corresponded to about 49% of the student loan system funding received. This particular funding has been available since 2018. Staff who have been appointed since then will be available on a structural basis. In addition, faculties will spend €7.3 million of the increase in student loan system funding on a targeted effort to improve teaching intensity in specific areas, for instance by offering extra support for specific seminars or extra thesis supervision. Campus Fryslân initiated a new activity within the scope of this theme in 2023.
The activities related to the theme of 'teaching intensity' have now been structurally embedded in the faculties. This means that all objectives for 2023 were achieved. This is of note as the UG has prioritized this theme.

Teaching intensity

Faculty	Project	Objective for 2023	Status in 2023
All	Improvement in staff-student ratio	Appoint extra teaching staff (94 FTEs)	Achieved
Philosophy	Teaching and teaching intensity target groups	Appoint two Assistant Professors	Achieved
Science and Engineering	Improvement in student-staff ratio	Reduce student-staff ratio by freeing up 20 tenure track positions	Achieved
Science and Engineering	More Teaching Assistants	Appoint extra TAs (5 FTEs)	Achieved
Law	Improvement in student-staff ratio	Appoint extra lecturers/Assistant Professors (3 to 4 FTEs)	Achieved
Law	Community development	Organize introductory meetings for Bachelor's and Master's programmes	Achieved
Medical Sciences	Dedicated teachers, better education	Appoint extra teaching staff	Achieved
Religion, Culture and Society	Internship supervision – Spiritual Care	Appoint extra supervision staff	Achieved
Religion, Culture and Society	Thesis supervision	Per thesis, allot 5 extra hours to thesis supervisors	Achieved
Campus Fryslân	Greater teaching intensity	Appoint teaching staff in master's programmes (0.8 FTEs)	New
Behavioural and Social Sciences	Active teaching and academic skills	Introduce more active instruction methods (academic learning communities, peer feedback) and more intensive teaching	Achieved
Arts	Extra staff	Appoint extra staff (9.9 FTEs)	Achieved
University College Groningen	Enhancement of undergraduate programme	Introduce new undergraduate programme	Achieved
Economics and Business	Curriculum innovation	Draw up framework for intended learning outcomes and define new teaching philosophy	Achieved

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Student support and counselling

Learning is a process that takes place in the setting of the academic community. The UG offers diversity in disciplinary, social, and cultural backgrounds, which is conducive to the learning process. By acquainting themselves with diverse perspectives, staff and students get to develop and make the most of their talents. The UG seeks to create an inclusive teaching environment with meaningful engagement between teaching staff and students, where all students and staff feel at home and in which they are comfortable to participate. On occasion, extra efforts will have to be made to include all target groups. A combination of early flagging of issues and robust support will give all students the opportunity to reach their full potential and achieve their learning outcomes. With this in mind, the UG is committed to:

> Increasing capacity for personal support and counselling
> Offering more facilities for personal support and counselling

In concrete terms, this means that the UG spent €0.4 million on increasing the number of core staff of the Student Service Centre (SSC) to shorten the waiting period for seeing a student-psychologist to no more than two to three weeks. As mentioned earlier, early flagging of issues is key, which is why the use of the early warning system was expanded at a number of levels. In addition, €50,000 is invested annually in a dyslexia and dyscalculia centre. Once they have been diagnosed with dyslexia or dyscalculia at the centre, students can obtain a diagnosis report from the centre at a reduced fee. By presenting this report to their board of examiners, they will be given a certain level of academic accommodation to help mitigate the challenges they face.

In addition to two supra-faculty activities, several faculties also specifically aim to improve student support and counselling. In total, they invested €1.4 million in faculty-specific student support projects. Campus Fryslân initiated a new activity within the scope of this theme in 2023.
All activities are on track and the objectives for 2023 have been achieved.

Student support

Faculty	Project	Objective for 2023	Status in 2023
Science and Engineering	Early warning signs	Implement A4all and Predict in selected programmes	Achieved
Law	Improvement in tutoring	Organize pilot projects for new digital teaching tools	Achieved
Law	Improvement in lecturing	Organize pilot projects for more interaction using digital tools	Achieved
Medical Sciences	Healthy studying	Offer students more personal support, particularly in first year of Bachelor's programme and first year of Master's programme	Achieved
Religion, Culture and Society	Mental health	Extra mentoring sessions and student surveys on mental health	Achieved
Campus Fryslân	Student support and counselling	Appoint study advisor (0.3 FTEs)	New
Behavioural and Social Sciences	Writing courses	Offer more targeted and more intensive writing courses	Achieved
Arts	Student support and counselling	Appoint extra staff providing student support and counselling (1.5 FTEs)	Achieved
University College Groningen	Guidance Officer	Appoint extra Guidance Officer	Achieved
Economics and Business	Intensification of thesis supervision	Appoint extra thesis supervisors (4.1 FTEs)	Achieved
UG	Centre for dyslexia and dyscalculia	Open centre for dyslexia and dyscalculia	Achieved
UG	Student counselling and support of students with disabilities	Student-psychologists (2 FTEs), student counsellor (1 FTE), and implementation of Policy Plan for Students with Disabilities (twice 0.5 FTEs)	Achieved

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Student success

To the UG, student success is more than students successfully navigating their degree programmes as measured in terms of drop-out rate, degree progression, and graduation. The UG is committed to students gaining the knowledge and skills they need to become valued members of society or to develop in their chosen area of expertise after having graduated. For this reason, the UG aims to encourage students to seek meaningful experiences in their programme and to make relevant connections between what they are learning and what they experience outside the classroom, either now or later. With this in mind, the UG is committed to:

- Offering more scope for skills development
- Setting students up for more success in the labour market
- Introducing more diversity in assessment methods

The faculties put this in practice in specific areas. In total, the UG invested €1.8 million in improving student success in 2023.

At Campus Fryslân, the two original plans dating back to 2018 have now been fully embedded in the existing teaching support structure. The faculty currently spends the freed-up funding on a number of new activities spread across each of the five themes.

Student success

Faculty	Project	Objective for 2023	Status in 2023
Law	Law and Practice	Have all students take a Law in Practice course unit	Achieved for 33 course units
Law	Exam differentiation	Introduce exam differentiation through papers	Achieved for multiple course units
Law	Legal English	Improve legal English by offering Legal English course in all four blocks	Achieved
Spatial Sciences	Increased supervision and student empowerment in digital skills and employability	Appoint extra staff providing support and counselling (6 FTEs)	Achieved
Medical Sciences	Efficient studying	Implement better and more diverse assessment	Achieved
Theology and Religious Studies	Job perspectives for students	Organize sessions and speed dates between students and alumni	Achieved
Campus Fryslân	Transdisciplinarity in curriculum	Improve transdisciplinarity in curricula of all degree programmes	Embedded in standard support, project completed
Campus Fryslân	Courses in sustainable development	Professionalize course offering in sustainable development	Embedded in standard support, project completed
Campus Fryslân	Student success	Optimize procedures and scheduling, set up admissions action plan	Achieved
Behavioural and Social Sciences	Faculty office for external relations	Offer faculty-specific career services, introduce internship opportunities, ensure that curriculum is better reflection of professional field	Achieved
University College Groningen	Study advisor and career and internship advisor/supervisor	Appoint extra advisors whose job is to improve internship programmes and develop career readiness programmes	Achieved

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Teaching facilities

Substantive learning outcomes cannot be achieved without an effective learning environment. Over the past years, we have invested a great deal in the relocation, renovation, and new-build of a variety of teaching spaces, being mindful of facilitating active learning opportunities. That said, there is room for further improvement of teaching facilities to create the desired learning environment. Increasing the quality, quantity, and use of learning facilities will enhance the level of learning quality. The UG is committed to:

- Offering an effective digital learning environment
- Providing physical teaching facilities
- Increasing support to teaching staff in using new and existing tools and facilities

In recent years, a number of UG spaces were designed to enable active teaching. This effort was further expanded in 2023 by investing €258,000 in room design. Teaching staff of all faculties can make use of these rooms and spaces, and relevant lessons learned are shared UG-wide.

In addition, a total of €0.4 million was allocated in 2023 on a supra-faculty basis to extra support for teaching staff in using the digital learning environment and other digital tools. In the context of the Quality Agreements, faculties invested some €0.7 million in equipment and equipment support to improve online teaching. Campus Fryslân initiated a new activity within the scope of this theme.

The activities related to the theme of 'teaching facilities' are on track and all objectives for 2023 have been achieved.

Teaching facilities

Faculty	Project	Objective for 2023	Status in 2023
Science and Engineering	E-learning	Use SOWISO, LabBuddy, and Perusall e-learning tools in selected programmes	Achieved
Science and Engineering	Lecture recording	Provide recording studio and mobile recording equipment, including maintenance and support	Achieved
Medical Sciences	Effective studying	Develop blended learning in Bachelor's programme in Medicine	Achieved
Campus Fryslân	Teaching facilities	Appoint Relationship Officer (0.8 FTEs)	New
Behavioural and Social Sciences	E-learning environment	Appoint e-learning coordinator, purchase equipment	Achieved
Behavioural and Social Sciences	Teaching spaces	Design teaching spaces to enable small-scale, more intensive teaching	Achieved
UG	Action Plan for Teaching	Appoint embedded expert in all faculties and have Teaching Assistants (145 FTEs) support online and blended learning	Achieved
UG	Zernike experimental teaching spaces	Create four experimental teaching spaces at Zernike and arrange for technical and educationalist support	Achieved

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Professional development of teaching staff

The cornerstone of high-quality degree programmes is the availability of exceptional teaching staff. They play a key role in engaging students in the learning process. Teaching improvements and professional development of teaching staff go hand in hand. Over the past few years, the UG has invested in the University Teaching Qualification (UTQ) and worked on creating a continuous pathway for enabling the development of teaching staff throughout their teaching career. We have also launched several initiatives aimed at rating teaching performance. To accommodate the diversity in disciplines, plans, and needs, the UG is committed to freeing up more time for, and offering more types of, professional development.

A number of faculties – UMCG R&E and Arts in particular – appointed trainers and introduced training leave for teaching staff in 2023. On a UG-wide basis, the total investment amounted to €1 million.

The activities related to the theme of 'professional development of teaching staff' are on track. All objectives for 2023 have been achieved.

Professional development of teaching staff

Faculty	Project	Objective for 2023	Status in 2023
Science and Engineering	Better intercultural competences	Offer basic and advanced training modules to staff and students	Achieved
Science and Engineering	Professionalization of Teaching Assistants	Offer didactic training to TAs	Achieved, but not all TAs have taken this training
Medical Sciences	Healthy, effective, and efficient teaching	Implement academic teaching programme	Achieved
Religion, Culture and Society	Digital tools	Improve digital tools and encourage their use	Achieved
Campus Fryslân	Professional development of teaching staff	Facilitate Senior Teaching Qualification (STQ)	New
Arts	Teacher training	Utilize extra budget available for training	Achieved
Arts	Dissemination of student loan system funding (SVM)	Disseminate income from SVM projects across faculty	Achieved for active learning activities
Arts	Extra time for professional development	Offer 10% extra time for professional development to teaching staff	Achieved
Economics and Business	Collegial learning for lecturers	Offer each lecturer 20 hours to spend on collegial learning	Achieved

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3.4 Financial overview

The student loan system funding awarded to the UG continued to increase to €23.9 million in 2023. This funding will rise to €26.7 million in 2024. The actual amount in funding the UG receives is adjusted every year. This has an impact on project budgets. With a view to these increases, both the Board of the University and the faculty boards have decided to initially equity-finance a number of activities so as to build momentum from the very start. Because of the increase, this equity-financing is no longer needed.

The table below is a detailed breakdown (in thousands of euros) of the budgeted funding per project for the period 2019-2024 and, where relevant, of the actuals. The table shows that the funding was allocated to the aforementioned activities largely as budgeted.

Income	B2019	R2019	B2020	R2020	B2021	R2021	B2022	R2022	B2023	R2023	B2024
Student loan system funding	7.346	7.742	9.000	9.399	16.098	16.098	20.077	20.526	23.193	23.193	26.178
UG provided resources	-	-	2.207	1.373	624	-	353	-	-	754	495
Total income	**7.346**	**7.742**	**11.207**	**10.772**	**16.722**	**16.098**	**20.430**	**20.526**	**23.193**	**23.947**	**26.673**

Expenses	B2019	R2019	B2020	R2020	B2021	R2021	B2022	R2022	B2023	R2023	B2024
1. Teaching intensity	**6,855**	**6,855**	**7,064**	**7,463**	**11,256**	**10,330**	**14,755**	**13,379**	**17,421**	**18,616**	**20,409**
Improvement student-staf ratio (UG total)	6,148	6,148	6,148	6,547	6,317	6,385	7,886	6,154	4,271	4,396	4,732
Target groups teaching and teaching intensity (FWB)			119	119	149	149	149	118	227	228	257
Improve student-staf ratio (FSE)					534	488	1,067	1,597	3,697	3,210	3,588
More teaching assistants (FSE)					224	200	371	371	447	447	536
Improve student-staf ratio (FRG)					200	20	200	216	1,000	1,023	1,133
Community development (FRG)			25	25	50	50	100	65	100	38	38
Dedicated teachers, better education (FMW)	707	707	707	707	707	707	707	535	1,910	2,171	2,272
Internship support (RCM)					23	25	23	35	23	50	23
Thesis support (RCM)			15	15	15	18	15	10	15	20	15
Education Intensity (CF)									75	82	114
Activating teaching and academic skills(GMW)					600	600	1,200	1,200	2,453	2,457	2,798
Extra staff (FdL)					834	838	1,393	1,605	1,545	1,640	1,968

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Expenses	B2019	R2019	B2020	R2020	B2021	R2021	B2022	R2022	B2023	R2023	B2024
Enhancing Undergraduate Program (UCG)					38	-	80	75	80	106	195
Curriculum Innovation (FEB)			50	50	1,565	850	1,565	1,398	1,580	2,747	2,741
2. Student support	**-**	**-**	**877**	**714**	**1,702**	**1,123**	**2,004**	**1,567**	**2,090**	**1,864**	**1,855**
Early Warning Signals (FSE)			70	70	70	64	70	49	140	64	140
Improve tutorial education (FRG)					100	-	200	103	200	192	232
Improve lecture education (FRG)					100	-	200	103	-	-	-
Healthy Studying (FMW)			111	75	149	136	241	384	361	360	361
Mental Health (RCM)			29	29	15	18	15	10	15	21	15
Guidance of Students (CF)									21	23	33
Writing workshop (GMW)			40	-	40	40	40	40	40	40	40
Student support (FdL)			150	120	150	150	100	140	100	170	100
Guidance officer (UCG)					38	40	98	108	98	115	-
Intensification of thesis supervision (FEB)			20	20	596	250	596	185	670	424	489
Centre for dyslexia en dyscalculi (UG total)			58		44	25	45	45	45	56	45
Student counseling and functionaly impaired student (UG total)			400	400	400	400	400	400	400	400	400
3. Study success	**-**	**-**	**703**	**462**	**1,011**	**1,329**	**1,497**	**1,716**	**1,476**	**1,776**	**1,675**
Law and practice (FRG)			300	150	300	300	300	320	300	326	326
Exam differentiation (FRG)					80	80	130	93	130	195	196
Legal English (FRG)			80	80	80	80	80	76	80	80	80
Intensifying supervision, enhancing digital skills & employability (FRW)			36	36	216	566	313	841	634	803	719
Efficient studying (FMW)			167	76	68	7	362	26	47	58	47
Perspective on the future (RCM)					7	8	7	24	7	21	7
Study Success (CF)									43	47	65
Transdisciplinarity in the curriculum (CF)			30	30	57	64	70	101	-	-	-
Education in Sustainable Development (CF)			15	15	15	15	-	-	-	-	-
Faculty bureau for external relations (GMW)			75	75	150	150	175	175	175	175	175
Study advisor and career and internship advisor/supervisor (UCG)					38	59	60	60	60	70	60

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Expenses	B2019	R2019	B2020	R2020	B2021	R2021	B2022	R2022	B2023	R2023	B2024
4. Teaching facilities	**-**	**-**	**1,496**	**1,105**	**1,534**	**1,126**	**1,401**	**2,004**	**1,837**	**1,385**	**1,840**
E-learning (FSE)			140	140	140	118	140	142	210	149	210
Lecture recording (FSE)			100	100	100	141	-	96	60	199	60
Effective studying (FMW)			111	85	113	-	241	277	469	217	469
Educational Facilities (CF)									78	86	81
E-learning omgeving (GMW)			80	80	80	80	80	72	80	76	80
Teaching locations (GMW)			125	-	101	101	-	135	-	-	-
Lecturer support (UG total)			400	400	400	400	400	400	400	400	400
Experimental educational rooms (RUG breed)			540	300	60	286	-	343	540	258	540
Plan of action Teaching (UG total)			-	-	540	-	540	540	-	-	-
5. Lecturer professonalization	**491**	**491**	**1,067**	**1,028**	**1,220**	**1,368**	**1,881**	**1,955**	**899**	**1,033**	**894**
Improve intercultural compentences (FSE)			70	70	70	80	70	78	70	86	70
Professionalize teaching assistents (FSE)			140	140	140	81	140	130	140	143	140
Healthy, effective and efficient teaching (FMW)	491	491	769	730	769	1,045	1,380	1,327	407	396	407
Digital tools (RCM)			11	11	11	12	11	21	11	13	11
Professionalisation of Lecturers (CF)									4	5	33
Training for lecturer (FdL)			15	15	50	50	67	70	50	63	-
Disseminatie SVM projecten (FdL)			15	15	50	50	67	-	-	-	-
Extra professionaleringstijd (FdL)			17	17	50	50	67	306	150	294	200
Collegial learning for lecturers (FEB)			30	30	80	-	80	24	67	33	33
Total expenses	**7,346**	**7,346**	**11,207**	**10,772**	**16,722**	**15,276**	**21,538**	**20,622**	**23,723**	**24,674**	**26,673**

Reserve		**396**		**397**		**822**		**726**		**-0**	**1**

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3.5 Conclusion

The Board of the University is happy with the progress the UG is making towards achieving the Quality Agreements. Both the faculty councils and the University Council expressed positive opinions on the headway gained, which inspires great confidence. The reports for 2023 show that the vast majority of activities are being carried out as planned and that the intended objectives are being achieved.

3.6 Reflection report by central consultative body

The year 2023 was characterized by continuous and consistent progress in the process regarding the quality agreements at our university. Both central and decentralized projects generally remained on schedule, demonstrating a steady and well-coordinated approach.

The Quality Agreements working group fulfilled its role as coordinator and facilitator of the process adequately, continuing to report on all projects and developments in a timely and transparent manner. The Quality Agreements coordination group was closely involved in the advancement.

The faculty councils generally showed satisfaction with the progress of the Faculty projects, indicating broad support and involvement at the decentralized level. The central projects also proceeded according to plan, with thorough reports that gave a clear picture of the state of affairs. The Dyslexia Centre has made up for the earlier delay and is now growing towards the intended number of diagnoses on an annual basis. The TEO/ZEO project has again reported extensively and can be considered well implemented. The other central projects are proceeding on schedule.

In general, it can be said that the quality agreements continued successfully in 2023. This forms a solid base for further improvements and developments of our education and corresponding support in the future. Some projects that were initiated within the framework of quality agreements have been or are being structurally continued, which we consider an indicator of the valuable impact they are having.

university of groningen

4. Research



Science Festival for Youth 'Zpannend Zernike'
photography Silvio Zangarini

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4. Research

4.1 Vision and objectives

The UG is committed to realizing its vision of being an innovative and ground-breaking research university. We want to be a university that leverages the full potential of a broad spectrum of disciplines to address the most challenging multidimensional research questions and complex societal issues by creating the best conditions for close interdisciplinary collaboration and fundamental and curiosity-driven as well as strategic and applied research, upholding integrity and transparency in the process, based on the principle of open science.

4.2 Research quality

Number of PhDs awarded

In 2023, 634 PhDs were awarded, 27 of which with cum laude distinction (2022: 610 and 34, respectively). After more PhDs with cum laude distinction had been awarded to female than male graduates for the first time in 2022 (6.0% and 5.1%, respectively), the percentage of women awarded cum laude distinction dropped back to 2.4% in 2023 (male graduates: 6.4%). Of PhDs candidates, 139 were PhD students and nine were lecturers at a university of applied sciences (2022: 192 and 6, respectively). At 12%, the UG's share of total PhDs awarded in the Netherlands as a whole was stable. Thanks to the PhD Scholarship Programme, the annual number of PhD graduates was expected to rise to about 600. This target was reached as early as in 2021 and the number of PhD graduates has stayed above 600 ever since. Similar to 2022, the influx of non-Dutch PhD students in 2023 accounted for 60% of the total influx in 2023.

PhD Scholarship Experiment

The Ministry of Education has given the UG leave to attract 1,500 PhD students in total within the scope of the PhD Scholarship Experiment. The last of these students should have taken up their degree programme before 1 January 2023. By the end of 2022, 1,149 PhD students had started their programmes. The contracts of 145 PhD students were terminated in 2023. In eight cases (6%), the contract was terminated early. In 2022, after the experiment had ended, the Ministry decided not to enshrine the PhD Scholarship Experiment in law. Any PhD students who continue to be on a full scholarship on 1 September 2024 will be offered a position at that time. This is expected to apply to about 150 PhD students.

Until the end of 2018, the UG awarded both full and top-up grants as part of the experiment. Top-up grants were meant for foreign PhD students who had been awarded a scholarship in their home country. The top-up would lift their net income to the same level as that of PhD students with a full scholarship. The UG was given consent to exclude these top-up grants from the experiment as of 1 January 2019.

PhD agreements with northern universities of applied sciences

The UG has an arrangement with the northern universities of applied sciences (UASs) to support their lecturers earning a PhD. Agreements have been signed with Hanze University of Applied Sciences, NHL Stenden UAS, Windesheim UAS, Saxion UAS, Van Hall Larenstein UAS and – since 2023 – KPZ UAS. At the end of 2023, 62 lecturers at these universities were in receipt of financial support under this scheme. In the past year, 18 lecturers embarked on their PhD programme and seven graduated. Since the start of the scheme in 2007, 215 lecturers have received support; of these, 82 had earned their PhD by the end of 2023.

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Types of PhD students

At year-end 2023, the population of PhD students at the UG could be broken down as follows:

- PhD candidates with employee status: 45%
- Staff members studying for a PhD: 4%
- PhD scholarship students: 29%
- Externally funded PhD students (e.g. by research institutes or UASs): 11%
- External PhD students (no funding or time allowance granted): 11%

Individual researchers

In the framework of the Talent Programme of the Dutch Research Council (NWO), formerly known as the Innovation Research Incentives Scheme, four Vici grants (12% of total awards) and six Vidi grants (6% of total awards) were awarded to researchers at the UG (including UMCG). In addition, 15 Veni grants (8% of total wards) and eight Rubicon grants (21% of total awards) were secured.

In 2023, four European Research Council (ERC) Starting Grants were allocated to researchers in the Faculty of Arts (two grants), the Faculty of Medical Sciences, and the Faculty of Economics and Business. On top of that, four ERC Consolidator Grants were awarded to researchers of the Faculty of Science and Engineering (two grants), the Faculty of Arts, and the Faculty of Behavioural and Social Sciences in 2023. One ERC Advanced Grant was awarded to a researcher in the Faculty of Science and Engineering. The UG was particularly successful at securing funding under the ERC Synergy Grant: five researchers had a total of four project proposals approved. Just 37 projects are funded under this programme across Europe.

Two researchers in the Faculty of Science and Engineering were awarded a Proof of Concept Grant that will allow them to translate their ERC research findings into applications. Nine Incoming MSCA Postdoctoral Fellowships were secured with the UG or UMCG serving as the host institute.

In 2023, two UG academics were admitted to the Royal Netherlands Academy of Arts and Sciences (KNAW), one was admitted to the Young Academy (DJA), five were admitted to the Royal Holland Society of Sciences and Humanities (KHMW), and four were admitted to the Netherlands Academy of Engineering, which was newly founded in 2023. Lastly, two UG researchers won the prestigious Ammodo Science Award for Groundbreaking Research.

EU projects

In 2023, researchers at the UG and the UMCG initiated 69 new projects funded by the Horizon Europe programme, bringing the total number of active Horizon projects at the UG to 308 in 2023: 110 Horizon Europe projects and 198 Horizon 2020 projects. Of these projects, 167 qualified as Pillar 1 projects (Excellent Science, funded under the ERC, Marie Skłodowska-Curie Actions, and Research Infrastructures schemes). Of these, 196 projects were carried out in a consortium with other partners in Europe. The UG or the UMCG served as the coordinator of 36 of these projects.

Allocation of Matching Horizon Europe funding

Matching Horizon Europe funding was used to set up a support programme to help UG researchers improve their position in Horizon Europe. All of this funding is spent on instruments to achieve this, including a self-managed financial matching programme, support for large grant applications, and development of a training programme for researchers and support staff.

Evaluation based on Strategy Evaluation Protocol

The reports of the external Peer Review Committees (PRCs) are the most reliable and independent source for monitoring the quality and impact of our research and improving it where necessary. The PRCs assess the operation and effectiveness of our research institutes every six years using the national Strategy Evaluation Protocol (SEP) as a basis. The assessment reports for the following UG research units that were evaluated in 2022 were published in the reporting period:

- The three Faculty of Arts institutes: Groningen Institute for Archaeology (GIA), Centre for Language and Cognition Groningen (CLCG), and Groningen Research Institute for the Study of Culture (ICOG)
- Two of the ten Faculty of Science and Engineering institutes: Bernoulli Institute (Mathematics, Computer Science, and Artificial Intelligence) and Kapteyn Astronomical Institute

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- All Faculty of Law research, conducted at the Groningen Centre for Law and Governance (GCLG)

Except for the assessment of the Kapteyn Astronomical Institute, which was evaluated together with its three fellow institutes and the national NOVA top-level research school, the assessment involved on-site visits. All institutes earned a positive evaluation for the three main criteria, i.e. quality, social impact, and viability. That said, they were given some suggestions for improvement as well. The PRC recommendations are not just about the three aforementioned criteria, but they also address additional aspects relating to open science, academic culture, HR policy, and training and support of PhD students.

In 2023, self-assessment documents were prepared and submitted to the PRCs for evaluating seven research units of the Faculty of Science and Engineering: Engineering and Technology institute Groningen (ENTEG), Energy and Sustainability Research Institute Groningen (ESRIG), Groningen Biomolecular Sciences and Biotechnology Institute (GBB), Groningen Institute for Evolutionary Life Sciences (GELIFES), Stratingh Institute for Chemistry, Van Swinderen Institute for Particle Physics and Gravity (VSI), and Zernike Institute for Advanced Materials. They were all evaluated on-site and simultaneously by a broad-based committee made up of an overarching chairperson and the chairs of six subcommittees. The Heymans Institute for Psychological Research performed a self-assessment at the Faculty of Behavioural and Social Sciences. The findings from the evaluations will be published in 2024.

Reputation

The UG has featured as a top-100 university in two of the best-known global rankings for many years. In 2023, we placed 76th in the Shanghai Academic Ranking of World Universities (ARWU) and 80th in the Times Higher Education World University Ranking (THE). Both rankings rely heavily on bibliometric indicators. Although, at the UG, we are proud of our excellent position internationally, we are fully aware that the rankings are just a snapshot. They provide only a limited picture and are not representative of the full spectrum of our research, teaching, and societal impact. That is why the UG endorses the recommendations of the national UNL Working Group on Rankings to develop a more layered approach to international league tables. The first measures towards such an approach were prepared in the reporting period. They will be implemented in 2024.

4.3 Research support

Open science

Open science is essential for promoting partnerships in and outside the University, being transparent about the research process, and developing open-access teaching materials. The Open Science Programme (OSP), which was launched in 2021 to bolster the open science mindset, has five pillars: Open Access, FAIR Data & Software, Open Education, Public Engagement, and Communication. The first two years of the OSP were completed successfully; all 27 deliverables were achieved within the deadline and budget (Programme Evaluation 2021-2023, Plans 2024-2026). Examples of these deliverables are:

- Implementation of the Taverne Amendment, thanks to which the UG leads the pack in open-access publications in the Netherlands
- Successful pilot involving an incentive fund for open-access books
- Developed guides on FAIRification of research data and software, as well as on pseudonimization of research data
- Start of 13 training sessions, ranging from workshops, webinars, and microlabs for the purposes of introducing open educational resources (OERs), integrating open education in course development, and encouraging student engagement in developing open-access course materials
- Successful pilot involving grant funding of nine researchers to recognize and encourage public engagement in their research
- Development of an OS website, branding materials, and initiatives such as a new, continuous podcast series by the name of 'Open Science Bites'

Researchers can reach out to the UG's Digital Competence Centre (DCC) for advice and support in the areas of data and software management planning, treatment of personal data in research and data protection, data archiving and publication, FAIR research software, and IT solutions in research. The DCC also contributes to the findability, accessibility, inoperability, and reusability (FAIRness) of research output by developing and sharing best practices, organizing training sessions and community events, and advising faculties on university research data policy and the implementation of such policy. The DCC is part of a nation-wide network of thematic DCCs and local DCCs at Dutch research institutes, and collaborates closely with the UMCG's DCC.

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On 1 April 2023, the DCC was embedded – in the context of a partnership project between the University Library and the Centre for Information Technology (CIT) – in the UG's organizational structure (CIT Research Domain). The number of support applications from all UG faculties rose by 10% in 2023. DCC's data stewards offered consultancy services on hundreds of occasions and gave dozens of presentations, guest lectures, and training sessions to PhD students, researchers, and PhD supervisors. Also, embedded data stewardship at faculties is increasingly geared to faculty processes, such as ethical screening, privacy and security, and funding. In 2023, the Dutch Research Council (NWO) accepted a funding application for increasing the DCC's support capacity and an application for a DCC-led Thematic Digital Competence Centre for Natural & Engineering Sciences (TDCC-NES) project to map out the costs associated with sustainable research software management. The faculties are currently evaluating the updated and implemented UG Research Data Policy 2021.

Research Support Portal

The online Research Support Portal went live at the end of 2022. The portal shows what support is on offer and unlocks this support by referring users to the right expert or service. Support is available in the following areas: research strategy, personal development, funding, open science, research integrity, FAIR data, DCC, ethical screening, and administrative and legal procedures. Researchers were made aware of the existence of the portal by way of a communication campaign. In the course of 2023, visits were made to the faculties to tell them about the portal and to draw their attention to the extra support capability. These activities will be continued in 2024. Since its launch, the portal has been viewed 16,000 times. It has about 800 visitors per month on average.

4.4 Support programme for research recovery and perspective (National Programme for Education - NPO)

The Ministry of Education's support programme (NPO Research) is designed to expedite the recovery of research after the pandemic and to create perspective for temporary researchers. Below, we have outlined how the UG has distributed and applied the NPO funding.

Number of NPO-supported researchers

In close collaboration with the Graduate Schools, faculty boards evaluated which researchers with a temporary contract qualified for contract renewal funded from the NPO support programme. In 2023, the UG did not receive any new funding from the NPO support programme for research recovery and perspective. Some of the funding the faculties received earlier was recognized in the balance sheet with a view to covering future contract renewal costs. In the table below, we have set out, under A., the number of NPO-supported researchers, including the total wage costs associated with their contract renewals in 2023. In a number of instances, the costs of the awarded contract renewal will be recognized in 2024. Of the funding awarded specifically to UMCG R&E in 2021 and 2022, a portion was recognized in the balance sheet. The number of supported researchers at UMCG R&E and the associated costs are included in the table.

	Number of supported researchers	Total funding
A. NPO Support program for restoration and perspective of researchers	318	€ 7,3 mln
B. UG provided funds and financial/non-financial measures (approximately))	145	€ 3,3 mln

* Given that researchers are supported by a combination of NPO funding and UG-provided/other funding, the numbers have been allocated on a pro rata basis.

A total of 463 researchers were supported in 2023. This involved 320 new contract renewals and 143 renewals dating back to 2022.

The choice to fund just the researchers' wage costs from the NPO support programme was deliberate, as this allows the UG to support as many researchers as possible. Obviously, researchers also need materials to complete their research, as well as facilities and supervision. And they incur other costs too. The associated expenses, which can be estimated based on the internal faculty costing model, have been included in the table under B. Given that researchers are supported by a combination of NPO funding and UG-provided/other funding, the total number of supported researchers has been distributed on a pro rata basis between A. and B.

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4.5 Details of Administrative Agreement 2022

Starting and incentive grants

In 2022, the Ministry of Education signed an administrative agreement with all Dutch universities, in which starting and incentive grants, as well as the sector plans, are featured prominently. The goal of the grants is to lighten the workload by offering researchers flexibility and breathing space, and to encourage unhampered research. A starting grant will typically provide funding to early-career tenure track assistant professors so that they can get their academic career off to a flying start. Incentive grants are used to reduce the workload in the academic community.

In total, the Ministry had granted the UG € 41.6 million in starting and incentive grants until year-end 2023. The Administrative Agreement in general terms and the associated university-specific arrangements/ frameworks were discussed with the central participation body, which was asked for – and issued – its consent for the allocation of funds. The available funding for 2022 and 2023 were distributed across the faculties and central services in 2023. The funds were allocated based on the following principles:

- The incentive grant funding available in 2022 is applied to starting grants.
- 20% of the grant funding is reserved for overheads. This is in line with the principle of full absorption costing, which requires us to cap the overhead rate at 20%. Actual overhead rates are higher. Of the funding, 10% is intended to cover faculty overheads and 10% to cover central services overhead. The provision for overheads will be released to income over a four-year period.
- Starting grant funding is distributed across the faculties based on enrolment numbers.
- Incentive grant funding is distributed based on the number of permanent academic staff in each faculty.

Starting from these principles, the distribution of available funding can be broken down as follows:

	Starters grants resources*€ mln			Incentive grant resources*€ mln			Total
Tranche	Grants	Overhead	Total	Grants	Overhead	Total	
2022	7,94	1,99	9,93	-	-	-	9,93
2023	12,81	3,20	16,02	12,56	3,14	15,71	31,72
Total	**20,76**	**5,19**	**25,95**	**12,56**	**3,14**	**15,71**	**41,65**

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Grant awards

The faculties started to award grants in 2023. The faculty procedure for distributing starting and incentive grants was discussed with the faculty councils. In total, 77 grants were awarded: 71 starting grants and six incentive grants. Of these, 40 were awarded to female researchers and 37 to male researchers.

Most grants were awarded in disciplines falling under the Nature sector label, followed by disciplines falling under the Language & Culture and Behaviour & Society sector labels.

Number of grants awarded

Tranche	Starters	Incentive	Total
2022	35	-	35
2023	36	6	42
Total	**71**	**6**	**77**

HOOP sector	Starters	Incentive	Total
Agriculture	-	-	-
Nature	18	4	22
Engineering	4	2	6
Health	5	-	5
Economics	6	-	6
Law	7	-	7
Behaviour & Society	11	-	11
Language & Culture	19	-	19
Cross-sector	1	-	1
	71	**6**	**77**

Gender	Starters	Incentive	Total
M	33	4	37
F	38	2	40
Total	**71**	**6**	**77**

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Application of funds

In total, € 6.8 million in grant funding was allocated and an amount of € 34.9 million was recognized in the balance sheet.

The funding was applied for the benefit of PhD students and for purchasing research facilities. Some of it was released to cover overheads.

A portion of the available incentive grants for 2022 was applied to the award of starting grants. Grants were also funded from UG-provided resources. The Ministry of Education announced a policy change for starting and incentive grants at the end of 2023. The new guidelines are not expected to bring about a reallocation of resources.

Expenditures

	Starters grants resources*€ mln			Incentive grants resources*€ mln			Total
Tranche	Grants	Overhead	Total	Grants	Overhead	Total	
2022	1,02	0,68	1,70	-	-	-	1,70
2023	2,38	-	2,38	2,24	0,45	2,69	5,07
Total	**3,40**	**0,68**	**4,08**	**2,24**	**0,45**	**2,69**	**6,76**

Balance sheet 31/12/23

Tranche	Grants	Overhead	Total	Grants	Overhead	Total	Total
2022	6,92	1,31	8,23	-	-	-	8,23
2023	10,43	3,20	13,64	10,33	2,69	13,02	26,66
Total	**17,36**	**4,51**	**21,87**	**10,33**	**2,69**	**13,02**	**34,89**

Category	Starters grants	Incentive grants	Total
PhD	2,71	0,70	3,41
Research facilities	2,04	0,31	2,35
Overhead	0,68	0,45	1,12
Total	**5,43**	**1,45**	**6,88**
Release of grants	4,08	2,69	6,76
Difference	**1,35**	**-1,23**	**0,12**

Explanation of the difference

Use of incentive grants for starters grants	1,23	-1,23	-
Own funds	0,12		0,12
Total	**1,35**	**-1,23**	**0,12**

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Sector plans

As outlined in the Administrative Agreement, the sector plans are meant to increase the quality of teaching and research by encouraging partnerships and having partners make bold choices between and within universities and university medical centres about the division of duties and signature areas (teaching and research). The plans are also intended to create more flexibility and breathing space for teaching staff and researchers, not only by capacity expansion and more permanent contracts, but also by establishing a sound balance between teaching and research duties.

The sector plans encompass four domains: social sciences and humanities, natural sciences, technological sciences, and medical sciences. Given that the faculties are expected to flesh out and implement the sector plans, the deans of the faculties had the opportunity to provide input on the plans by participating in various nation-wide sector meetings and council-of-deans meetings. The plans mostly involve appointing new academic staff, whether in tenure track or non-tenure track positions, and acquiring research facilities in support of signature themes in teaching and research.

The UG received €22.2 million to implement the sector plans in 2023 (2022: €6.1 million). This brings the total funding for implementing the sector plans to €28.3 million. The current sector plan funding will continue until 2029. If the sector plan committees issue a positive opinion on the UG's implementation of the plans, the funding will be added to the University's fixed base. As per the budget, we continued to hire and appoint staff and purchase materials in 2023. The table below breaks down the funding received by sector plan and the spend by sector plan until year-end 2023:

The funding received in 2022 has now been all but fully allocated. Of the funding received in 2023, €8.9 million has been spent. Overall, the residual balance at year-end 2023 was €15.3 million. This amount was recognized in the financial statements for 2023 as a balance sheet reserve for government grants. It will be applied to the purpose it was meant to serve in 2024 and beyond.

Available funding sector plans

Available (in € 1.000)	2022	2023	Total
Bèta	1.390	5.646	7.036
Engineering CTW	410	1.331	1.741
Engineering OIW	220	639	859
Medical	1.582	5.779	7.361
Social	750	2.662	3.412
Arts	1.284	4.580	5.864
Cross-sectional SSh	452	1.597	2.049
Total	**6.088**	**22.234**	**28.322**

Spending sector plans

Spending (in € 1.000)	2022	2023	Total
2022	2.111	-	2.111
2023	2.005	8.907	10.912
Total	**4.115**	**8.907**	**13.023**
Balance ultimo 2023	**1.973**	**13.326**	**15.299**

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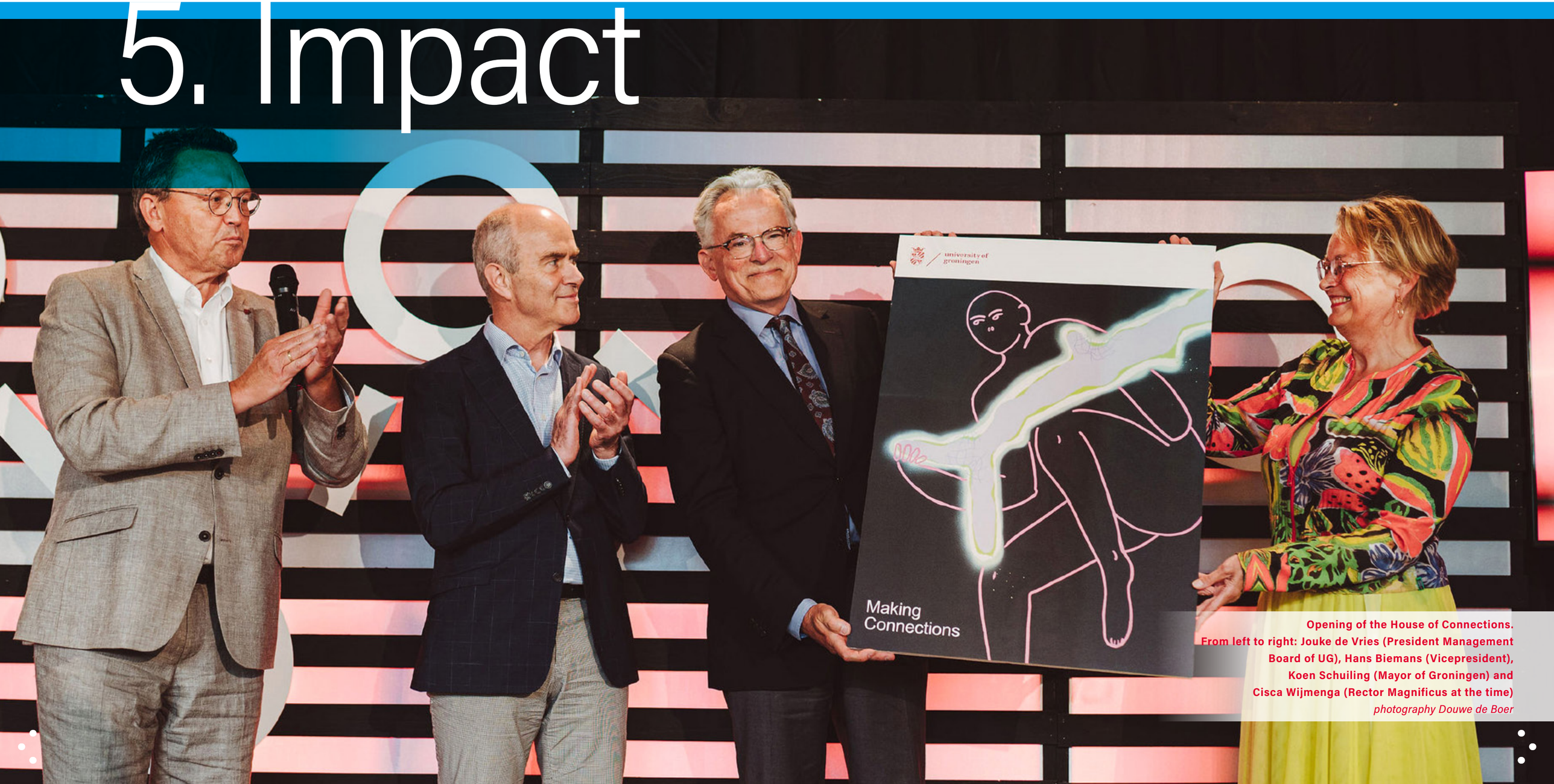
5. Impact



Opening of the House of Connections. From left to right: Jouke de Vries (President Management Board of UG), Hans Biemans (Vicepresident), Koen Schuiling (Mayor of Groningen) and Cisca Wijmenga (Rector Magnificus at the time)
photography Douwe de Boer

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5. Impact

5.1 Vision and objectives

The UG views societal impact as one of its primary responsibilities. The academic system aims to have a positive impact on society through the cornerstones of teaching and research. The UG also actively supports students and staff who embark on entrepreneurial endeavours. Our teaching and research activities serve as conduits for our interactions with society (community engagement). To this end, we harness the power of the entire knowledge chain, from knowledge sharing and co-creation to knowledge utilization and economic value creation, together with various teaching and research activities. Interdisciplinary collaboration and alliances with external partners play a key role in this context. Processes for teaching, research, and societal impact are closely intertwined, giving staff and students the opportunity to develop the knowledge, competences, and entrepreneurial spirit that is required to meet the needs of society.

The UG will step up its contribution to the resolution of societal issues, in particular those in the Northern Netherlands. We will disseminate our knowledge more actively and provide better support to staff and students in transposing this knowledge into products, processes, services, and new business activities. The UG will identify relevant teaching and research topics together with community partners, working in close collaboration with partners in the Northern innovation ecosystem. The main priorities the UG has identified in this regard are sustainable value creation, knowledge generation, and knowledge transfer to society based on the principles of the UN Sustainable Development Goals (SDGs).

5.2 Impact organization

The new Research & Impact cluster was launched in 2022. Within the scope of this cluster, the plan for the impact organization was developed in 2023. In the chapter on societal impact of the UG's Strategic Plan 2021-2026, which is entitled Making Connections, the UG expresses the ambition to set up a professional impact organization that supports students and academics, and works with the University of the North to build partnerships, generate societal impact, and initiate outreach activities and activities for the general public. In addition to working with our partners in the University of the North (UvhN), we are also committed to collaborating with the four Schools for Science & Society in our effort to build an impact organization. This establishes the impact organization as the link between the UG and the UvhN.

The context within which the new core tasks of the impact organization as defined in the plan are to be fleshed out will be shaped, on the one hand, by external trends, e.g. Fourth Generation University, and by internal developments, such as the strategy of the UvhN and the objectives of the Research & Impact cluster, on the other. A key underlying ambition is the drive to bolster our research in collaboration with external partners and to capitalize on and leverage the related societal impact. The goal is for the impact organization to play a pivotal role in increasing the UG's share in revenue from contributions of the central governments and contract funding for teaching and research.

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5.3 Schools for Science & Society

The Schools for Science & Society have seen significant developments in terms of the size of school communities, activities, partnerships, and public presence. They provide a centralized platform for research, teaching, and innovation in respect of the four major societal challenges that UG researchers and teaching staff are attempting to resolve: 1) digital society, technology, and AI, 2) public health, 3) energy and climate, and 4) sustainable development. All faculties are involved in one or more Schools.

In the reporting period, the Schools encouraged new interdisciplinary partnerships for societal issues, such as the Arts in Health programme, which has led to the development of a National Agenda and policy recommendations. As part of the teaching innovation drive, the Schools organized hackathons and summer and winter schools, and added a new challenge-based minor by the name of Expedition Healthy North to the educational pathways. The Schools also secured external funding for research and impact, which is illustrated perfectly by the support they provided in obtaining Dutch Research Council (NWO) funding for, and the launch of, HAICu, a major research project involving AI and digital cultural heritage. The Schools coordinated the start of a strategic partnership with the Dutch National Forest Service and an alliance with the Netherlands Vehicle Authority.

The UG is in the process of cultivating a lively community with a strong focus on themes such as AI, energy, public health, and sustainable development, as demonstrated by the well-attended Deep Dives, the European Researchers' Night science festival, conferences, and thematic sessions organized by researchers, external partners, and students under the coordination of the Schools. The UG has created the House of Connections (HoC) as a meeting place for all stakeholders to engage with and inspire each other. The HoC organized a wide range of events for stakeholders at the University, occasionally also inviting external stakeholders.

5.4 University of the North

The University of the North (UvhN) is a knowledge and innovation network of knowledge institutions in the Northern Netherlands. The UG is a member of this network. Vocational colleges in the region had also joined this network at the end of 2023. In the past year, three roadshows were held at different locations in the Northern Netherlands, cultivating collaboration within the UvhN context. The Greenwise Campus in Emmen continued to develop and successfully applied for a grant from the Just Transition Fund. A programme manager was appointed with a view to professionalizing the governance structure of the UvhN.

The impact organization provides various forms of support to the development of the UvhN. The second funding round of the Booster Fund was opened up in 2023. This funding is meant to help initiate new projects in support of the objectives of the UvhN. At the end of 2023, the steering committee decided which projects qualified for funding from the Booster Fund. The third and last funding round of the Booster Fund will be opened up early in 2024.

5.5 Partnerships

Regional level

Partnerships at regional level are important to the UG. The UvhN forms the heart of our regional collaboration with other knowledge institutions in our area. Together, these institutions have committed to a number of impactful projects. In a broader sense, the UG is also involved in a wide variety of regional partnerships and alliances. Via the impact organization and the UvhN, the UG is engaged in multiple regional initiatives.

In the context of the KONNECT programme, the UG collaborates with all knowledge institutions in the Northern Netherlands. As a group, we explore issues such as how to create the best conditions for effective collaborative valorization for the benefit of the business community and small and medium-sized enterprises (SMEs) in the Northern Netherlands. In 2023, KONNECT successfully worked on a number of frameworks to improve the valorization of the collaboration between knowledge institutions (all vocational colleges, and applied and research universities in the Northern

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Netherlands) and SMEs in the region. In this process, we collaborated closely with intermediaries, such as Ynbusiness in the province of Friesland, so as to broaden our connections with SMEs. The KONNECT programme has resulted in a 'field network' of partners, which we plan to add to the current UvhN structure as its eyes, ears, and experimenting hands (working groups and programme organization). Campuses and hubs will be assigned a specific role and position to facilitate valorization with SMEs within the learning environment.

The UG has also been involved in three regional digitalization initiatives for a number of years. These are:

- Smart Industry Hub Northern Netherlands (SIH NNL), whose aim is to promote and coordinate the digitalization drive at regional SMEs. SIH is part of the Smart Industry Agenda of the Dutch Ministry of Economic Affairs and Climate Policy. The Open Innovation Call that was issued by the Northern Netherlands Alliance (SNN) was closed in September 2023. The UG submitted a proposal before the deadline. R&I enlisted the help of the Faculty of Science and Engineering (via the Engineering and Technology Institute Groningen – ENTEG) for the last phase of SIH. Makerspace, an innovative teaching concept, was developed as part of the Skillslab Work Package. The development of this concept led to an event at the House of Connections, in collaboration with businesses and students of the Faculty of Science and Engineering (FSE) and Hanze UAS. FSE is working tirelessly to ensure the effective implementation of Makerspace.
- National AI Coalition (NLAIC). The UG has spent the last two years creating a Northern Netherlands AI Hub based on NLAIC's Hubs & Spokes Model. R&I offers support at both administrative and operational level (in grant applications). The first grant-funded project ended in December 2023. A follow-up project is currently being developed.
- European Digital Innovation Hub. Via a call for proposals, a network of Digital Innovation Hubs with a regional focus and a European orientation (EDIHs) was launched within the scope of the new Digital Europe Programme. The UG provided input on a proposal for this network in 2020 in the context of the SIH NNL consortium. This proposal has now been approved and we have been identified as a suitable candidate EDIH to respond to the European call for proposals. The UG and its partners in this endeavour, i.e. Hanze UAS and NHL Stenden UAS, have formed a temporary working group. As in the SIH NNL project, this project is coordinated by the Northern Netherlands Development Agency (NOM). R&I has enlisted FSE in this project: an Engineering Doctorate Coordinator has recently been appointed as the EDIH's Technology Portfolio Officer.

National level

The UG participates in National Growth Fund proposals (funding rounds 1 through 3). Proposals for the fourth funding round were prepared in the reporting period. We are working on professionalizing the support structure for large consortium applications. As part of this effort, we organized a support and networking session for researchers preparing a grant application for round four of National Growth Fund funding.

5.6 Entrepreneurship

Take-off is a funding instrument offered by the Dutch Research Council (NWO) that is designed to promote economic activity and entrepreneurship at Dutch knowledge institutions. Academic entrepreneurs can use a Take-off grant to take their first steps towards taking innovative research findings to market. Take-off grants are available for Phase 1 (feasibility study, €0.04 million) and Phase 2 (proof-of-concept programme, risk-bearing loan of €0.25 million). In 2023, three Take-off Phase 1 feasibility study grants and one Take-off Phase 2 proof-of-concept grant were awarded to UG researchers.

The objective of RUG Houdstermaatschappij (RHM) is to turn the UG's impact into real and tangible outcomes. RHM invests in start-ups harnessing UG expertise by providing loans and/or acquiring equity interests. Many of these start-ups are located at the Zernike Campus, the Healthy Ageing Campus, or elsewhere in the city of Groningen. At year-end 2023, RHM participated in 35 spin-off companies, the Innovation Centre for Chemistry and Engineering, and Innolab Agrifood, Innolab Chemistry, and Innolab Engineering.

RHM is an independent entity and qualifies as a revolving fund. Revenue from providing loans and/or equity interests is used to invest in new start-ups. The timing of the exit event from businesses that have lived up to their

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potential is determined based on commercial considerations. The UG's valorization objective takes precedence in this decision-making.

RHM invested in two new businesses in 2023: Obseq B.V. and MemoryLab Health BV. Also a follow-up investment was made in OceanGrazer BV, EV Biotech BV, Deep Atlas BV, QDI Systems BV, and Ancora Health BV. RHM has an equity surplus. In 2023, income streams were used to invest in new UG spin-off companies. The creation of a new seed investment fund for high-tech start-ups is planned for 2024. This will allow RHM to provide seed funding to academic entrepreneurs in the early stages of their business endeavours.

5.7 Patents, licences, and IP

The UG and UMCG's joint policy on intellectual property (IP) is aimed at actively protecting knowledge developed at the UG and/or UMCG, where possible with IP rights, to enable successful transfer to society and thus generate impact.

In 2023, 21 patent applications were filed (or co-filed) in the name of the UG/UMCG and three patent applications from inventors based at the UG/UMCG but not in the name of the UG/UMCG. Fourteen licensing agreements were signed with corporates, including existing businesses and start-ups emerging from the northern innovation ecosystem. Another three agreements were signed with other universities.

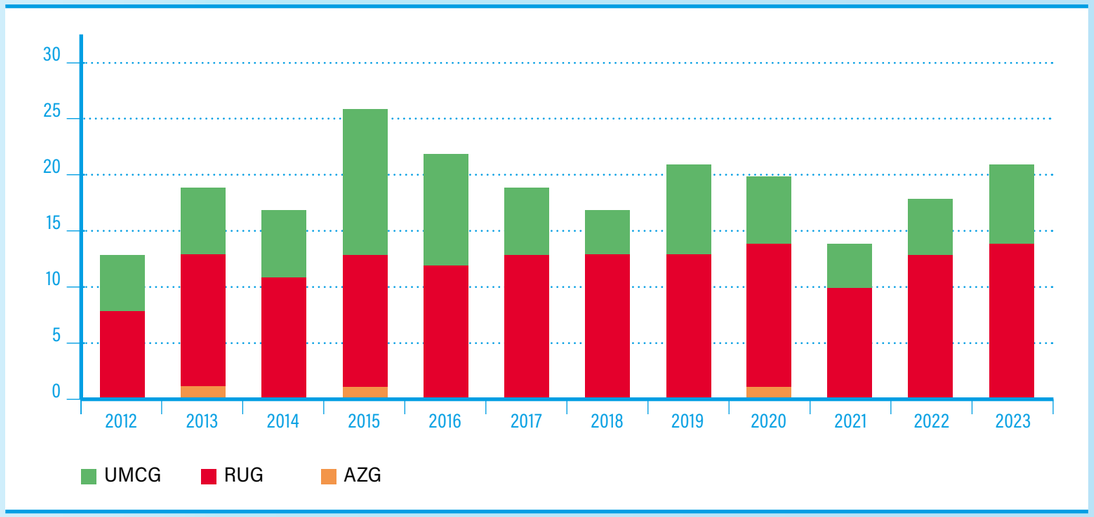
The inventions encompass a broad spectrum of fields, such as chemistry, medicine, and technologies involving proton therapy and hydrogen production. One of the inventions that is worth mentioning is a fuse-protected button cell battery that is safe for children to ingest. Once this invention has been valorized successfully, its societal impact will be huge.

The total number of applications for 2023 was up from 2022. The number of first contacts with researchers rose as a result, an indication that the strategies and initiatives that were undertaken to increase the output of the valorization process are effective.

The reporting period also saw a rise in the number of partnerships with other universities, and with the corporate sector in consortia or via income on third party contracts. Existing partnerships and licences are still resulting in new technologies being developed at the UG and our community partners, the outcome being new joint patents.

Except where potentially patentable inventions are concerned, the screening and scouting activities of the IP&BD team are also explicitly intended to valorize other forms of IP. While, in the past, impact was mainly generated by patent applications, there has been an increase in the transfer of software and know-how in recent years.

First applications



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5.8 Income on third party contracts

In 2023, revenue from income on third party contracts was up €9.1 million from 2022. The total sum of revenues amount to €178,7 million, about 19,9% of the UG's total income. Of this increase, €8.0 million was attributable to a rise in project revenue at UMCG/R&E, while revenue was up €1.7 million at the Faculty of Behavioural and Social Sciences (BSS). Revenues at the Faculty of Science and Engineering (FSE) declined by €0.9 million.

In the income and expenditure statement, income on third party contracts is broken down into income and changes in work in progress. Actual UG-wide income rose by €13.8 million, while work in progress, including accrued income, was down by €4.7 million from 2022 (€9,1 million combined).

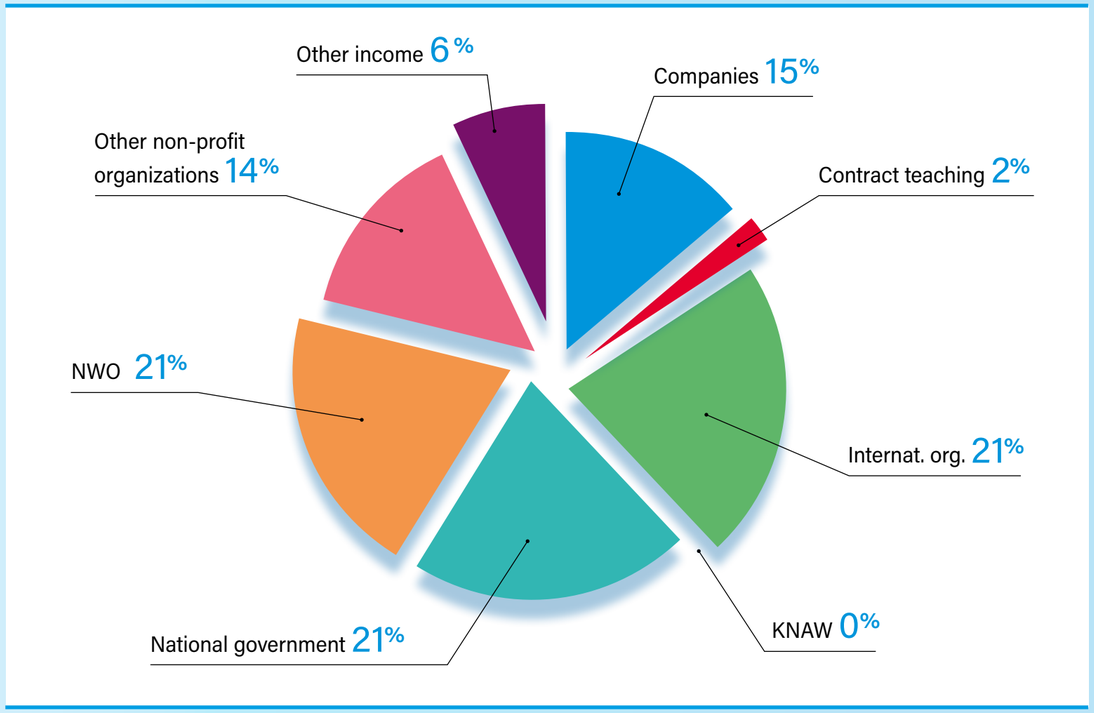
FSE saw a rise in contract revenue from NWO-funded projects (€2.5 million), other non-profit organizations (€1.3 million). Combined with a decline in EU income (€3.1 million), income from national governments (€0.6 million), corporations (€0.6 million) and other incomes (€0.4 million), the total decline was €0.9 million.

Project revenue from UMCG R&E was up on balance thanks to higher income from national governments (€3.2 million), corporates (€3.0 million), NWO (€0.6 million) and EU income (€1.6 million). This was offset by a drop in income from other non-profit organizations (€0.5 million).

The increase by €1.7 million at BSS was largely attributable to higher income from NWO-funded projects (€1.2 million). The increase in project costs in 2023 was considerable compared to 2022. Expenditures now precede the generation of revenue.

For many years, the UG has had a partnership with Freia/AOG School of Management. They have been assigned some of the UG's contract teaching duties. This partnership has been formalized at administrative and management level through the AOG Foundation.

Income on third party contracts by funding source



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5.9 Fundraising

The Ubbo Emmius Foundation (UEF) is an independent foundation providing funding for research and teaching at the UG. The Foundation is supported by the department of Alumni Relations & Fundraising. In 2023, the UEF provided €3.9 million in funding to researchers and students, a significant portion of which concerned grants for PhD students at the UG Schools of Science & Society.

After a successful pilot project in 2022, this M20 PhD programme fully came off the ground in 2023. Over a five-year period, ten grants will be awarded annually to young, talented researchers in a variety of fields to allow them to explore societal issues and come up with fundamental answers to today's challenges. We plan to continue the M20 PhD programme after 2028 and beyond.

UEF grants come in all shapes and sizes; they range from small grants or incentives to large-scale research grants. The most ambitious project so far is CogniGron. This research institute, which is working on developing the next generation of energy-efficient computers based on the human brain, has been awarded a multi-year grant of €30 million in total.

Other projects that were funded by the UEF – some in collaboration with Dutch and/or international co-funders – include fundamental research on photopharmacology (development of 'smart' medicines) and chirality (non-superimposable mirror images of molecules) by Nobel Prize laureate Ben Feringa, ecological research led by Han Olff in the Serengeti region of Kenya and Tanzania, and international migratory bird research by Theunis Piersma and his group.

Three new Eric Bleumink Fellowships were awarded to talented students from development countries. The UEF has Public Benefit Organization (PBO) status. Its Board is largely made up of UG alumni.

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Students in the Duisenberg Building
photography Nick Hannes

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6. Students

6.1 Vision and objectives

The UG has fostered a diverse, lively, and active student community for many years. We are committed to imparting to students the knowledge and skills they need to become successful and responsible global citizens. For this reason, the UG offers a wide variety of academic pursuits and extracurricular activities to allow students to learn and grow.

The goal is to facilitate and steer student success by creating an environment for students that offers scope for individuality, personal and talent development, and participation in all aspects of student life, including sports, culture, and student facilities. That is why, as a university, we support student life, monitor and improve student wellbeing, and provide a safe environment. The UG offers individual support and counselling, assigning a prominent role to confidential advisors and study advisors, building a diverse and inclusive community, and expanding the amenities that facilitate these services.

6.2 Wellbeing, diversity, and inclusion

Student wellbeing

The central consultative participation body issued a positive opinion on the UG-wide vision of student wellbeing early in 2023. The structure of the project organization was subsequently developed. The set-up in 2023 comprised three working groups made up of staff and students from different faculties and services. The working groups provided input on a UG-wide action plan for student vitality that ties in with the UG's adopted vision of student wellbeing. The first draft of this action plan was presented in December 2023. By discussing this draft in the Teaching Strategy Committee, feedback was sought for further elaboration in 2024.

Diversity and inclusion

The UG seeks to be a university where students feel respected and comfortable, regardless of visible or invisible differences in background, experience, perspective, and identity. We believe that student diversity elevates academic discourse and enhances the quality of our teaching and research.

With this in mind, we organized and coordinated a number of activities within the context of Diversity Day and Diversity Week (3 to 6 October). The Diversity Week events, which were meant to raise awareness and expand our students' and staff's understanding of diversity and inclusion, were visited by more than 200 people. We also successfully organized a new edition of the Developing Across Differences (DAD) summer schools with 83 participants who delved into themes relating to D&I, intercultural communication, global learning, and citizenship. The D&I Office recommended that the UG nominate a candidate for the ECHO Award, an annual award to celebrate students with a non-western background who are actively engaged in the community.

A call went out to students in late 2023 for grassroots projects that promote diversity and inclusion at the university and for which the D&I Office provides some funding. The honored projects will be implemented in 2024.

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6.3 Facilities

Support of active student life

In the academic year 2022-2023, the UG and Hanze UAS conducted a pilot project involving a peer review system for student organizations. In this peer review system, the members of the boards of the participating student organizations reflected on the society culture and policies pursued, as well as receiving feedback from fellow student-board members. This pilot project was evaluated with the participants in the summer of 2023. The evaluation showed that, although aspects of the peer review system were rated positively, the effect on the agreed targets fell short. While the self-assessment and sharing of knowledge and ideas were predominantly perceived as useful, writing/receiving the peer review report was not. The five organizations felt that their participation was a time-consuming exercise. Considering this, an expansion of the pilot project to smaller student organizations, such as study associations, would not seem feasible. Based on the findings of the evaluation, the pilot will not be continued in its current form. That said, different ways in which the UG, together with Hanze UAS, can continue to support student organizations have been reviewed. Decisions regarding such support have yet to be taken.

Support of student organizations – confidential contact persons

In the spring of 2023, the student organizations' confidential contact persons were offered peer-to-peer coaching through case studies. Interest in these peer-to-peer sessions was limited, probably because of a lack of cases. Confidential contact persons do, however, need peer-to-peer coaching and support to be able to fulfil their role. The offer of support stands, but, going forward, the Student Service Centre (SSC) and the Office of the Confidential Advisor will take the lead in providing case studies.

In addition to peer-to-peer coaching, a general information session for members of student organization boards was held in October 2023. This session was about appointing a confidential contact person and the duties of this person. In December 2023, the confidential contact persons were invited to register for an interview skills training taught by SSC trainers. This training was highly rated. The plan is to offer this training twice a year (in the summer and in the winter). This is how we are working towards providing helpful support to those fulfilling the role of confidential contact person, i.e. in the form of a general information session, information resources, skills training, and peer-to-peer coaching.

Policy framework – collaboration and support of active student life

The UG has developed a varied toolkit to promote active student life in Groningen, ranging from consultative structures and amenities to financial support. In 2023, efforts were made to incorporate the various roles, responsibilities, and the toolkit into a single policy framework. We also explored the criteria governing changes, if needed, in collaboration and support. The framework will be submitted to the Board of the University for decision-making in 2024.

Healthy and safe university years

The Groningen-based teaching institutions and the City of Groningen have teamed up to hire a joint project leader to head up the Healthy and Safe University Years project. The project leader, whose salary is funded from the Groningen Agreement, is responsible for devising a plan for ensuring that students in Groningen can enjoy their university years in health and safety. In September 2023, the project leader started by performing an analysis of issues and challenges involving wellbeing and safety experienced by students in Groningen. Using this analysis as a basis, the project leader will propose a variety of solutions (concepts) for overcoming these challenges, which will be presented in the form of an action plan in the course of 2024.

Students with disabilities

In 2023, the focus of the Students with Disabilities project was on elaborating the plans for physical, digital, and social accessibility, professionalization of staff, and developing student information campaigns, and on assigning responsibility for these plans. Raising awareness continued to be a priority. An educationalist and a communication officer were appointed in 2023 for Phase 2 of the project (2023-2024). After the current policy plan has expired in 2024, it will be evaluated.

In October 2023, the Board of the University consented to the implementation of the plans to improve the UG's physical, digital, and social accessibility, meaning that accessibility is now a criterion in new-

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build, renovation, and transformation projects (1% to 5% extra investment). A core team will come up with a plan for a structural approach to improving the accessibility of existing buildings, focusing initially on the 20 most used and relevant University buildings. We have an Accessibility Reporting Point, where students can make suggestions for improving the accessibility of buildings. By way of a pilot project, newly designed accessible signage was used when fitting out the new Röling Building. In 2023, as part of the Digital Accessibility project, we worked on an implementation plan for Web Content Accessibility Guidelines (WCAG) for the 20 most used and relevant UG websites. We also developed a guide with pointers on how to improve the accessibility of web content and online teaching materials.

A number of faculties took part in a pilot project involving a learning pathway for newly appointed and incumbent study advisors. Study advisors are the first point of contact for students, which makes them a crucial link in the student counselling chain. The pilot will be evaluated in the autumn of 2024. It will be decided at that time whether the learning pathway is suitable for rolling out on a UG-wide basis. To help teaching staff, training sessions and modules to promote more inclusive teaching and assessment have been, or are in the process of being developed.

Student housing

The housing shortage in the Netherlands makes it difficult for international students to find housing when they first arrive in the country. While Dutch universities are not responsible for providing student housing, the UG is an active participant in the Groningen Student and Youth Housing Covenant, which sets out the stakeholders' joint approach to the housing problem. These stakeholders include the City of Groningen, Groningen-based housing associations, and the student unions. The UG's main responsibilities are to communicate with the target group, submit adequate forecasts about student influx numbers, and help to absorb peaks. The Covenant was updated and readopted in 2023 for the period 2023-2026.

Similar to last year, the housing problem for foreign students was not as bad in September 2023 as it used to be in the years before 2022. Because of our insistence that foreign students should consider not coming to study in Groningen if they had not found housing by August, foreign students started looking for housing earlier. Also, there was a slight drop in the number of Dutch students, which freed up more housing for foreign students in the general housing market. Just like in previous years, in 2023, students who did come to Groningen without prearranged housing were offered a temporary place to stay.

6.4 Employability

The UG is committed to preparing its students for the job market as thoroughly as possible. We aim for our students to choose their own strategy for entering the regional, national, and international world of professional work and to seek continuous professional development. The UG views the development of its students' employability skills from three complementary perspectives.

The first perspective is the inclusion of sustainable employability in our curricula as reflected in learning outcomes and the learning environment offered in the programmes. The second perspective is employability as part of personal development, which, besides the curriculum, is about extracurricular experiences and informal learning. The UG supports extracurricular activities, using student engagement as a powerful tool. Students and study associations actively participate in organizing extracurricular employability activities. The third perspective is the UG's commitment to encouraging its students to explore a wide range of career options with the support of faculty and central career services if needed.

Student satisfaction levels about career readiness and transitioning to a professional life are monitored based on indicators from various UG sources and surveys, as well as the National Alumni Survey (NAE), the National Student Survey (NSE), and the Dutch Higher Education Guide.

The UG is in the process of reviewing its employability policy. In the first phase of this review, career services were formally embedded in the organization. In the second phase, the employability strategy will be updated and aligned with the Strategic Plan. A first draft of the reviewed employability strategy was discussed by various bodies in 2023. The strategy review will be finalized in 2024.

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Career Services

As in previous years, Career Services provided support to many students at all levels in 2023, offering career readiness workshops, CV and application letter checks, and career events. In 2023, one of the focus areas was improving and developing the range of offered workshops and support services. Besides having stepped up its student support, Career Services also worked on enhancing the presence and awareness of its services among students. Career Services opened a desk at the University Library on 1 September 2023 with a view to improving its accessibility. Career Services also has a portable booth that was set up at different faculties. Finally, Career Services collaborates closely with partners at and outside the University, such as with Alumni Relations & Fundraising in the public procurement procedure for a new career and alumni platform for the UG that will allow alumni, students, and organizations to engage with each other.

Regional career readiness

Career Services is deeply involved in regional developments in the job market by way of projects such as Talent in the Region (matching talent with employers in the Northern Netherlands) and Make it in the North (connecting internationals with local businesses). In addition, follow-up steps were taken to support the professional vitality of, and offer career counselling to, students with disabilities.

6.5 Bridge between secondary and higher education

Pre-University Academy

In 2023, the Pre-University Academy had its full focus on the implementation of the Regional Ambition Plan (RAP), which is meant to bridge the gap between primary and secondary education on the one hand and academic teaching and research on the other. The RAP specifically zeroes in on primary and secondary school teachers from the Northern Netherlands who experience a gap with academia or university education. After a successful pilot year in which four secondary school teachers were on exchange at the Pre-University Academy, seven teachers joined the Pre-University Academy in September 2023. Their main teaching position is at a school somewhere in the Northern Netherlands, but they spend one day a week at the Pre-University Academy on secondment. During the academic year, they work towards creating a continuous learning pathway of research skills, which they will subsequently implement at their own schools. They will present the learning tool for the developed continuous learning pathway at the annual Pre-University Academy symposium. The symposium contributes to community building for the theme ‘research skills’.

Self-funded sustainability improvements are part of the RAP bridging effort. The Ministry of Education has instructed the UG to continue the project after 2026 and to ensure its structural embedding in the organization. The Pre-University Academy is engaging with primary and secondary school administrators and school leaders in the Northern Netherlands to explore options for co-implementing sustainability improvements in the project and to review how to best align the Pre-University Academy's activities to developments in the Northern Netherlands where research skills and aspiration building are concerned.

Representatives of the school project support desks visited schools to offer information sessions, helping teachers and pupils with school projects. As we do every year, awards for the best school projects were again presented in 2023. Also, the support desks engaged with schools about the process for school projects. This is how they provide support to pupils and teachers in the Northern Netherlands in developing their research skills and academic aspirations.

Information campaign and data exchange

As part of a pilot project (Dutch project name: Wisselstroom), the UG, Hanze UAS, and NHL Stenden UAS continued their joint information campaign for secondary school pupils in 2023. We also teamed up with NHL Stenden to exchange data (not traceable to individuals) that can be used to encourage first-year UG drop-out students to switch over to a university of applied sciences.

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6.6 Legal certainty

The University has adopted the rules and procedures prescribed by law for the handling of appeals, objections and complaints – not just official appeals and objections under the Dutch General Administrative Law Act, but other types of complaints as well. In the event of legal or policy changes, the rules prevailing at the University will be amended. Students who wish to make a complaint or who believe that their rights have been violated can engage informally with their study advisor or a student counsellor.

A formal procedure will be instigated when an official complaint, objection, or appeal is submitted to the online Central Portal for the Legal Protection of Student Rights (CLRS). This may concern various matters, ranging from inappropriate behaviour by a UG staff member to a lecturer's failure to mark a thesis by the set deadline. In 2023, 509 appeals were lodged with the Board of Appeal for Examinations (CBE) (2022: 486):

	2022	2023
Number of appeals	486	509
of which:		
- declared founded	8	10
- declared unfounded	50	40
- settled	110	163
- withdrawn	162	173
- declared inadmissible	6	10
- closed	149	112
- pending	1	1

The number of appeals was up slightly from 2022. What continues to be noteworthy is that a large number of appeals are withdrawn and closed without there having been a decision on appeal. This is due to a variety of reasons: many students stop responding to emails from the CBE once they have filed their appeal, after which the file is eventually closed. Also, over time, students will often decide not to continue with their appeal for various reasons.

In 2023, 149 objections were submitted to the Disputes Advisory Committee (GAC) (2022: 274; 2021: 202):

	2023
Number of objections	149
of which:	
- declared founded	0
- declared unfounded	24
- declared manifestly unfounded	1
- settled (withdrawn and closed)	58
- not settled (withdrawn and closed)	34
- withdrawn	1
- declared inadmissible	3
- declared manifestly inadmissible	3
- closed	12
- Other (GAC not competent to rule, appeal, complaint, or question)	13

There was a drop in the number of objections compared to 2022. This was primarily attributable to the fact that, in 2022, 111 objections related to the failure to fully index-link PhD grants. These objections were closed after repairs had been made and these grants had been fully index-linked with effect from 1 January 2023. Notably, a large number of cases were settled in 2023. Settlement takes place if additional evidence is submitted in the objection procedure. There were no other noteworthy changes compared to previous reporting periods.

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7. Staff



Rectorship Transfer.
Cisca Wijmenga (left) and Jacquelien Scherpen (right)
photography Gerhard Taatgen

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7. Staff

7.1. Vision and objectives

The UG's human capital is the key to the University's success in teaching, research, and societal impact. At the UG, we are committed to fostering a community that allows talent to rise to the top and flourish. Students at all levels and staff are given every opportunity to train and develop their specific interests and strengths. The UG also seeks to be a responsible and inspiring employer by offering a safe and sustainable work and learning environment. These are the pillars of our human capital agenda.

7.2 Strategic HR policy

Recruitment

As opposed to 2021 and 2022, when vacancies were soaring, the number of job openings saw a drop in 2023. Total vacancies in 2023 amounted to 853 (2022: 1,018). We received job applications from 19,236 candidates, which represents an increase on 2022, when the number of job applicants was 15,962. The UG managed to fill 616 vacancies in 2023, corresponding to 72% of job openings (2022: 67%).

Expectations are that the number of vacancies will continue to drop in the years ahead and will likely stabilize at a normal replacement demand level of about 600 vacancies annually. It is key that we continue to be an attractive employer for talented academics and administrative and support staff. A recruitment support function will be set up in 2024. Its job will be to actively approach talent and assist hiring managers in their recruitment efforts. In addition to recruiting talent, this function will also be responsible for onboarding new staff members. This is particularly relevant when it comes to international talent.

Breakdown of ratio of Dutch and international staff members by academic position (exclusive of UMCG R&E), reference date 31 December 2023

Academic position (# appointments)	Dutch	Non-Dutch	Dutch %	Non-Dutch %
Professor	244	80	75,3%	24,7%
Associate professor	172	133	56,4%	43,6%
Assistant professor	360	417	46,3%	53,7%
PhD student	342	483	41,5%	58,5%
Lecturer	444	171	72,2%	27,8%
Researcher	120	212	36,1%	63,9%
Other	13	2	86,7%	13,3%
Chair Capacity Group	5	0	100,0%	0,00%
Total	**1.700**	**1.498**	**53,2%**	**46,8%**

Room for talent

Staff members are given every opportunity to train and develop their specific interests and strengths in the workplace. The Corporate Academy offers a broad array of courses, such as leadership training or teaching professionalization workshops. Researchers can also request support in applying for personal grants.

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Employability

As an employer, the UG aims to promote its staff's sustainable employability. Over the course of 2023, the standard offering of support activities for staff members (training, coaching) was supplemented with a fully online offering of location and time-independent courses.

Recognition and Rewards

In 2023, we organized UG-wide dialogue sessions to continue the implementation of the national Recognition and Rewards programme, the goal being to create a new system for assessing academic performance. The national and local Recognition and Rewards project was motivated by the knowledge that the core aspects of academic performance, i.e. research, teaching, societal impact, and leadership, were not weighed equally in academic assessment and promotion processes. Leadership development is both a condition for, and the objective of, the programme.

In 2023, the vision of leadership was shared with all faculties and services, and an implementation proposal was drafted with a description of the desirable leadership qualities and the required development activities. The leadership vision is implemented on a UG-wide basis and governs both academic and professional support staff. All existing training programmes will be screened against the new leadership vision and new activities will be developed.

In a national context, the stakeholders worked on the Culture Barometer, a Recognition and Rewards questionnaire for academics. This questionnaire was sent out early in 2024. The response rate for the UG was nearly 25%; the national response rate was 12%.

7.3 Diversity and inclusion

The UG seeks to be a university where staff feel respected and comfortable, regardless of visible or invisible differences in background, experience, perspective, and identity. At the UG, we see it as our joint responsibility to protect our core values of inclusiveness and equality, and we constructively work towards creating a diverse, inclusive, fair, and socially safe environment. We believe that staff diversity elevates academic discourse and enhances the quality of our teaching and research.
Besides securing some quick wins, we addressed a number of issues in a more structural fashion in 2023. The Diversity & Inclusion (D&I) Office now collaborates closely with the faculty D&I Officers, for instance. Sessions with the internal and external advisory bodies are held regularly to support them in their work. Where teaching is concerned, a partnership was forged with the Teaching Academy Groningen, and the D&I Office is involved in projects relating to accessibility and social safety. The objectives of the Belonging in the University of Groningen: University Action Plan Diversity and Inclusion are put into effect in a joint effort.

Together with many other institutions in the region, the UG is affiliated with the Social and Economic Council of the Netherlands (SER). As such, we have signed the SER Diversity Charter. The UG also has a D&I partnership with Noorderlink, the HR network of the largest organizations and corporates in the Northern Netherlands. Together with D&I Officers of all Dutch universities, we are committed to promoting a shared national agenda and exchanging ideas and experiences. At European level, the UG seeks to exert its influence on the D&I agenda for diversity.

Just like in previous years, in 2023, we focused on the influx and advancement of women at the UG, as well as on properly embedding the special programmes for female academics, such as the Rosalind Franklin Fellowship and the Aletta Jacobs Chairs, and building an active community of women in academia.

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7.4 Social safety

The UG is committed to creating a learning and work environment where everyone feels respected and safe. This is a prerequisite for wellbeing, effective teamwork, quality teaching and research, and general and academic integrity.

A social safety campaign targeting both students and staff was launched in April 2023 under the slogan: 'Even if it's probably not your task, just ask.' Awareness of social safety was raised through posters and on social media. Adjacent to the campaign, a social safety webpage was created. This page provides basic information about the Confidential Advisor and the Ombudsperson, information about the complaints procedure, and hyperlinks to more information for students and staff.

Other campaign expressions included a guide for dealing with reports of threats to social safety, Active Bystander lectures and workshops, the Eye for Social Safety leadership training pilot, a session about the role of confidential contact persons for board members of student organizations, and a play about social safety (Safe Space).

The biennial staff satisfaction survey was held in 2023. The outcome of the survey, which was announced before the summer of 2023, was slightly better than in 2019. That said, there is plenty of room for improvement. Faculties and services engage with the consultative participation bodies to formulate action plans further to the outcome of the survey. In 2023, we also developed a four-year prevention-oriented Social Safety programme aimed at both staff and students.

Also the in-house Threatened Academics Desk was developed. They received a comparable number of reports in 2023 (14) as in 2022 (15). A multidisciplinary team of experts reviews which type of support is required. In 2023, the services provided by the team of experts included legal advice, assistance in filing police reports, and monitoring of social media accounts. The team also provided input on which strategy to pursue before the publication of sensitive academic publications.

Office of the Confidential Advisor

UG staff and students can consult the Confidential Advisor if they experience inappropriate behaviour, such as intimidation (sexual or otherwise), aggression, violence, discrimination, stalking, or bullying. Instances of unequal and unfair treatment can also be reported to the Confidential Advisor. In addition, staff can contact the Confidential Advisor if they experience problems at work or unethical behaviour in the organization. The Confidential Advisor is independent and offers individual support and advice, flags signals of threats to social safety in the organization, and provides prevention information.

The total number of reports submitted to the Office of the Confidential Advisor in 2023 was 203 (2022: 189). This increase by 14 reports was attributable to a higher number of reports by staff members rather than by students. What is noteworthy is that the total number of reports went up, while the number of reports of inappropriate behaviour was down. Students in particular filed fewer reports.

Ombudsperson

The Ombudsperson for UG staff and students received 91 reports on a variety of issues in 2023. Of these reports, 21 were from students and 70 from staff members. The reports filed by students were primarily about the University's one-size-fits-all approach and the associated problems. Customization seems to be challenging. The reports filed by staff members continued to centre mostly around a lack of responsible leadership. In the autumn of 2023, we started fleshing out the final structure of the Ombudsperson function. The foundation of this structure was based on the recommendations of the Ombudsperson herself and the evaluation by HR. Expectations are that a clear picture will emerge before the summer of 2024.

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7.5 Wellbeing

Workload and work-life balance

The staff survey that was held in February 2023 showed that, overall, our employees are happy with the options they are given to create a sound work-life balance. These include working part-time, taking leave, and adjusting their work schedules to better suit their personal needs or responsibilities outside of work. Where hybrid working is concerned, staff are content with the options for location-independent working that are available to them, as illustrated by the respondents' opinion that hybrid working improves their work-life balance.

The regular funding for alleviating workload pressures was distributed across the faculties and services (€5 million per year). A faculty will apply this funding in dialogue with its faculty council with a view to reducing the workload at its particular faculty. Some of the centrally reserved budget for Lessen the Work was allocated to UG-wide projects undertaken by HR & Health and Finance & Procurement in 2023 to shore up the support of staff and managers, thereby easing the workload.

Absenteeism

The UG's absenteeism rate rose slightly in 2023, landing at 4.6% (2020: 3.3%; 2021: 3.1%, 2022: 4.3%). The absenteeism rate among administrative and support staff (7.1%) was higher than among academic staff (3.0%). We took measures in 2023 to improve our long-term absence management strategies in that we provided extra counselling and support. The UG is committed to creating a work environment that reduces the likelihood of employees being absent from work and aims to introduce guidelines governing organizational culture and social safety.

Hybrid working

Since the COVID-19 pandemic, working from home has become a permanent fixture of the modern work landscape. The rule is that staff can work from home for up to 40% of their contract hours. The schemes under which the cost of home office equipment is reimbursed were continued in 2023. The UG also seeks to develop and continue schemes, facilities, and agreements relating to hybrid working going forward. Ensuring social cohesion within departments and teams will remain a priority in 2024.

Vitality

Balans is the name of the UG's preventive health and lifestyle programme. In 2023, the programme offered a continuous and varied range of activities, such as exercises for physical wellbeing as well as mental health-oriented talks and workshops. In 2023, the Balans programme also started focusing on workstation activities to encourage staff to adopt healthier work habits.

The UG uses Mirro, an e-health tool for staff members who are dealing with issues such as anxiety, stress, or grief. In 2023, 333 staff members made use of this tool. Staff are also offered a health check. In 2023, 494 staff members underwent a health check; 52 returned for a follow-up appointment.

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7.6 Staffing

At year-end 2023, the UG's headcount was 4,967.3 FTEs. This figure does not include the 1,871.4 FTEs who work at UMCG R&E, which falls under the UMCG (the figure does not include student assistants). The staffing figures of UMCG R&E are in line with the staff costs of UMCG R&E as included in the UG 2023 statement of income and expenditures. If account is taken of the staffing figures from UMCG on teaching and research activities of UMCG R&E, total staffing figures at UMCG R&E is estimated to be 2,039.7 FTE (excluding student assistants) in 2023.

The UG staffing figures (exclusive of UMCG R&E) were up 280.9 FTEs from year-end 2022 (4,686.4 FTEs). While the increase in staffing figures was significantly higher than in 2022 (97.1 FTEs), the rise aligns with the trend observed over recent years. Of the total staffing figures, 1,712.6 FTEs were staff with temporary contracts, representing 34.5% of the staff complement. This percentage corresponds to that for 2022, but is lower than the percentage for 2021 (38.5%) due to collectively agreed arrangements on the duration of temporary employment contracts.

Staff costs in 2023 amounted to €667 million (including UMCG R&E). These expenses included an amount of €47 million for expenses of external staff in 2023 (including contingent hires).

Breakdown of temporary and permanent employment contracts (excl. UMCG R&E)

		2023 male # Appointments	2023 male FTE	2023 female # Appointments	2023 female FTE	2023 other # Appointments	2023 other FTE
permanent	Academic staff'	918	794,4	646	547,5	1	1,0
	Non academic staff	931	810,5	1432	1100,0	2	1,3
Total permanent		**1849**	**1604,9**	**2078**	**1647,5**	**3**	**2,3**
Temporary	Academic staff	841	752,1	792	666,8		
	Non academic staff	174	128,6	238	164,3	1	0,8
Total temporary		**1015**	**880,7**	**1030**	**831,1**	**1**	**0,8**
Total		**2864**	**2485,6**	**3108**	**2478,6**	**4**	**3,1**

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7.7 Legal certainty

Severance pay

The UG's policy regarding severance pay is based on the agreements laid down in the Collective Labour Agreement for Dutch Universities and the associated schemes, including the Netherlands Universities Enhanced Unemployment Scheme (BNWU). In this policy, allowance is made for the Early Retirement Scheme and the Dutch Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act. The level of severance pay is determined based on the individual circumstances of a case.

Academic integrity

Complaints regarding suspected violation of academic integrity can be submitted to the Academic Integrity Committee (CWI), either through the Board of the University or other channels. The CWI will investigate the complaint and, on the basis of its investigation, advise the Board of the University as to the validity of the complaint and any measures that may need to be taken to remedy the situation. The parties may then go on to seek a further opinion from the National Board for Research Integrity (LOWI). Two new complaints regarding suspected violations of academic integrity were filed with the CWI in 2023. The LOWI was asked to issue a further opinion in two instances.

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Study hall Universitary Library
photography Nick Hannes

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8.1 Sustainability

The Sustainability Roadmap sets out ambitions across three realms: Planet, Performance, and People. Below, we will take a closer look at the UG's ambitions and achievements in the domains of Planet and Performance. Aspects relating to the People realm, such as diversity and inclusion, staff mobility, and sustainable employability, were addressed above in Chapter 7.

Planet

Over the past year, the UG has initiated a number of technical energy-saving projects, including the public procurement procedure for replacing the conventional lighting in all UG buildings by LED lighting. We took stock of all energy-saving measures with a payback period of less than five years and we looked at options for expanding solar arrays at the Zernike Campus, for instance by installing solar panels above parking spaces. In addition, the geothermal energy system of the Feringa Building became operational in 2023.

Sustainable Development Goals

The table below summarizes how the UG contributes to the United Nations Sustainable Development Goals (SDGs) through its business processes (Planet ambitions). It also shows the progress (as a percentage) we made on achieving the sustainable ambitions defined in the Roadmap in 2023 compared to 2019 (the reference year).

Carbon footprint

Our carbon footprint increased by 7% between 2019 and 2023. This rise was primarily attributable to the fact that, in 2023, 28% of our total electricity purchases consisted of grey energy generated from fossil fuels. While the other 72% of the electricity we purchased also qualified

Sustainable Development Goals

Theme	SDG	Ambition Roadmap 2021-2026	Success rate (2023 compared to 2019)
CO2 emission		30% reduction in 2025 CO2 neutral in 2035	7% increase
Energy use		2% energy saving annually	22% reduction
Production of renewable energy		25% energy from renewable sources	16% production
Building activities		BENG/BREAAM excellent	ambition stated in UG Strategic Plan for Real Estate
		Energy label C in offices	ambition realized
		Zernike without natural gas	ambition partly realized: heat/cold storage in Feringa Building; Nijenborgh 4 being put out of use
Water usage		10% reduction	ambition realized

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Waste reduction		15% reduction	ambition realized
Waste separation		95% separation	68,5% separation
Commuting		promotion of sustainable transportation for employees	ambition realized: new bicycle private plan and limitation of parking facilities
Logistics		emission free in 2025	emission free transport standard demand in tenders for deliverance of goods and services
CO2 compensation		100% compensation	proposal for CO2 compensation is nearly completed
Biodiversity		ecological values on campus and inner city locations	development of policy for green management and nature-inclusive construction
Food		95% of meat assigned The Better Life label***	ambition stated in demands program for food tenders
Food supply in canteens		60-95% vegetable/vegetarian	33% (minimum) vegetable, 33% (minimum) vegetarian, rest may contain meat elements; fully vegetarian canteen in the Bernoulliborg

Use of colours
green: ambition realized
yellow: work in progress
red: not realized

*The reference year is 2019, 2021 being exceptional because of the Corona pandemic.

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as grey, we converted this into green electricity through the purchase of Guarantees of Origin certificates (GOs). These certificates guarantee that the sourced electricity was generated from renewable sources, such as wind and solar.

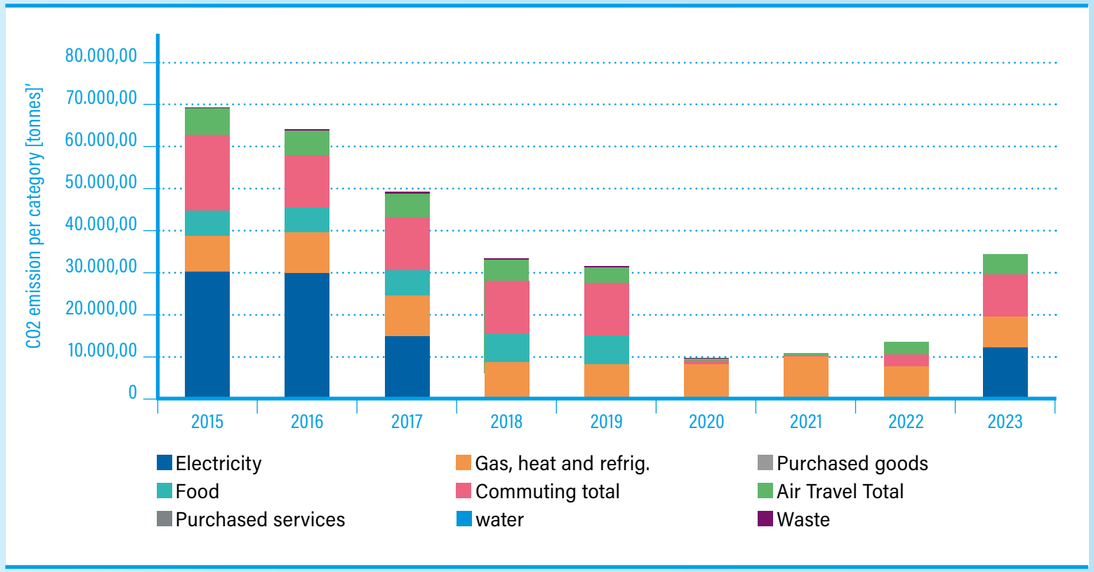
The UG purchased 30 million kWh worth of wind and solar energy. With certificate prices rising due to the energy crises, the austerity package prompted the UG to decide to purchase fewer GOs. Grey energy (28%) accounted for over 35% of the UG's total carbon footprint. As a result, the UG is no longer on track towards the ambition to reduce the carbon footprint by 30% relative to 2019. The unspent budget for purchasing certificates was invested in improving the energy efficiency of buildings.

It is worth noting that commuting movements rose by 72% from 2022, although the total is still 22% lower than in 2019. The increase in commuting emissions by 72% would suggest that both students and staff have mostly stopped working from home.

It is worth noting that commuting movements rose by no less than 72% from 2022 to 2023, although the total is still 22% lower than in 2019. The increase in commuting emissions by 72% from year to year would suggest that both students and staff have mostly dialled back on working remotely. They do, however, still work from home more than before the pandemic. Another noteworthy development was that the carbon footprint of business-related air travel by UG staff rose by 15% in 2023 relative to 2019 (see below).

Energy
In 2023, we started drafting the Energy Vision and Energy and Sustainability Policy Memorandum regarding the UG's real estate operations. This document addresses the measures to be taken to conserve energy in, and make sustainability improvements to, University buildings and building-related installations, and expounds a vision of how the UG plans to proceed in the coming years in its effort to achieve the ambitions defined in the Roadmap.

CO2eq emission per category



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As shown below in the UG's energy performance index (EPI), our total energy consumption per m2 continued to drop in 2023, as it did in the past four years. The decrease was mainly attributable to the decline in natural gas consumption between 2019 and 2023. Overall, energy consumption was down 22% from 2019 to 2023.

Renewable energy generation

Total renewable energy generation amounted to 16%. While this represents a decrease on previous years, it should not be interpreted as a relapse in the UG's sustainability drive. The drop is mostly due to the successful implementation of energy efficiency measures within the campus infrastructure (i.e. lowering the heating in buildings from 21 to 19 degrees Celsius, increasing the setpoint temperature before the cooling system engages from 24 to 26 degrees Celsius, and introducing comfort times). These measures have resulted in a lower energy requirement for heating and cooling, which – in turn – has impacted the need for generating renewable energy, particularly from the UG's geothermal systems.

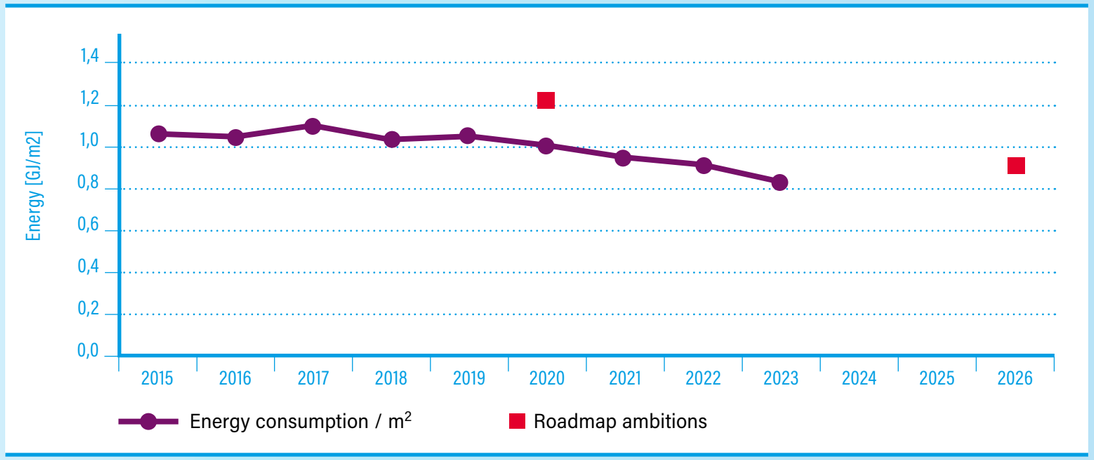
Statutory requirements

The UG has had to comply with the new energy saving requirements in the Netherlands (Energy Saving Notification Obligation/Recognized Energy Saving Measures List (EML) and Energy Saving Investigation Obligation) since 2023. In 2023, the UG's real estate function reported on the status of the energy-saving measures that needed to be implemented. Starting from 2023, office buildings (i.e. buildings where office activities constitute more than 50% of their utilization) are required to have an energy efficiency rating of C or better. The UG met this requirement in 2023.

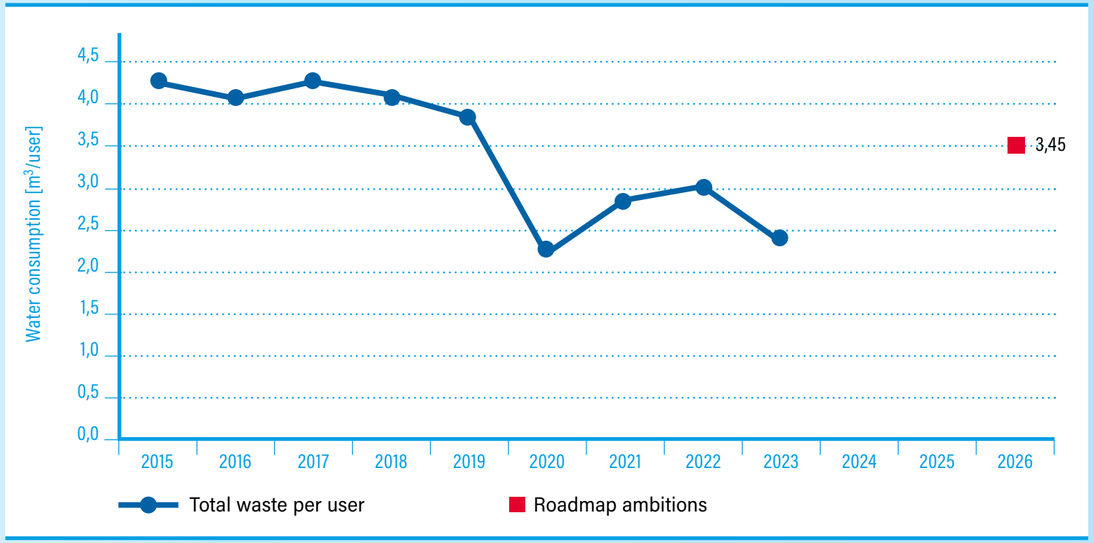
Water

UG laboratories prevent chemicals from being released into waste water by capturing them and disposing of them as hazardous waste. As an additional control, we sample and analyze wastewater streams at a number of locations (Zernike and at Antonius Deusinglaan) to test for the presence of heavy metals, volatile organohalogen compounds (VOX), and benzene, toluene, ethylbenzene, and xylenes (BTEX).

EPI Energy - Consumption per m²



EPI Water - Consumption per user



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Water consumption

The chart shows that per-person water consumption was down. Having reduced our water consumption by 36% since 2019, we comfortably meet the water consumption reduction target of 10%. The drop in consumption in 2023 from the previous two reporting periods was attributable to the preventive pipe flushing at our buildings in 2021 and 2022 to minimize the growth and spread of Legionella bacteria during the lockdowns.

Waste

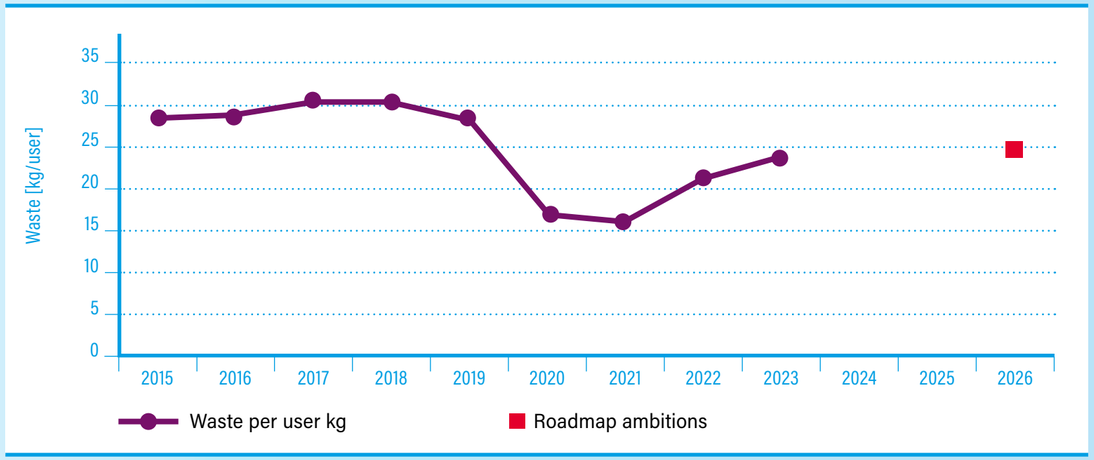
Waste reduction

Per-person waste generation was up slightly from 2022 to 2023 due to the fact that the UG continued to be in lockdown for a few months in 2022 because of the pandemic. Nonetheless, total per-person waste generation fell by about 3 kilograms relative to 2019 (i.e. before the pandemic), probably because staff are working from home more than in 2019, even after the pandemic. The UG has now met the waste reduction target (15% reduction in per-person waste).

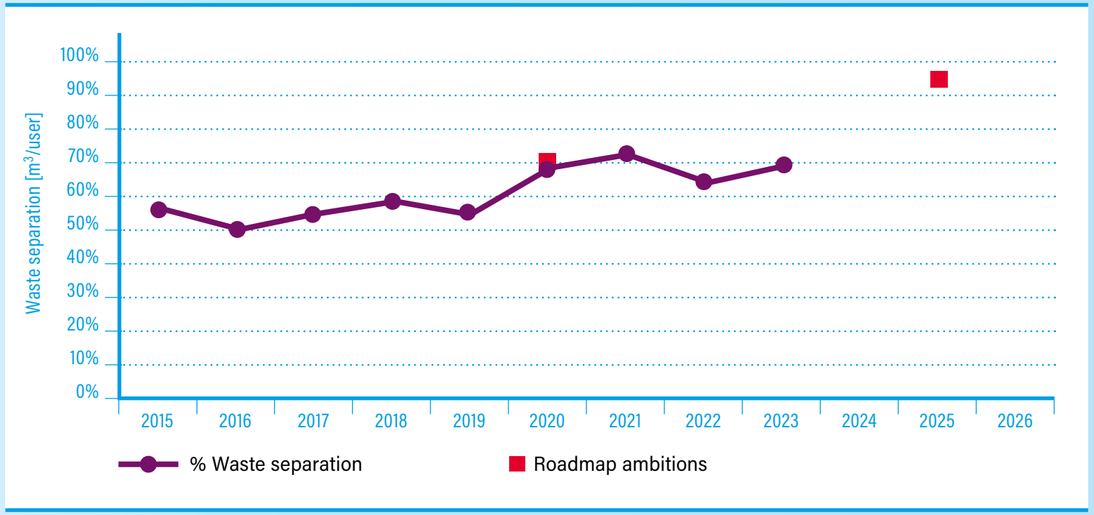
Waste separation

Recent waste statistics show that 68.5% of all waste is being separated. This includes both regular and hazardous waste. Also, the contract with the waste management company stipulates that any residual waste they process will undergo secondary sorting. In this process, plastics, metals, and organic waste are separated from the residual waste and recycled. Our waste separation rate has improved as a result. Although we have not, at this point, reached our target waste separation rate of 95%, we expect the introduction of the European Single-Use Plastics (SUP) Directive in 2024 to result in a further reduction in our residual waste.

Total waste in kg per user (employee/student)



Percentage of waste separation



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Mobility

Foreign business travel
The short-haul travel policy was changed in that staff have been expected, since 1 January 2023, to travel by train if their destination is under 800 kilometres and a nine-hour train journey away (up from 500 kilometres and a six-hour journey). That said, in 2023, 84 flights were taken to destinations that met the distance requirement for train travel.

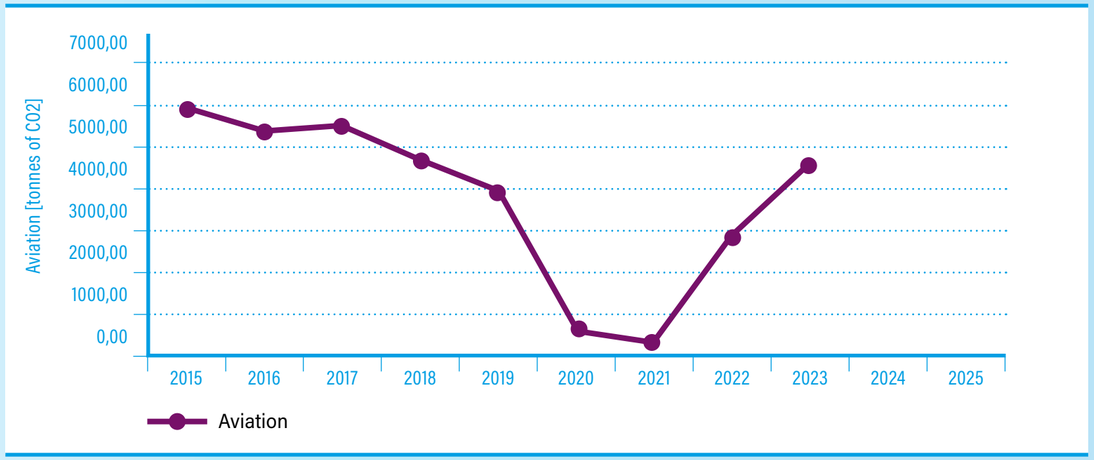
Reduction in aviation emissions
At the UG, we need to cut back on the number of flights in order to achieve a 30% reduction in our aviation emissions by 2026. Staff flew a total distance of 18.6 million kilometres in 2022. All flights combined resulted in a carbon footprint of 3,000 tonnes of CO2, which represented a 25% drop between 2019 and 2022. In 2023, however, aviation emissions were back up, rising to over 4,600 tonnes, a 15% increase compared to 2019. Proposals for reducing these emissions by introducing a carbon cap have now been drafted. A decision on these proposals will be taken in 2024.

Carbon offsetting
The Sustainability Roadmap includes the ambition of net-zero aviation emissions by 2026. The plan for offsetting carbon emissions was fleshed out in 2023. The goal is to present a final plan in 2024, which should be ready for implementation by 1 January 2025.

Environmental planning
The new Dutch Environment and Planning Act and the Living Environment (Activities) Decree (BAL) will come into effect on 1 January 2024. Preparations were made in 2023 to ensure that the transition from the previous to the new legislation went as smoothly as possible. As part of this, we purchased a migration tool that interfaces with environmental compliance software.

Environmental permit applications
The sites of Nijenborgh 4, Linnaeusborg, and Energy Academy Europe (Faculty of Science and Engineering) are subject to an environmental permit. Because of the construction of the Feringa Building, this permit is no longer up-to-date. That is why, at the end of 2023, we applied for

Total emission by aviation (in tonnes of CO2)



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a revision permit. The draft decision will be published by the competent authority in 2024, after which it will enter into force.

Compliance status
The UG has invested in HSE compliance software. In the reporting period, we worked on customizing this software, determining, for each environmental theme, what its current compliance status was and what actions would be required to ensure full statutory compliance. This targeted approach will help us not only to reach our academic goals, but also to take ownership of environmental issues and create a positive impact on our surroundings.

Food
In October 2023, the Board of the University decided to prioritize vegetarian catering. Since then, the share of plant-based fare in the total food offering has increased by 10% (from 38% to 48%). The share of meat-based options has fallen by 8% since October 2023 (from 36% to 28%). A further drop is expected in 2024.

Performance

Procurement
In 2023, the UG rolled out its first circular public procurement procedure for office furniture based on the principles of the Rapid Impact Contracting method. Under this method, the contractor relies on the knowledge and skills of the market parties it has selected. The aim is to build robust sustainable partnerships and develop a jointly supported strategy (SDG 17, Partnership for the goals). This procurement procedure is circular in nature, meaning that, rather than being scrapped, furniture is refurbished and repaired. We buy as little new furniture as possible and we make allowance for the social aspects of sustainability and regional development.

Ranking
The UG was in the top five of the UI GreenMetric World University Ranking on green campus and environmental sustainability for the third consecutive year. In 2023, 1,183 universities were ranked globally. Just like in 2022, the UG ended fourth in the ranking.

8.2 Real estate

In 2023, the UG developed a strategic real estate plan so as to kick-start a transition to sustainable and future-proof campuses with high-quality amenities. This plan marks the start of the effort to further connections between the city, the region, the corporate sector, and our faculties. What is more, the plan informs our approach to the strategic rationalization of our real estate portfolio, which is based on such factors as highest and best use, energy efficiency, and affordability.

Because of sky-rocketing energy prices, the UG took measures in 2023 to sharply reduce its building-related energy use in future years. As part of this, energy-saving measures (ESMs) were integrated into maintenance projects and new-build developments. We also took specific steps towards implementing additional ESMs on a UG-wide basis, including replacing all lighting by LED fixtures, improving building insulation, and installing smart sensor-driven energy-efficient technologies where possible. By making considerable investments over the coming years, we will be able to slash our energy use going forward, which will help us cut costs and reduce our ecological footprint. Thanks to these measures, our ambition to be a climate-neutral university by as early as 2035 remains realistic. Climate neutrality will be a statutory requirement by 2050.

Construction projects

The UG's building activities to accommodate the needs of teaching and research have been organized into three clusters, i.e. campuses. These campuses form the heart of the UG's physical infrastructure.

1. City Centre Campus
A key aspect of the UG's strategic agenda was the construction of the House of Connections (HoC) at Grote Markt. The HoC has a multifunctional event floor where students, researchers, our network, and the general public can get together to learn, inspire and be inspired, and explore solutions to today's challenges. Born from the aspiration to connect and bring together the leading edge of the University, the HoC also offers flexible workspaces for departments.

Another major development in the heart of the city centre was the construction and extension of the Röling Building, the Faculty of Law's new

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home base. The former library building was converted into a contemporary teaching and research environment, equipped with every amenity the Faculty requires, as well as comfortable and functional workstations.

The building works that were ongoing at the Administrative Buildings warranted extra attention in 2023 due to the integration of additional ESMs in the revitalization of these heritage buildings.

The sale of the Van Swinderen Huys Building at Oude Boteringestraat was finalized in 2023. The sale of this building is in line with the UG's plans to optimize its real estate portfolio in terms of quality and size.

2. Healthy Ageing Campus
The outlines of the Anda Kerkhoven Centre, the new teaching building at the Healthy Ageing Campus, began to take shape in 2023. The building consists of two adjacent structures: a high-rise tower with teaching facilities and a lower foyer with lecture theatres and study areas. Students and lecturers of the Faculty of Medical Sciences and Pharmacy will be moving into the modern building in mid-2024.

New housing is also being developed for University College Groningen at Bloemsingel 1. The design process is all but complete. The building frontage will stay as is, given that it qualifies as a protected townscape. On the inside, the building will be renovated and the planned new-build extension will open up to the new town square at the back.

3. Zernike campus
The Feringa Building, which is the Faculty of Science and Engineering's new home, neared completion in 2023. After years of planning and building, the furniture and the required teaching and research facilities were ready to be installed. Starting from early 2024, researchers will gradually be moving into the Feringa Building. The construction of the sixth and last structure of the Feringa Building will start after a section of Nijenborgh 4 has been cleared and demolished; this is expected to happen in mid-2024.

The plans for a sustainable and multifunctional sports centre at the Zernike Campus were fleshed out in 2023. Together with Hanze UAS and student sports association ACLO, the UG is involved in designing a sustainable and contemporary sports complex just north of the existing facility, which dates back to 1967 and is due for replacement.

8.3 Integrated safety

Institutions of higher education in the Netherlands have significantly upped their integrated safety efforts in recent years. Although teaching and research are, and will remain, their primary focus, offering students and staff a safe learning and work environment is increasingly regarded as part and parcel of their core responsibilities. The increasing focus on integrated safety is fuelled in particular by a rising number of security incidents and risks. The Ministry of Education has stressed that university administrators are responsible for the overall safety and security of their institution in the broadest sense. For this reason, it is important that we never fail to weigh safety and security concerns against the core values of academic freedom, openness, and accessibility. At present, knowledge security, cybersecurity and privacy, and crisis management are priorities for the UG, as is social safety (see Section 7.4).

Knowledge security
Having been established at the end of 2022, the Knowledge Security Advisory Team has now been active for just over a year. In 2023, the Team fielded questions from academics and other staff members. The number of questions is rising as the awareness of knowledge security increases and the Advisory Team becomes better known in the organization.

The Dutch national government conducted a number of investigations at universities that had a bearing on knowledge security, such as knowledge security audits and an investigation into the activities of the China Scholarship Council in the Netherlands. Ahead of the introduction of the Dutch Knowledge Security Screening Act, the universities provided input on the parameters for the list of sensitive technologies and the structure of the Act.

Cybersecurity and privacy
The Board of the University, the Management Council, and the University Council approved the Safe and Trusted programme in February 2022. Processes, procedures, and measures were formulated in collaboration

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with relevant staff members and gradually transferred to the UG organization under the guidance of the programme in 2023. Much consideration was given to the Privacy & Security function in the reporting period.

Crisis management

The UG faced a number of challenging crises in the reporting period. These were evaluated and the UG crisis plan was updated accordingly. In addition, an external party was engaged to conduct an audit of the central crisis team. As part of the audit, members of the UG crisis team were interviewed to determine the maturity level of our crisis management strategies. The UG also held emergency drills at a number of faculties and service units. These were meant to raise the readiness level for, and the capacity to respond effectively to, potential crises.

8.4 Personal data protection

Over the past few years, the UG has become more mindful of personal data protection and, hence, of the rights and freedoms of students, research subjects, and staff members. As a result, personal data protection has become a more prevalent consideration in the conduct of business, as well as in teaching and research, and consultative participation.

In 2021, the UG initiated a number of action programmes that were meant to provide a structured approach to privacy and security issues. Steps under the Safe and Trusted programme were taken in 2022 and 2023. At the end of 2021, the UG's average maturity level was 2.1. This level had risen to 2.4 at year-end 2022 and had reached 2.5 at the end of 2023. The final – informal – target is 3.0. It should be noted in this context that the maturity level is not an end in itself. Rather, it is a means towards eventually exercising greater due care in how we treat the personal data of students, research subjects, and staff members. Specific central services, such as Human Resources and the Centre for Information Technology (CIT), are still in the process of taking steps to improve their core personal data protection processes.

In the domain of academic research, data handling and protection (privacy) and information security remain areas of focus. The Groningen Digital Competence Center (DCC) will support researchers in their privacy and security efforts. We are working on a more centralized approach that will help improve and ensure controls in academic research. Besides enhancing the protection of personal data, this will also increase data integrity and quality. Third parties, research funders, and partnership collaborators are nowadays also making privacy and security demands of researchers.

Another area of continued focus is the structural embedding of risk management strategies, whether they concern the performance of a Data Protection Impact Assessment (DPIA) or the application of Privacy by Design in developing new and existing processes. Integration of these practices into our standard business processes is of the utmost importance.

Now that the pandemic is over and once the Safe and Trusted programme has been completed (late 2023, early 2024), we need to ensure that we stay the course by committing to the results we have achieved, maintaining our heightened awareness of privacy and security issues, and observing our updated procedures, as well as embedding them into the existing organization, both in a centralized and decentralized manner at the faculties and service units.

university of groningen

9. Governance



Opening of the House of Connections
photography Chase Wang

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9. Governance

9.1 Rules of procedure

The UG has adopted a consultative model to generate and increase engagement in its strategic objectives and policies. Faculties and support services have a mandate that allows them, within certain parameters, to tailor the UG's strategies and policies to their own specific disciplines and circumstances and, hence, to more or less define their own agenda.

The Supervisory Board and the Board of the University fulfil the statutory roles assigned to them in the planning and control cycle. The effects of the pursued policies are reflected in the target-driven budget and the annual report. Faculties and services are responsible for their own financial performance. They operate autonomously within the frameworks and guidelines stipulated by the Board of the University.

The UG has in place a robust management information system and a control cycle based on the Plan-Do-Check-Act (PCDA) method at all levels of the University (Board, faculty, and University services). These tools are used to assess the effectiveness of plans and actions taken. Results are reported and discussed during administrative meetings between the Board of the University and the faculty boards, and between the Board of the University and the management teams (MTs) of the University services, at which time it is decided whether the UG will continue, change, or discontinue actions. Funding is contingent on this decision. In addition to administrative meetings between the Board of the University and the organizational units, the UG's strategy and policies are discussed at University level by the Committee of Deans, the University Council, the University Committees for Academic Practice, Education, Student Policy, and Disabled Students, as well as student organizations and the Management Council. This approach is the embodiment of the Govern Together principle.

Central consultative participation body – right of consent

The Dutch Student Loan Act addresses the right of consent that consultative participation bodies possess with regard to the main points of the University Budget. The institution, in cooperation with the University Council, has formalized the processes and procedures governing the right of consent in the University Council Regulations.

Quality Agreements

In the Sector Agreement of 9 April 2018, the Ministry of Education and Universities of the Netherlands (UNL) reached agreements on the quality of higher education, ways for universities to boost their public profile, and shared priorities. These agreements include transparency and accountability safeguards. It was agreed, for instance, that the institutions would allow their consultative participation bodies to exercise their right of consent regarding their plans for student loan system funding. The status report on the Quality Agreements, including the reflection report by the central consultative participation body, is an annually recurring agenda item for the UG's Supervisory Board, which will discuss the report and monitor progress.

National Programme for Education

On 21 May 2021, the Ministry and UNL reached consensus on the National Programme for Education (NPO) in their administrative agreements, which cover such aspects as activities qualifying for funding, accountability methods, and the role of consultative participation bodies. The faculties' consultative participation bodies issued consent on the respective budgets. The central consultative participation body monitors the overall budget. Another administrative agreement was reached about the NPO support programme for research recovery and perspective. Under this agreement, the central consultative participation body has the right of consent regarding planned expenditures.

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Administrative Agreement 2022

In mid-July 2022, the Ministry of Education signed an administrative agreement with all Dutch universities, in which starting and incentive grants for unhampered research, as well as the sector plans, are featured prominently. The sector plans and starting and incentive grants, which were instituted to introduce more flexibility and breathing space to the system, have major implications for the University, faculties, and researchers.

Open Government Act

The Dutch Open Government Act (Woo) took effect on 1 May 2022, superseding the Government Information (Public Access) Act (Wob). The new Act is based on the principle that access to public information is a universal right. It expands upon this principle in different ways, for instance by introducing an extensive active disclosure requirement, which will gradually be phased in over the coming years. This requirement will also have a bearing on the UG's information management practices.

Under the new Act, citizens can continue to file a request for the public disclosure of information (passive disclosure requirement). The UG increasingly receives such requests, which are sometimes extensive in nature. The requests we receive tend to be made by journalists and concern all manner of issues, such as international partnerships, sponsored chairs, public procurement procedures and related incidents, and other positions held by professors. Conversely, the UG also receives requests for opinion from other governance bodies. In 2023, the UG processed 15 requests, either for publicly disclosing information or for an opinion.

Planning and control

The UG follows a transparent centralized planning and control cycle. Based on this cycle, our spend under the University Budget, developments in balance sheet items, and the cash position are monitored throughout the reporting period using period cut-offs and actual spend figures. For Finance and Real Estate, group-level quarterly reports are released that, besides breakdowns of actual and budget spend, also include an analysis of developments, risks, and potential controls. This enables the Board of the University to make timely adjustments when necessary. Administrative meetings between the Board of the University and the faculty boards, and between the Board of the University and the MTs of the University services are held in the autumn. These meetings serve to discuss the financials for the current year and to set budget targets for the next year.

The UG's liquidity position is continuously monitored based on a detailed liquidity schedule that is updated every week. Our cash position has deteriorated in recent years due to major capital expenditures. Given that our capital expenditures will continue to be significant in the years to come, the UG has had to raise loan capital. The first tranche of the loan was recognized in the actual figures for 2023. Also, the interest paid on this loan has been accounted for in the statement of income and expenditure with effect from mid-2023. The UG will receive the second tranche of the loan in 2024. The loan and the associated annual interest expense were included in the multi-year forecast. The UG will start repaying the loan in 2025.

The UG maintains reserves so as to safeguard its ability to continue as a going concern and to absorb risks, such as those associated with funding and changes in enrolment figures. The Dutch Inspectorate of Education has introduced a cap on the level of public equity to be held by an institution. This cap is not a hard and fast number. Rather, it is an indication of a reasonable level of equity. The UG does not hold excessive levels of equity.

9.2 Code for Good Governance

The rules, guidelines, and agreements pertaining to transparent governance and reporting practices are set out in the University's Administrative Regulations and other documents. Complementing the relevant statutory provisions, these are detailed regulations on aspects such as the official positions of the Supervisory Board, the Board of the University, and the faculty boards.

Dutch universities are subject to the Code for Good Governance of umbrella organization UNL. This code embodies the social mission of universities. By adopting the Code, administrators and supervisory board members of all Dutch universities endorse its nine principles. The UNL monitors the implementation of the Code by the universities annually,

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based on their annual reports and the information they publish on their websites. The UG has had an internal mechanism for reporting on compliance with the Code since 2022. Reporting takes place by way of the existing financial planning and control cycle. The UNL will evaluate the Code for Good Governance in 2024.

Self-assessment

The UG performed a self-assessment in 2020-2021, at which time we established that, while our performance on seven of the nine principles was satisfactory, improvements were required on the criteria of principles 2 and 8.

Principle 2

Based on Principle 2, faculty board members need to be included in the target group for efficient and lawful spending of funds. In line with the Code, they are now also being screened for compliance with expense claim rules and procedures governing members of the Board of the University. Expense claims submitted by members of the Board of the University are subject to full and rigorous checks in accordance with the Expense Claim Regulations for Board Members of Dutch Universities. Effective from 1 January 2022, expense claims submitted by faculty board members have also been subjected to screening based on the Code. This procedure is now part of our standard internal controls. The screening did not reveal any anomalies in 2023.

Principle 8

Principle 8.2 reads as follows: 'The executive board ensures that, when entering into a commitment with a legal entity and/or a partnership, entailing financial and/or administrative involvement, it is clear how this contributes to the implementation of the university's strategy. The executive board ensures that this contribution is periodically reviewed.'

The Board of the University addressed the issues associated with Principle 8 as follows: each new instance of the UG's financial and/or administrative involvement in a legal entity or partnership is subject to the prior approval of the Board of the University. Before a decision is taken, the Board of the University is advised of the financial, legal, and strategic consequences of such involvement.

Periodic evaluation is performed as part of the financial statement cycle and the periodic review of the Strategic Plan. Principle 8 of the Code also directly overlaps, in terms of subject matter, with the implementation of the Policy Rule on Investing Public Funding in Private Sector Activities of April 2021 (see also the related passage in Section 9.3 below). This reporting also takes place as part of the financial statement cycle. The UG's annual report lists all known related parties in the required Model E (overview of related parties). Faculties are also expected to make an internal report of their affiliated legal entities at central level every year.

9.3 Transparency Document *('Notitie Helderheid')*

Theme 1: Outsourcing

The UG does not outsource to private organizations any teaching in degree programmes listed in the Central Register of Higher Education Programmes (CROHO).

Policy Rule on Investing Public Funding in Private Sector Activities (formerly Theme 2)

Subject to conditions, universities are allowed to invest public funds in private activities such as contract teaching and research. The Ministry of Education, Culture and Science (OCW) defines 'private activities' in its policy rule as "all activities that are carried out partly under the responsibility of the competent authority of a funded educational institution, insofar as these activities are aimed at more than just the execution of the funded statutory task". With this policy rule, OCW wants to prevent public money leaking away to private activities and disrupting market forces. In recent years, regulations in this regard have been tightened through the OCW policy rule from April 2021 'Investing with public funds in private activities'. This policy rule replaces 'theme 2 from the clarity notes of 2003, 2004 and OCW's subsequent publications on this subject. The interpretation, application and feasibility of this policy rule as well as its accountability and control have been the subject of consultation between OCW and umbrella organizations, auditors, the inspectorate and educational institutions since its publication in 2021.

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In response to the new policy rule, the UG conducted intensive research into all its activities and (re)classified them as public or private. It then determined whether the activities classified as private met the criteria in the new policy rule. Within the university, an expert group conducted this study by making a survey of the UG's activities with the key questions being the purpose and target group for each activity. Based on these questions, the policy rule (and the Q&A issued by OCW), the expert group classified all activities as public, private or mixed and this classification was validated internally by the faculties and departments. In addition, an analysis on the other income was made to identify additional private activities, and if any, it was substantiated that they comply with the policy rule. These steps are safeguards to ensure that the UG acts and accounts in accordance with the policy rule.

In the report of the Board of the University, the UG accounts for activities classified as private that exceed the materiality of € 0.8 million. This limit applies per defined activity (such as contract teaching or rental, for example). On this basis, the following private activities are accounted for in the Report of the Board of the University:

Rental Income
Rental income totaled €2.4 million in 2023, of which €0.9 million was rental income of the Sports Centre rented to the ACLO Foundation. The provision of sports facilities to students contributes to and is necessary for the performance of the legally funded tasks of the UG in the field of education. According to the UG, this activity therefore qualifies as a public activity. Due to friction in supply and demand at other UG locations, there may be a temporary surplus of rooms which the UG can rent out to third parties; this is a private activity. In 2023, the income from private rental income amounted to € 1.1 million. In accordance with the rental policy, the rental rates used are in all cases in line with the market and the service costs charged cover costs (integral rate). Where appropriate, an independent broker is engaged to determine the market price. The daily management, for example, of the building in which the Energy Academy is housed, is carried out by the UG (excluding building-related installations). For this purpose, the university charges service costs to the Energy Academy on the basis of a cost-recovery rate per m2.

The best estimate of rental costs (defined as depreciation, energy- and service costs) is € 1.4 million (including the Sports Centre). An important note here is that some of the rented spaces have no or low depreciation costs.

Income on third party contracts
Projects that are fully funded by companies and institutions and receive a quid pro quo are classified as private. The UG structures its budget for this income on private third party contracts so that always the full cost price will be charged. Income on third party contracts flows back to the university to conduct follow-up research. In 2023, the UG has realized revenue from private income on third party contracts of € 6.3 million (excluding UMCG R&E). Turnover from private income on third party contracts at UMCG R&E amounted to € 24.8 million in 2023. This mainly concerns clinical trials and projects with a result obligation for which the UMCG makes the knowledge and specific expertise more widely available to society. Results are often made public through publications. As such, this private income on third party contracts falls under the core task of knowledge valorization. In addition, these projects (mainly clinical trials) are not in competition with the market.

On net, income on third party contracts at both UG and UMCG R&E is at least covering all costs. As a result, no public funds are applied to these activities.

In addition to income on third party contracts, UMCG R&E conducts scientific research funded by foundations and charity funds. The income from these activities amounted to €20.3 million in 2023 and are part of knowledge valorization. Through publications the results are made public. After allocating direct costs and surcharges on costs, the scientific research activities are at least covering all costs. As a result, no public funds are applied to these activities.

UMCG R&E provides accredited but not OCW-funded (academic) study programmes. These programmes qualify as private activities and concern the study programmes in general medicine and geriatrics (worth €7.1 million). The operation of the study programmes takes place through SBOH (non-profit organization in the sector). There is no financial gain - the subsidy is basically result-neutral. The primary goal of providing these

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programmes is to contribute to the overall (first-line) healthcare of the Netherlands and is therefore a public task.

In addition, postgraduate education falling within the definition of contract education is offered in other faculties of the UG, for example the medical care psychologist programme. The revenues of these activities total €3.9 million in 2023. By offering postgraduate education, the UG is able to provide high-quality education for regular students as well. For these students and staff, this clearly offers added value.

On net, contract education at both UG and UMCG R&E is at least covering all costs. As a result, no public funds are applied to these activities.

There are also other activities offered by the Language Centre that qualify as both public and private. The Language Centre helps everyone, from students to professionals and from participants in a civic integration programme to private individuals, to communicate successfully, to develop in the field of language and culture, and participate in society. These activities are aimed both at the UG's own staff and students and at third parties. By combining both target groups, the Language Centre is able to offer high-quality services. The fact that employees and students also benefit from this, is an added value. For 2023, the private activities have been distinguished from the public activities because in the administration these processes are no yet fully separated: 66% of the revenues are public. In 2023, the private revenues of the Language Centre amounted to € 1.5 million and the private costs were € 1.1 million.

Centre for Dental and Oral Medicine
UMCG R&E provides by OCW-funded dental and oral healthcare programmes. As part of these programmes, students perform treatments (worth €1.8 million). With these treatments, students learn important skills to complete the funded programmes in dental and oral healthcare and gain practical experience for their future professional careers. The activity is basically result-neutral. Therefore, no public funds are applied to this activity.

Supply of energy to third parties
Energy costs, gas and electricity, are, at least, charged at cost price to a number of external users (being non-UG). These users are housed on UG premises. In 2023, a total of € 1.3 million was passed on in this way by the UG to these third parties for actually realized energy costs. Based on contracts, the real estate organization of the UG charges the energy costs monthly and the final settlement takes place annually. The added value for the UG is that these external users contribute to the academic community.

Secondments
In the case of outbound secondments, employees are given the opportunity to develop and broaden their skills at another organization. This fits in with the UG's policy of giving employees the opportunity to continue to develop throughout their careers.
Revenue from secondments totaled € 2.3 million in 2023. This does not (yet) distinguish between public and private secondments. One of the stipulations of the UG's rules for hiring external staff is, among other things, that outgoing secondments must cover costs. The use of the integral cost price in these cases is monitored by the Human Resources department. The best estimate of the cost of all secondments is €2.1 million in 2023.

Van Swinderenhuys
In 2023, the UG sold the Van Swinderenhuys through a business broker for a market-based price of €1.5 million. The result on sale amounted to € 0.1 million. The intention to sell was published on the UG website in accordance with the Didam judgment.

The Ubbo Emmius Foundation
The Ubbo Emmius Foundation (UEF) is a foundation affiliated with the UG that maintains alumni relations and raises funds exclusively for the UG. From its public funds, the UG provides staff free of charge (three FTE in 2023, € 0.3 million). The fundraising and alumni relations activities are a direct extension of the statutory task and provide demonstrable added value, as resources return directly to the UG and are used for research and education. The alumni policy component qualifies the UG as a public activity. The UG revised its agreements with the UEF in 2023 and the aforementioned staff costs will be charged to the UEF foundation from 2024 onwards.

RUG Houdstermaatschappij
The UG recognizes two participating interests in its 2023 financial statements that are classified as private activities. The results of the

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participations less the initial contribution to these participations are accounted for in the designated reserves (private). The participating interests are the RUG Houdstermaatschappij B.V. (hereinafter RHM BV) and University of Groningen North West Germany GmbH.

RHM BV (with RUG Ventures as its trade name) was founded in 1996 and is a 100% subsidiary of the UG with the aim of starting up knowledge-intensive companies from within the UG to bring scientific ideas and research results to the market. The activities of the RHM BV are in line with the UG's Strategic Plan 2021-2026, which identifies social impact as one of its primary responsibilities. The RHM BV is an important part of the entire knowledge chain, from knowledge creation and knowledge sharing to knowledge utilization and the creation of economic added value. In addition, in the Strategic Plan, 'Lifelong Learning' is a central principle in the field of education: being a student is not limited to the boundaries of an academic study, but essentially applies for a lifetime.

University of Groningen North West Germany
University of Groningen North West Germany GmbH (hereinafter UGNWG GmbH) was founded in 2016 and sees its task as expanding and deepening the goals and objectives of the UG as a globally recognized top university at an international level. This includes scientific education and research as well as income on third party contracts. In northwest Germany, UGNWG GmbH maintains intensive cooperation with entrepreneurial partners, public institutions and official bodies. In addition, UGNWG GmbH offers both continuing education and mediation services for students and academics.

The UG's financial statements do not have to include data from companies whose combined significance is negligible for the whole (RJ217.304). As of 2023, the UG will make use of this consolidation exemption for all participating interests.

Other activities
In addition to the activities mentioned above, the UG has performed several other private activities that separately do not exceed €0.8 million (the materiality), but as a cluster the revenues in 2023 amounted to €2.5 million. This concerns, for example, restaurant facilities, catering and the occasional provision of research facilities and expertise to external parties. The restaurant facilities and catering are part of the student and staff facilities and contribute to an inspiring learning and working environment. The restaurant facilities and catering have been tendered and awarded in the European Union. The occasional provision of research facilities and expertise contributes to the UG's valorization task.

The following activities are excluded from the external auditor's audit in 2023, but are to be accounted for in the Report of the Board of the University:

Lifelong Learning/Lifelong Development
One of the UG's strategic goals is to provide students with the skills, competences and knowledge they need to compete successfully in the global labour market. We also encourage students and professionals to make lifelong learning their own and structurally enhance their employability. Based on the available information, the best possible distinction has been made between activities from income on third party contracts (see above) and activities from Lifelong Learning. In 2023, revenues from Lifelong Learning are € 8.0 million. For a more detailed explanation, see chapter 2.4 of the Report of the Board of the University. On net, the UG structures its budget for these activities covered by Lifelong Learning in such a way that the full cost price will always be charged. As a result, no public funds are applied to these activities.

Qualifying year activities
Since the spring of 2007, the UG/UMCG has had a special programme for students from Saudi Arabia that trains them to provide medical care in their home country. This programme was created at the request of the Saudi Ministry of Higher Education. The programme starts with a qualifying year. No new students have enrolled in the qualifying year since the COVID-19 pandemic, which, starting from 13 March 2020, came with multiple lockdowns in the Netherlands, nor have any students registered for the qualifying year in the aftermath of the pandemic. Therefore, there have been no costs and revenues on qualifying year activities in 2023.

University Museum
The UG has a professional support infrastructure that contributes to knowledge sharing with society, outreach and community engagement. Part of this infrastructure is the University Museum. Since 1934, the

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University Museum Groningen has been managing, opening up and presenting the university's academic and cultural heritage. This is part of the UG's statutory duties.
The University Museum also collaborates with faculties on education, research and impact. In the museum, students carry out assignments and internships as part of their education programme (for example art history, history, archaeology, medical sciences, science and engineering). This may result in, for example, exhibitions, public programmes or presentations.
In addition, the museum acts as a venue where researchers display the results of their research to a wider audience in the form of an exhibition.

The University Museum is organizationally embedded in University Services and is accessible free of charge to students and employees of the UG. In 2023, external revenues amount to €0.2 million and total costs to €1.1 million.

Theme 3: Examination exemptions

Exemptions from examination sections are granted to individual students by the competent Board of Examiners. A student may qualify for an exemption if they have previously acquired the relevant knowledge and experience that an examination is designed to assess, either at the UG or elsewhere. A Board of Examiners will set out its exemptions policy in advance as much as possible. Students will not be exempted from an entire degree programme. The Model Teaching and Examination Regulations contain a provision to this effect, which sets the maximum exemption rate at 50%.

Theme 4: Foreign students – costing

In the context of internationalization, the UG participates in exchange programmes with various universities in and outside Europe. In its teaching efforts, the UG complies fully with the costing principles, both with respect to Dutch and foreign students. Exchange programmes are governed by agreements and the exchanging institutions do not charge each other fees. Allowance is made for Dutch students for costing purposes; no allowance is made for foreign students. In 2023, the UG had 1,114 active exchange agreements with foreign universities, which included both Erasmus+ contracts and bilateral exchange agreements with non-EU partners.

In 2023, the UG provided financial support from the Graduation Fund to 42 non-EEA students for reasons of extraordinary circumstances as referred to in Section 7.51 of the Dutch Higher Education and Research Act (WHW): five students received a grant for committee work, eight students for membership of a consultative participation body, and 29 students for special achievements. The total amount in financial support from the Graduation Fund provided to non-EEA students was €56,715.60 in the reporting period.

Graduation Fund

The table below provides a breakdown of the financial support from the Graduation Fund that has been provided to students under Section 7.51 of the Dutch Higher Education and Research Act (WHW). Grants for committee work, membership of a consultative participation body, and special achievements are awarded for the duration of an academic year; the effective period of grants that have been awarded to students dealing with force majeure, illness, disabilities, family issues, informal care, or infeasible programmes is determined on a case-by-case basis. In 2023, one student applied for support on account of their informal caregiving duties.

Graduation Fund

Situation	Number of students	Total of grants	Average amount of grant	Avarage duration of grant
Force majeure: illness, functional impairment, family situation, informal care, or non-degree courses	applications 551 awarded 366	€ 453,540	€ 1,239	dependent on situation
Management position in study/student associations or participation councils	applications 681 awarded 487	€ 980,436	€ 2,013	12 months
Other categories: sporting or cultural achievements, financial support to non-EEA students, funding of studying abroad etc.	applications 79 awarded 63	€ 97,049	€ 1,540	dependent on category
		€ 1,531,024		

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Theme 5: Sponsored tuition fees

Students are expected to pay their own tuition fees as a sign of their commitment to completing their degree programme. Under no circumstances will tuition fees be paid by the UG.

The UG does, however, have an Emergency Fund, which offers financial support to students experiencing financial hardship, for instance when incurring unforeseen uninsurable costs through no fault of their own. Financial support from the Emergency Fund comes either in the form of a gift or a loan.

The Fund will also cover the costs of a study buddy for first or second-year students who have an autism spectrum disorder (ASD) or attention-deficit/hyperactivity disorder (ADD/ADHD). The study buddy will typically be a senior student in the same degree programme. Senior-level students who have recently been diagnosed with ADD/ADHD may also be eligible for a study buddy. The mentored student will pay their study buddy €10 per contact hour. The Emergency Fund will accept expense claims for up to 50 contact hours, subject to a fee payable by the mentored student of no more than €100.

In 2023, the UG paid a total amount of €2,698 from the Emergency Fund to 11 students. Of this amount, €800 was repaid to the Fund in 2023. Gifts and loans from the Fund are capped at €1,250 per student per year.

Theme 6: Module-based enrolment

The UG does not offer programme modules in the form of pre-structured learning pathways leading up to separate certificates, as part of an accredited programme listed in the Central Register of Higher Education Programmes (CROHO). The UG has joined the national trend towards creating more flexible degree programmes (e.g. through microcredentials), obviously without losing sight of the statutory provisions of the Dutch Higher Education and Research Act (WHW) and the relevant transparency requirements.

Theme 7: Cross-registered students

The UG wants its students to find a degree programme that aligns with their aspirations and academic abilities as quickly as possible. Apart from the option for taking elective interfaculty courses as part of their normal curriculum, students are not permitted to sit examinations in programmes in which they are not enrolled.

Theme 8: Customization – costing

Since the spring of 2007, the UG/UMCG has had a special programme for students from Saudi Arabia that trains them to provide medical care in their home country. This programme was created at the request of the Saudi Ministry of Higher Education. The programme starts with a qualifying year. The qualifying year is not CROHO-accredited. Students who successfully complete their qualifying year will move on to the regular CROHO-accredited medical programme.

No new students have enrolled in the qualifying year since the COVID-19 pandemic, which, starting from 13 March 2020, came with multiple lockdowns in the Netherlands, nor have any students registered for the qualifying year in the aftermath of the pandemic. The last 23 new students to embark on the qualifying year joined the programme in the second semester of the academic year 2019-2020. In the academic year 2022-2023, 102 regular students were enrolled in the first semester of the medical programme and 100 regular students were enrolled in the second semester. At the start of the academic year 2023-2024, 93 regular students were enrolled in the medical programme.

As these Saudi students are non-EEA citizens, their training is not eligible for funding by the Dutch government. The tuition fee for Saudi students, which is put towards funding these programmes, is €32,000 per academic year. The tuition fee for the qualifying year is also €32,000. The students in this programme have been awarded King Abdullah Scholarships by the Saudi government. The UG does not have any other customized programmes that are co-funded by a third party, i.e. an external organization or a company, to meet their particular needs.

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9.4 Treasury

All universities in the Netherlands are subject to the Ministry of Education's Regulations for Investments, Loans and Derivatives 2016. These Regulations cover aspects such as the required minimum rating for investments (single A), as well as requirements for a university's governance structure and division of powers (tasks, decision-making, and supervision) and aspects relating to its accounting system and internal control. As the Ministry did not publish any changes to its Regulations in 2023, the UG's Treasury Rules were unchanged in the reporting period. The UG did not make any new investments in 2023. We did, however, cancel our business account with ABN AMRO Bank in 2023. The remaining account balance of €0.1 million was transferred to the treasury account.

The UG took out a treasury loan in 2022. The loan will be drawn in two tranches. The UG received the first tranche of the loan in the sum of €132.5 million on 30 June 2023. The second and last tranche of €132.5 million will be transferred to us on 1 July 2024.

At the UG, we have in place Treasury Rules for our treasury management practices and our financing policy. The goal is to minimize future interest expense on loans and to optimize returns on excess cash within the parameters of the Treasury Rules. The Treasury Rules set out the UG's treasury policy and principles in the form of guidelines for investing, financing, acquiring equity interests, and providing loans to affiliated entities. The UG is not permitted to provide loans unless in the context of its funded task of knowledge valorization.

At year-end 2023, the UG's total cash and cash equivalents amounted to €202.1 million, consisting of a combined credit balance of €1.9 million and €191.7 million held in current account. In addition, the UG recognized €16.5 million in deposits in its balance sheet. Of this amount, €8.5 million will be released in 2024, which is why it has been classified under current deposits within cash and cash equivalents. Other long-term deposits represented a value of €8 million at year-end 2023. These deposits were recognized within financial fixed assets in the balance sheet.

Breakdown of deposits

Duration	Interest (%)	Start (d/m/y)	End (d/m/y)	Amount (mln €)
7 years	0,15	25/10/2017	25/10/2024	3
7 years	0,11	06/02/2017	06/02/2024	3
8 years	0,37	31/01/2017	31/01/2025	3
9 years + 2 days	0,30	17/01/2017	19/01/2026	5
6 years	0,28	30/01/2018	30/01/2024	2,5
Total				**16,5**

Developments in cash position

The UG's cash position improved from year-end 2022 to year-end 2023. The increase in cash was mainly attributable to the first tranche of the loan that was provided to the UG in mid-2023. The Board of the University and the Supervisory Board decided in 2021 to take out a loan from the Dutch Ministry of Finance (treasury banking). The loan was eventually formalized with the Ministries of Finance and Education in July 2022. Campus Zuid Zernike was valued by an estate agent for the purposes of serving as security for the loan granted by the line department of the Ministry of Education. The cash position was also affected by consistently considerable capital expenditures in 2023 on new-builds (particularly the Feringa Building) and continually high energy costs. The cost of new-builds is recognized in accordance with the percentage-of-completion method. The UG's cash position was comfortable at year-end 2023.

9.5 Remuneration of senior officials

Universities of the Netherlands (UNL) engages with employee organizations to negotiate employment conditions for university staff in the Netherlands (Collective Labour Agreement for Dutch Universities). Since 1 January 2013, the members of the Board of the University and the Supervisory Board as well as non-senior officials have been subject to pay

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cap screening under the Dutch Senior Officials in the Public and Semi-Public Sector (Standards for Remuneration) Act (WNT).

In 2023, the statutory remuneration of senior officials was capped at €223,000. The UG did not have in place a transitional regime for the remuneration of senior officials in 2023. The UG did not have any senior officials whose remuneration exceeded the statutory cap in the reporting period.

Senior officials in supervisory roles (i.e. members of the Supervisory Board) are subject to a remuneration cap of 10% or 15% of the statutory ceiling for 2023 (€223,000) for being a member of, or chairing the Supervisory Board, respectively. The UG did not have any senior officials in a supervisory role whose remuneration exceeded the statutory cap in 2023.

In the reporting period, the UG had three staff members (non-senior officials) whose remuneration exceeded the statutory cap of €223,000. One was a non-senior official who was paid royalties, the second had personally negotiated a higher gross salary, and the third was paid inventor's compensation.

The breakdown of the remuneration paid to members of the Board of the University and the Supervisory Board in 2023, and the comparative figures for 2022 are available in the financial statements for 2023, which have been appended to this Annual Report 2023. In accordance with the statutory pay cap provisions, the only information that has been provided for the three non-senior officials whose remuneration exceeded the cap is their job classification (UFO profile).

The amounts for 2023 were reported based on the Expense Claim Regulations for Board Members of Dutch Universities.

Declarations by the Board of the University 2023

	De Vries	Scherpen	Biemans	Wijmenga	Total
Representation expenses, including the fixed expense allowance	3,207	1,237	3,159	2,276	9,879
Travel expenses in the Netherlands	26,522	3,135	3,602	8,209	41,468
Travel expenses abroad	2,312	539	3,081	1,256	7,188
Other costs	2,955	-	733	-	3,688
Total	**34,996**	**4,912**	**10,575**	**11,741**	**62,224**

The table was compiled excluding an amount of €15,900 for internally charged expenses regarding business travel by car from 2022 and 2021 (unnoticed at the time).

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10. Continuity section



Faculty of Behavioural and Social Sciences
photography Silvio Zangarini

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10. Continuity section

The purpose of the continuity section is to gain a greater understanding of the expected consequences of the UG's intended policy on its ability to continue operating in the foreseeable future. It provides the Board of the University with an additional management instrument for engaging in dialogue with internal stakeholders about the expected effects of external developments, combined with the chosen policy for the coming years[1].

10.1 Enrolment numbers and staffing

The total number of students dropped slightly in the academic year 2023-2024 (down 1.7% from the previous academic year). There are multiple reasons for this decline: there are fewer dual-enrolled students, likely because of the Bachelor's-before-Master's rule, and the re-enrolment rate is lower due to the spillover effect of last year's lower influx. We had expected the reintroduction of basic student grants with effect from the academic year 2023-2024 to boost enrolment figures in 2023, but this proved unrealistic due, in part, to a fall in the number of university-ready secondary school graduates. The number of foreign students was stable because the UG has discontinued its active recruitment drive.

1 The multi-year forecast for 2024-2028 (including input variables) in this going concern disclosure is based on the University Budget for 2024, which was adopted by the Board of the University on 21 December 2023 and approved by the Supervisory Board on 20 December 2023.

Students

STUDENTS*	Realized		Prognosis				
	2022	2023	2024	2025	2026	2027	2028
international	9.422	9.429	9.900	10.500	11.000	11.600	12.000
Dutch	25.211	24.618	26.100	25.700	25.000	24.400	23.800
	34.633	**34.047**	**36.100**	**36.200**	**36.000**	**35.900**	**35.900**

*realization: https://www.universiteitenvannederland.nl/zoeken?search-terms=feiten+en+cijfers
(from 2024 onwards DUO prognosis percentages based on realization 2023)

While, as recent as last year, we expected enrolment numbers to rise to 39,400 by 2027, we are now forecasting a stagnation in numbers in the projection period. Because of demographic developments, the number of Dutch students at the UG is anticipated to increase just slightly, if not stabilize, in the years to come, only to drop down in the longer term. The UG does not have the ambition to grow much larger. On balance, our multi-year forecast projects stability in enrolment numbers, with the student population likely hovering around 35,000 by 2030.

In the UG's opinion, the current mix of Dutch and foreign students is just right for both teaching and research as it allows us to address today's issues and challenges from a wide range of perspectives and angles. Internationalization in higher education is also reflected in the UG's Strategic Plan. The Ministry of Education is working on the bill for the Balanced Internationalization Act (WIB), which addresses the unwanted side effects of internationalization in Dutch higher education. Given that the potential effects of this Act on student influx at the UG are unknown at this point, they have not been included in the table above.

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To guarantee and improve the quality of its educational offering, the UG started hiring more academic staff a few years ago. The Board of the University freed up extra staffing budget for the faculties and the hiring ramp-up was identified as a priority in the Quality Agreements for 2019-2024. In addition, at year-end 2022, funding became available under the Administrative Agreement on research and applied universities, which was signed in the summer of 2022. This funding is partially temporary and partially structural, and the Ministry has opted to provide it in the form of sector plans and starting and incentive grants. Starting and incentive grants are awarded for each academic year; they span a period of four years on average. Expectations are that 70% of the funding will be spent on staffing, which – all other things being equal – will cause the headcount to rise and to stabilize after the expansion phase. The number of FTEs will also grow due to the termination of the PhD Scholarship Experiment as of 1 September 2024. Any PhD students who continue to be in scholarship programmes at that date will be offered a position. This effect will gradually fade from 2025 onwards. Discontinuation of temporary funding, such as National Programme for Education (NPO) funding for research and the Ruggesteun support plan, will lead to a further drop in the number of FTEs after 2024.

Staffing levels increased by just over 2.2% in 2023. While we expect our headcount to grow by 7.9% in 2024, we foresee a drop in the number of FTEs in subsequent years, which is in line with anticipated developments in enrolment numbers.

10.2 Financial performance and financial position

Administrative Agreement

The Ministry of Education signed an Administrative Agreement with the research universities in the Netherlands in mid-June 2022. The Agreement is designed to create flexibility and breathing space in higher education. To achieve this, the Ministry has opted for a toolkit with starting and incentive grants, among other instruments. In 2024, the UG will receive €16.0 million in starting grants, which are intended for early-career tenure-track assistant professors. This funding has been distributed across the faculties proportionate to their number of students. Over the term of the Administrative Agreement, the UG will receive funding for incentive grants, which are meant to reduce the workload of tenure-track academic staff. The budget for 2024 makes allowance for €15.7 million in incentive grants. This funding has been distributed across the faculties proportionate to their share in the total number of academic staff (professors, associate professors, and assistant professors). The last element of the Administrative Agreement is referred to as sector plan funding. In the budget, €22.2 million in sector plan funding has been allocated to, and distributed across, the relevant faculties. They are expected to use this funding to implement the sector plan agreements.

Staff

STAFF in fte*	Realized		Prognosis				
	2022	2023	2024	2025	2026	2027	2028
Management	527	574	574	574	574	574	574
Academic	4.139	4.183	4.451	4.420	4.364	4.340	4.340
Supporting	2.330	2.395	2.691	2.501	2.444	2.165	2.165
	6.996	**7.151**	**7.715**	**7.494**	**7.381**	**7.079**	**7.079**

* realization: average number of staff members in full-time equivalents (FTE)

Major financial developments

Despite having received additional funding under the Administrative Agreement, the UG is facing a number of major financial challenges that affect our financial performance and call for policy changes. As mentioned in our Annual Report 2022, these include mounting energy costs, increases in support services costs, and costs associated with sustainability improvements across our real estate holdings. To address these challenges, we launched the Back to Balance 2026 programme (in Dutch: TeRUG in balans 2026) in 2023, which provides supporting arguments for, and expands upon, the austerity targets set in the multi-year forecast created in 2023. The aim is to achieve a €20 million cost reduction by 2026. The adopted measures are now being implemented and the expected outcomes are included in the multi-year forecast.

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The Ministry of Education made a downward adjustment to its reference forecast in 2023 and reduced the UG's enrolment-related funding, starting with a reduction by just over €10.4 million in 2024 and culminating in a €18.9 million drop in funding by 2027. Of this reduction, €10.4 million will be absorbed by the faculties. The remaining amount, which will rise to €8.5 million by 2027, has been added to the Back to Balance austerity package. Besides this reduction in enrolment-related funding and the high rate of inflation, the UG was forced to increase salaries by 9% in 2023 under the new collective labour agreement. These salary increases were only partially covered by the government-funded pay adjustment, creating a funding gap. To date, funding providers have not paid any indexation for staff paid from indirect contributions of central governments and income on third party contracts. As yet, these developments have resulted in an annual shortfall of €22 million.

Overall, these recent developments call for additional structural spending cuts of some €32 million in 2024, rising to nearly €41 million by 2027. To solidify the austerity measures in a responsible manner, to have them widely endorsed, and to implement them with due care, we have broadened the Back to Balance 2026 programme, which addresses our collective governance approach to the four key themes of energy, housing, support, and teaching and research. We now take a more holistic approach to these themes than we did before, engaging with the Teaching and Research Strategy Committees and collaborating throughout the chain, and we apply operational excellence principles in our business practices where possible. This helps us act ahead of current developments and align our efforts to the mid-term evaluation of our strategy.

Financial performance for 2023

The year 2023 ended on a deficit of € 25,1 million, landing the profitability ratio (i.e. operating surplus (deficit) expressed as a percentage of operating income) at -2.8%. This is outside the parameters that were specified for the target figure at institutional level (between 0% and 3%). As a deficit of €52.5 million was budgeted for 2023, the positive variance amounted to €27.4 million. As mentioned earlier, the UG has taken measures to ensure responsible financial results and reserves going forward.

The UG recognized a number of non-recurring income items in 2023. Making allowance for these items, the result cleared of special

Result as per budget 2023 (amounts in € * million)	**-52,5**
Main differences budget 2023 versus annual accounts 2023	
Higher contributions of central governments (wage and price compensation, higher passivation non-normative contributions of central governments)	19,6
Higher external income in particular due to higher income on third party contracts	19,5
Higher (other) staff costs due to the collective labour agreement 2023, increase in FTEs, higher external hiring and updating of provisions	-29,6
Higher accommodation and other expenses (including higher energy costs)	-8,5
Lower depreciation (notably due to delay Feringa Building)	4,9
Balance of higher interest income and lower tuitition fees	6,8
Lower result from participating interests	-1,1
Pro rata refund	15,7
Result as per annual accounts 2023 (amounts in € * million)	**-25,1**
Special circumstances in 2023 effecting in result	
Revenue from sale Van Swinderenhuys	0,1
Correction result 2022 RUG Houdstermaatschappij in 2023	-0,2
Incidental income because of accruals provisions and interest	7,5
Higher energy purchasing costs in 2023	-11,4
Pro rata refund	15,7
Result cleared of special circumstances 2023	**-36,8**

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circumstances for 2023 was a deficit of € 36,8 million (all other things being equal). The table below is a breakdown of the developments discussed above:

Financial performance for 2024 and multi-year forecast

The UG's deficit for 2024 has been budgeted at €43 million, which is in line with last year's forecast despite the aforementioned recent developments that warrant further spending cuts of more than €32 million in 2024. This forecast can be maintained thanks to a windfall in bank interest and higher income from tuition fees. In addition, we will cut costs by €9.4 million under the Back to Balance programme, one of the key themes of which is energy. Thanks to a drop in energy prices since the summer of 2023, the UG managed to purchase cheaper energy, thereby achieving much of our austerity targets in the way of pricing for 2024. We have also budgeted for lower travel and hotel expenses (€1.0 million), we will reduce the costs of rental of buildings and our contingent workforce costs, and we will economize by standardizing IT tools.

The multi-year forecast projects an income surplus with effect from 2026. We cannot stress enough that we will not be successful at rebalancing our income and expenditures, and at achieving the forecast income surpluses unless the entire organization commits to the targets of the Back to Balance programme and to the effective implementation of the measures proposed in this programme. The UG's multi-year forecast shows that the deficit will stabilize from 2023 to 2024, followed by a gradual return to a surplus position from 2026 onwards. The additional setback of €32 million due to the reduction in enrolment-related funding and the funding gap created by the discrepancy between the government-funded pay adjustment and salary increases under the new collective labour agreement will be recognized in our statement of income and expenditure for 2024. The budget for 2024 makes allowance for:

- Lower energy prices and energy-saving measures (drop by €15 million from the forecast for 2023)
- Higher tuition fees thanks to the statutory increase and the fee adjustment under the Back to Balance programme
- A target-driven reduction in other expenses (e.g. travel and hotel expenses and IT insourcing)

Statement of income and expenditures (all amounts in € * 1.000)

		Realization	Prognosis				
		2023	2024	2025	2026	2027	2028
Income	Contributions of central governments	567.596	585.210	591.993	602.669	609.277	609.277
	Other governments funding and grants	-	-	-	-	-	-
	Academic/tuition fees	89.693	100.767	114.853	116.607	115.531	115.531
	Income on third party contracts	178.697	171.817	173.377	179.716	185.184	185.184
	Other income	63.724	68.983	66.314	67.286	64.093	64.093
		899.709	**926.777**	**946.538**	**966.278**	**974.085**	**974.085**
Expenditure							
	Staff costs	666.662	691.619	683.371	678.935	684.141	684.141
	Depreciation, amortization, and impairment	43.374	57.454	58.176	60.702	61.427	61.427
	Accommodation expenses	76.775	64.566	62.205	59.677	58.547	58.547
	Other expenses	145.235	161.229	155.204	153.770	152.758	152.758
		932.046	**974.868**	**958.956**	**953.084**	**956.873**	**956.873**
Operating result		-32.337	-48.091	-12.417	13.194	17.212	17.212
Financial result		7.513	4.247	1.082	242	-591	-592
Result of participating interests		-304	750	750	750	750	750
RESULT		**-25.128**	**-43.094**	**-10.586**	**14.185**	**17.371**	**17.370**

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The multi-year forecast also accounts for interest income of 3% on cash and cash equivalents. In addition, other expenses are expected to fall from 2024 onwards because the PhD Scholarship Programme Experiment will have ended by then. The increase in depreciation charges is due, in part, to the commissioning of the Feringa Building.

The multi-year forecast shows the effects of the considerable sustainability drive on the increase in depreciation charges from €43.4 million in 2023 to €61.4 million by 2027. In the process of breaking down the strategic real estate plan by area plans (city centre, Zernike, and Healthy Ageing), new priority ratings were assigned to property developments, as a result of which total housing costs will stay below the cap of 15% of operating expenses. In the budget for 2024, the share of housing costs in operating expenses is 12.5%. This percentage will stabilize in subsequent years thanks to expected energy savings and the planned decommissioning of Nijenborgh 4.

Interest has been expensed at 1.89% of the balance of the long-term loan since mid-2023. The UG earns Euribor interest on its bank balances, resulting in interest income (€8 million in 2024, dropping to €4 million by 2028).

Financial position

The UG's strategic real estate plan, which was updated in the autumn of 2023, calls for significant outlays on sustainability improvements and building renovations. In the plan period 2024-2028, the UG expects its investments in real estate to amount to about €448 million. Because of these investments and the associated depreciation charges, the carrying amount of tangible fixed assets will increase from €791 million at year-end 2023 to €1,017 million by year-end 2028.

The equity of the university consists of the general reserve and designated reserves and funds. The development of equity in the period 2024 - 2028 shows the expected development of the annual operating results. In the first years of the planning period, the university expects (decreasing) negative results and this is reflected in a decrease in equity. As the result recovers from 2026 onwards, equity also increases from then onwards. This effect is also visible in increasing solvability and profitability.

Balance sheet (all amounts in € * 1.000)

		Realization	Prognosis				
		2023	2024	2025	2026	2027	2028
ASSETS							
Fixed assets	Intangible fixed assets	1.712	143	0	0	0	0
	Tangible fixed assets	791.073	842.671	893.483	928.033	968.997	1.016.563
	Financial fixed assets	18.386	9.886	6.886	1.886	1.886	1.886
Current Assets							
	Inventory	645	645	645	645	645	645
	Receivables	164.456	146.333	146.333	146.331	146.331	146.331
	Cash and cash equivalents	202.094	286.094	231.006	212.809	180.383	141.354
		1.178.364	**1.285.771**	**1.278.352**	**1.289.703**	**1.298.240**	**1.306.778**
EQUITY AND LIABILITIES							
Equity	General reserve	536.649	501.374	497.181	517.616	540.736	551.795
	Designated reserves (public)	25.437	18.437	11.437	4.437	-2.063	3.500
	Designated reserves (private)	3.846	4.596	5.346	6.096	6.846	7.596
	Designated funds (public)	686	686	686	686	686	686
	Other legal reserves	1.712	143	0	0	0	0
Equity	Total	568.329	525.236	514.650	528.835	546.205	563.577
Provisions	Provisions	47.195	47.195	47.195	47.195	47.195	47.195
Liabilities	Non-current liabilities	132.500	265.000	256.167	247.333	238.500	229.667
	Current liabilities	430.340	448.340	460.340	466.340	466.340	466.339
		1.178.364	**1.285.771**	**1.278.352**	**1.289.703**	**1.298.240**	**1.306.778**

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The provisions included in the balance sheet mainly concern various personnel provisions and a provision for environmental risks (asbestos) and the dismantling of the AGOR cyclotron. In the multi-year perspective, the size of the total provisions is assumed to be constant.

The UG has engaged in asset-building over the past few years, which has resulted in a robust balance sheet. Due to our decision to raise loan capital and because of the budgeted deficit for 2024, our ratio for solvability will drop temporarily (see table below). Non-current liabilities will rise to € 265 million in the plan period. These involve a loan from the Dutch Ministry of Finance, which serves to fund sustainability improvements to UG buildings.

The solvability 2 ratio (i.e. equity + provisions expressed as a percentage of total assets) will drop to 45% in 2024. In the plan period, the solvability ratio will stay well above the minimum requirement imposed by the Dutch Inspectorate of Education. Based on the current multi-year forecast, the solvability ratio will rise slightly from 2026 onwards thanks to repayments on the long-term loan and the budget equilibrium.

The UG's cash position has deteriorated in recent years due to major capital expenditures. Given that we will continue to expend capital in the years to come, the UG has had to raise loan capital. The UG received the first tranche of a €132.5 million loan on 1 July 2023. The second tranche of €132.5 million will be transferred to us on 1 July 2024. Annual repayments of €8.8 million on the loan will be due starting from 2025.

The cash and cash equivalents surplus is expected to exceed the minimum cash reserve (5% of income) in the next five years. Besides loan capital, the UG has also contracted a temporary overdraft facility from the Ministry of Finance. This overdraft facility, which is referred to as treasury banking, has been capped at 10% of contributions of the central governments. We do not expect to have to draw upon this facility in the plan period.

We use key indicators to assess our financial position. In doing so, we review developments in target values over an extended period and benchmark them against the averages for Dutch universities. As part of its financial supervision, the Dutch Inspectorate of Education has used three key ratios with minimum requirements since 2021.

Cash flow (in € * 1.000)

	2023	2024	2025	2026	2027	2028
Cash flow balance as on January 1	**127.241**	**202.094**	**286.094**	**231.006**	**212.809**	**180.383**
Operating result	-32.337	-48.091	-12.417	13.194	17.212	17.212
Financial result	7.513	4.247	1.082	242	-591	-592
Result of participating interests	-304	750	750	750	750	750
Changes in net working capital and provisions	37.671	37.692	12.143	6.000	0	0
Depreciation	43.374	57.454	58.176	60.702	61.427	61.427
Cash flow from operating activities	**55.918**	**52.053**	**59.733**	**80.887**	**78.798**	**78.797**
Investments in tangible fixed assets	-98.566	-82.821	-97.915	-82.419	-90.609	-93.993
Investments in ICT, equipment, inventory	-15.000	-26.232	-11.073	-12.832	-11.781	-15.000
Cash flow from investing activities	**-113.566**	**-109.052**	**-108.988**	**-95.251**	**-102.390**	**-108.993**
Proceeds new borrowings	132.500	132.500	-8.833	-8.833	-8.833	-8.833
Withdrawal of deposits		8.500	3.000	5.000		
Cash flow from financing activities	**132.500**	**141.000**	**-5.833**	**-3.833**	**-8.833**	**-8.833**
Cash flow balance as on December 31	**202.094**	**286.094**	**231.006**	**212.809**	**180.383**	**141.354**

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Financial*

	Alert-value- Ivh0	Universities 2022	UG realization 2022	UG realization 2023	UG prognosis 2024	UG prognosis 2025	UG prognosis 2026	UG prognosis 2027	UG prognosis 2028	Target value
solvability	n.a.	0,45	0,59	0,48	0,41	0,40	0,41	0,42	0,43	> 0,50
solvability 2	< 0,3	0,50	0,64	0,52	0,45	0,44	0,45	0,46	0,47	> 0,3
current ratio	< 0,50	0,91	0,73	0,85	0,97	0,82	0,77	0,70	0,62	> 0,50
cash and cash equivalents	< € 2,0 mln	n.a.	127	202	286	231	213	180	141	> € 2,0 mln
profitability	n.a.	1,1%	-2,2%	-2,8%	-4,6%	-1,1%	1,5%	1,8%	1,8%	0% < > 3%

(*source: https://duo.nl/open_onderwijsdata/images/wo-gegevensboek-2018-2022.pdf)

1. Solvability ratio
The UG's solvability ratio (i.e. equity expressed as a percentage of total assets) is currently relatively high, which is due, in part, to the fact that we prefer to equity-finance real estate outlays. Loan capital has been raised with effect from 2023 to fund the implementation of the strategic real estate plan. This will result in a drop in the solvability ratio from 0.48 in 2023 to 0.41 in 2024. The solvability ratio will rise with effect from 2026 thanks to the UG's return to financial sustainability from 2026 onwards. This will cause the solvability ratio to increase back to 0.43 by 2028. The Inspectorate of Education uses a solvability ratio that includes provisions. This is referred to as the solvability 2 ratio. The UG's solvability 2 ratio is well above the Inspectorate's minimum requirement.

2. Current ratio
The UG's current ratio (i.e. current assets expressed as a percentage of current liabilities) is also relatively high. The implementation of the strategic real estate plan is largely equity-financed. While the current ratio will fall in the plan period due to real estate outlays, it will stay above the minimum requirement of 0.5. Developments in cash position will not pose a problem, given the funding options available to the UG.

3. Profitability ratio
The UG's profitability ratio is defined as the operating result expressed as a percentage of total operating income times 100%. The UG is required to post an average (i.e. small) surplus (between 0% and 3%) to ensure its ability to continue as a going concern. A one-off high operating surplus requires explanation in the notes and a structurally high operating surplus constitutes a mission drift. The profitability ratio is decreasing in 2024, only to improve in subsequent years when we expect a gradual uptick in our financial performance. Starting from 2026, the operating surplus ratio will return to our targeted bandwidth of 0% to 3% thanks, in part, to the Back to Balance 2026 programme. Under this programme, the UG will implement significant spending cuts over the next few years, resulting in budgeted structural operating surpluses with effect from 2026.

Cap on equity
Since 2020, the Inspectorate for Education has applied a cap on the equity reserves Dutch universities reasonably require, bearing in mind that they are funded with public money and that they need to maintain a risk buffer. The cap for the UG was set at €1,052 million for 2023. The UG's actual publicly funded equity exclusive of statutory reserves amounted to €564

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million, well below the cap. Because of planned expenditures on tangible fixed assets and the temporary operating shortfalls, we expect to stay comfortably below this cap in the plan period as well.

10.3 Integrated risk management and control system

The UG conducts its risk management in accordance with the Management System for Integrated Safety in Higher Education, a nation-wide platform initiated by the Universities of the Netherlands (UNL) umbrella organization. Institutions of higher education in the Netherlands have significantly upped their integrated safety efforts in recent years. Although teaching and research are, and will remain, their primary focus, offering students and staff a safe learning and work environment is increasingly regarded as part and parcel of their core responsibilities. The increasing focus on integrated safety is fuelled in particular by a rising number of security incidents and risks. The Ministry of Education has stressed that university administrators are responsible for the overall safety and security of their institution in the broadest sense. For this reason, it is important that we never fail to weigh safety and security concerns against the core values of academic freedom, openness, and accessibility. The UG has identified knowledge security (protection of intellectual property and academic knowledge), social safety, cybersecurity, privacy, and crisis management as priorities.

In this context, the CIO Office will organize a variety of risk management courses for staff in 2024. These sessions are meant to raise our staff's awareness of privacy, cybersecurity, and risk management issues.

The UG made advances in 2023 in professionalizing the organization and the quality of our internal control structure. The main focus areas were procurement and project control. The procurement transition plan was further developed in 2023. We followed up on the recommendations following an external assessment, for instance by harmonizing public procurement procedures, using spend analysis, creating a detailed public procurement calendar, instituting a tender board, and implementing a division of duties in the procurement process with controls in the PDCA cycle. The goal is to foster transparency and accountability, which is part of the procurement professionalization drive. Internal Audit conducted its first thematic audit in 2023. This concerned an audit of major repairs in the maintenance budget. Follow-up thematic audits will be performed in 2024.

The project control professionalization programme was implemented in 2023 to solidify the ambition to improve our project controls. We hired more project controllers and added a project control team to our Financial Shared Service Centre (FSSC). We are also working on implementing PowerBI in the reporting process and we assigned greater weight to accountability in our business processes.

Risk management and control system

The UG is committed to having in place a robust risk management and control system in line with UNL's Code for Good Governance. Risks are assessed on a regular basis, making allowance for internal and external factors. By implementing policy lines and internal controls, the UG seeks to maximize opportunities and minimize threats. We monitor the effectiveness of our controls on a periodic basis, apply strategies where needed, and report on any identified risks.

The main building blocks of our internal risk management and control system are our governance structure, our Strategic Plan, and the annual planning and control cycle, in combination with the key financial indicators adopted by the Supervisory Board.

A detailed description of the UG's governance structure is available in the Administrative Regulations. The UG has an integrated decentralized governance model. Duties and responsibilities relating to teaching, research, and operations management have been delegated to the faculty boards. The UG's current strategic course has been outlined in our Strategic Plan 2021-2026.

The UG strategy 2021-2026 'Making Connections' has been translated by the faculties and departments into a faculty strategy. Risk management is an important starting point in the consideration and decision-making to achieve objectives. Risks to the realization of faculty strategies and hence the UG's strategy and any necessary internal control measures are periodically monitored in accordance with the PDCA cycle. This also involves an internal assessment of the university's risk appetite in relation

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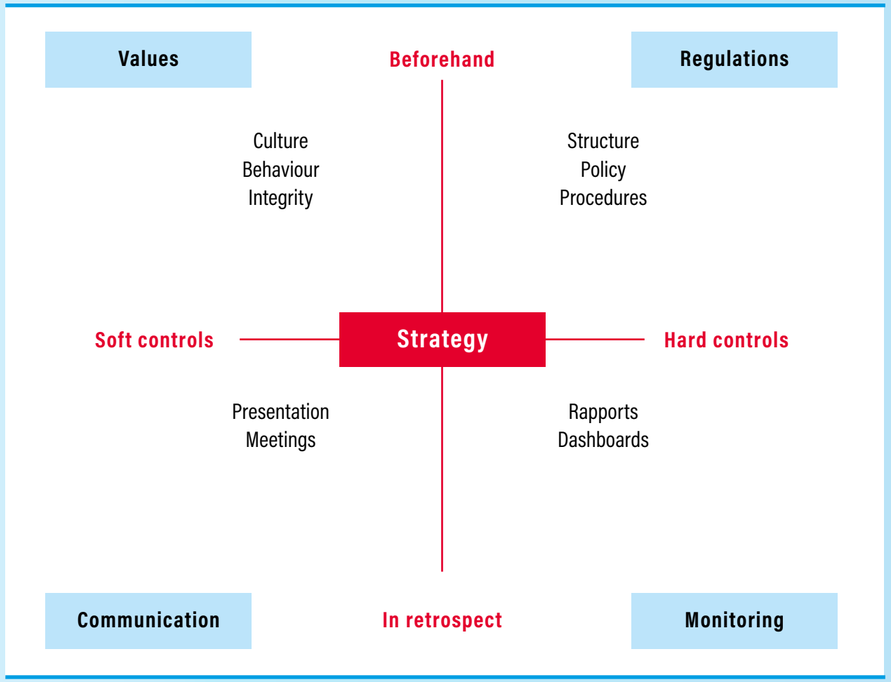
to its risk capacity and risk tolerance. In this context, risk appetite is the extent to which the UG is prepared to take risks (within its capacity and tolerance, as well as standards and values) in the desired achievement of its strategic objectives. This involves finding the right balance between risk taking and risk management through adequate internal control measures. The overview in 10.4 of the main risks of managerial concern within the UG is related to the strategic objectives and described with due regard for the main external trends and developments affecting the various risks. Aspects such as internal standards and values, social acceptability (stakeholders), reputation, risk-bearing equity, returns and, of course, legislation and regulations imposed by regulators are important considerations in this regard.

We use a planning and control cycle to match our strategy and activities in the domains of research, teaching, and valorization to our funding. The Board of the University adopts the financial planning and control cycle annually. This cycle specifies how, and based on which principles, frameworks, and formats, the multi-year forecast is to be drawn up and adopted. The cycle, which is part of the our PDCA cycle, also formalizes how, and using which format, faculties and service units are expected to report their actual and budgeted figures, as well as any changes to their forecast, to the Board of the University every quarter. In these reports, they are required to address any notable developments that may have occurred, any risks they foresee, and any confirmed or planned mitigating measures or actions they have taken. If so warranted, the Board of the University will discuss these quarterly reports with the faculty boards and the MTs of the service units. These discussions will take place in the context of compliance and advancements on ambitions in the domains of research, teaching, and societal impact.

Organizational structure

In managing risks, the UG relies on four lines of defence. Operational line management qualifies as the first line of defence. The second line of defence is formed by the compliance function monitoring the internal control structure, i.e. the controllers at centralized and decentralized level. The third line of defence is the centralized independent internal audit function, which provides assurance on the effectiveness of the first and second lines of defence. Finally, the fourth line of defence is the independent external auditor. Besides the governance structure and the



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planning and control cycle, the UG has in place rules and procedures aimed at identifying and mitigating risks and achieving strategic goals, with due observance, at all times, of the applicable laws and regulations. Examples of such rules and procedures are the spend analysis in quarterly reports, which is used to check the legitimacy of purchases. The UG has an Audit Charter, a Tax Charter, and Treasury Rules that comply with the Ministry of Education's Regulations for Investments, Loans and Derivatives 2016.

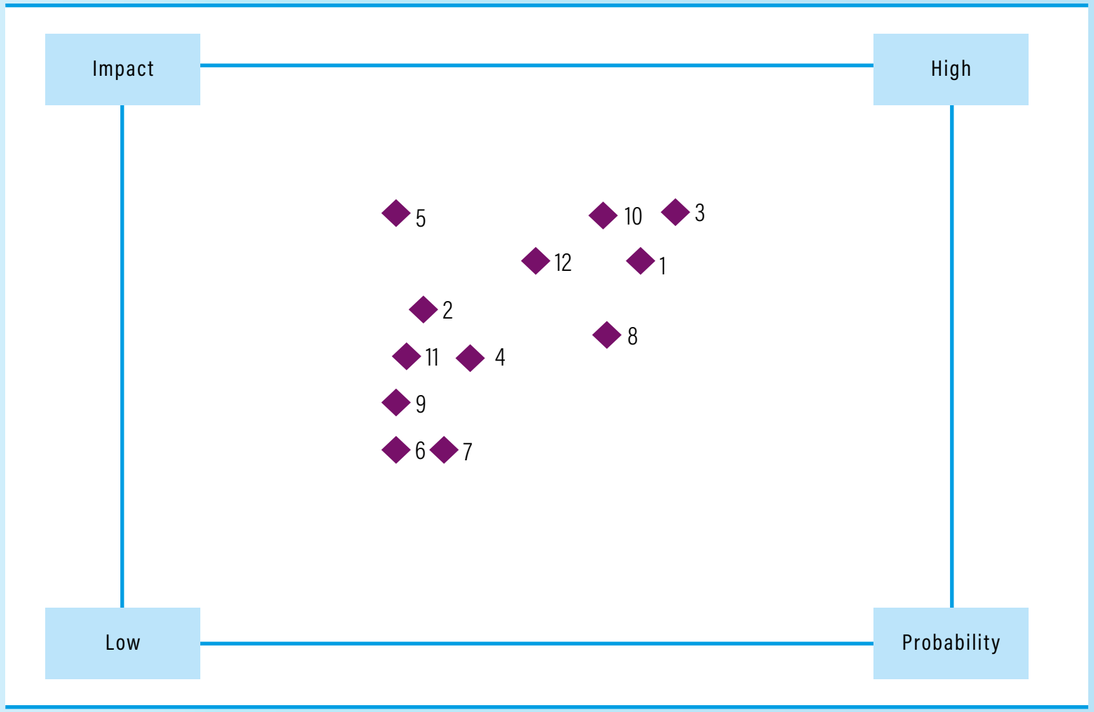
In addition to focusing on regulatory compliance and embedded hard controls, the UG will also continue prioritizing soft controls such as encouraging ethical conduct, fostering a speak-up culture, and promoting accountability. The soft controls will be expanded upon in 2024.

The set-up of the internal risk management and control system is illustrated in the diagram below, which distinguishes between hard and soft controls, and between ex-ante and ex-post internal controls.

10.4 Risks and uncertainties

What follows is an overview of the UG's current and structural key risk themes that have been assigned Board priority. The controls used to mitigate the associated risks are described in the fourth column. Risks are quantified as much as possible.

A risk assessment has been performed to determine the level of required controls. In the context of this risk assessment, the probability of a risk occurring and the related impact have been analyzed. The outcome of the risk assessment has been plotted in the diagram on the right.



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Theme	Label	Uncertainties and risks	Controls
1. Cybersecurity and privacy	Current	As illustrated in the threat assessment for 2023 issued by SURF, an association of teaching and research institutions in the Netherlands, the cyber threat level in higher education continues to be high. DDoS attacks, phishing, and ransomware attacks are the most common permanent threats faced by institutions of higher education.	Risk-based working is particularly effective in strengthening our defences and building adequate cyber resilience. The UG's Safe and Trusted programme entered its second and last year in 2023. The transfer to the existing organization will take place in the first quarter of 2024. In the context of the programme, we looked at developing the UG's privacy and security (P&S) function, using a governance model consisting of a 'guild' of P&S Coordinators from all faculties and services, and privacy lawyers, with input from Information Security Officers (ISOs). The guild reports to the Chief Privacy Officer (CPO) and CISO. As this is an official role at the UG, all faculties and services are required to have at least one P&S Coordinator. The P&S Coordinators have been trained in risk management and information security. We also started offering a continuous awareness campaign with workshops to educate students and staff about cyber risks and what they can do personally to mitigate them. Our ambition to improve our privacy score to 2.5 (CIP protocol) and our security score to 3.0 (SURF/NOREA protocol) is very much alive. We aim to reach these targets while maintaining a clear focus on our essential priorities and the organization's capacity for change. In 2023, the Board of the University decided to shore up the UG's IT/cybersecurity infrastructure by allocating structural extra funding. A CIO Office was created and additional cybersecurity officers were hired.
2. Social safety	Current	The UG is committed to offering a respectful and safe environment to its students and staff. Social safety contributes to a healthy workplace and an optimal studying environment in which staff and students have the opportunity to flourish and reach their full potential.	We launched an awareness campaign accompanied by a webpage outlining all available information on social safety, we published instructions for how to make a report, we offered Active Bystander lectures and workshops, we conducted a pilot involving social safety training for managers, we organized a session for student board members on the role of confidential contact persons, and we put on a play about social safety. Based on the outcome of the staff satisfaction survey, we also initiated a multi-year social safety plan with a focus on prevention. The faculties and services came up with action plans based on this multi-year plan. Finally, we expanded upon our internal Threatened Academics Desk.
3. Knowledge security	Current	International partnerships, underpinned by our core values of academic freedom and integrity, are vital for academia and for the UG. We do not want our research to be used elsewhere, for instance for military or repression purposes.	The Knowledge Security Advisory Team was established at the end of 2022. This team answers questions from academics and other staff members. The number of questions is rising as the awareness of knowledge security increases and the Advisory Team becomes better known in the organization. The Dutch national government conducted a number of investigations at universities in 2023 that had a bearing on knowledge security. These included knowledge security audits and an investigation into the activities of the China Scholarship Council in the Netherlands. Ahead of the introduction of the Dutch Knowledge Security Screening Act, the universities provided input on the parameters for the list of sensitive technologies and the structure of the Act.

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Theme	Label	Uncertainties and risks	Controls
4. Job market	Current	The inability to attract or retain talented staff comes with major risks for the UG's market position in teaching and research, impact, and ability to continue as a going concern. Competition on the job market is fierce, given that other universities, which have also received funding under the Administrative Agreement 2022, have the same extra demand for academic staff. Another factor in 2023 was the tough regional competition for qualified support staff (e.g. IT officers, programme managers, project leaders, financial experts, and HR specialists). This theme also touches upon the risk of excessive workload, which could lead to long-term absenteeism due to stress-related illness.	The UG invests in programmes to attract and retain talented academic staff. These programmes include Dual Career Support for partners of talented academic staff, Aletta Jacobs Chairs for female academics, and Young Academy Groningen for early-career academic staff. To lessen the workload for academic staff in particular, the UG invests in hiring extra academics, charging the associated personnel expenses against its reserves. Action plans were drawn up further to the outcome of the staff satisfaction survey that was held in 2023. These action plans were discussed in the autumn Administrative Meeting of 2023. The UG also started building a recruitment function, which will be responsible for more actively approaching talent in the job market and providing better assistance to hiring managers in recruitment and selection processes. Given that talent recruitment is a time-consuming exercise, the recruitment function will also help to reduce the workload of incumbent staff.
5. Building safety and security	Current	The UG is having to perform a balancing act between building accessibility on the one hand and not wanting unauthorized persons to enter buildings and spaces designated for students and staff on the other. This calls for informed decisions on risk appetite and maximizing physical and social safety, and – hence – digital security. The risk of earthquakes due to gas extraction in our local area continues to be present for the time being. All new-builds are constructed to be earthquake-proof and existing buildings have been inspected. The UG has asked NAM, the gas extraction company, to contribute towards the extra costs of reinforcements and repairs.	In response to the recommendations of the report, physical security measures were prepared in 2023 to improve and streamline physical security management and infrastructures. Technology, organization, and human actions were identified as three key components and it was determined that the service offering is wide-ranging, perhaps too much so. A security manager was hired at the end of 2023 to flesh out and implement the recommendations. As the gas extraction activities in our local area were all but discontinued in 2023, we do not, for the time being, expect new issues to surface with regard to building safety. We will continue to inspect our buildings periodically.
6. Loss of reputation	Structural	The UG's reputation hinges on the perception and overall impression that stakeholders, i.e. staff, students, researchers, the media, politics, and the public, have of us as an organization. This is affected by how we conduct ourselves, the services we provide, and the way in which we communicate. A public institution such as the UG is susceptible to loss of reputation, mostly on the grounds of substantive and conduct-related issues (see also the other themes), but due to miscommunication as well.	At the UG, we take a targeted approach and pursue a consistent communication policy in our messages, whether on our website or on social media, or through our media relations officers. We are committed to upholding our reputation and our good standing. The focus is on aspects such as diversity, social safety, security, and UNL's Code for Good Governance. We also continuously screen our staff for additional activities outside their regular roles. Developments in society and geopolitical conflicts increasingly affect the academic community. We make allowance for this in our communication policy, which focuses on fostering connections and prioritizes psychological safety and respect.
7. Student influx	Current	Based on demographic developments, the UG foresees a drop in enrolment numbers of Dutch Bachelor's students over the next few years. What is more, as a university in a region experiencing population decline, the UG is particularly vulnerable to the adverse effects of the proposed government measures to limit the influx of foreign students. Depending on the scope of the nation-wide measures, the UG expects the Dutch Balanced Internationalization Act (WIB) to potentially result in a further decrease in the influx of foreign students.	The UG has forged regional partnerships in the Northern Netherlands (University of the North) as well as in North West Germany. We organize information sessions at secondary schools throughout the Netherlands. That said, the UG also seeks to be an internationally oriented, global university that welcomes foreign students and staff. The UG promotes the influx of students in its Bachelor's and Master's programmes within the parameters set by the Ministry of Education, and in line with the Administrative Agreement: all our programmes have an online presence, we hold information sessions and recruitment drives at secondary schools throughout the Netherlands, we organize the Master Week, and we develop tailor-made marketing strategies for specific programmes.

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Theme	Label	Uncertainties and risks	Controls
8. Research funding	Current	The UG's weakened capacity for attracting income on third party contracts poses a risk. The Dutch national government may decide to cut back its funding, either on a systematic or an ad hoc basis, as is currently being considered with respect to large government investment funds such as the National Growth Fund. Such cutbacks might affect the UG's revenue from contract teaching and research. The same goes for EU research funding and the number of eligible organizations for such funding. At this point, it is uncertain how the UG's contract revenue will develop in a European and Dutch context with educational institutions being in competition with each other. The initial signs in the European realm point to a more prominent role for, or a shift towards, Pillar 2, which would potentially favour public-private partnerships and collaboration in consortia.	At the UG, we monitor developments in contract revenue and the order book. These developments are reported to the Board of the University. The short-term financial risk is limited, as lower research revenue is offset by lower research costs equally. Financial risks will increase in the longer run, as they may impact the UG's position, both in the Netherlands and internationally. Developments in the UG's contract revenue versus total income hold the Board of the University's and the Supervisory Board's undivided attention. Root causes and possible management strategies are discussed on a regular basis. The UG invests in incentives as well as in direct support for increasing its revenue from income on third party contracts. In accordance with our strategy, this support is provided in line with the plan for the impact organization. Additionally, the funding that became available in 2023 for improving the position of Dutch knowledge institutions in the Horizon Europe programme (Matching Horizon Europe) was put towards an incentive programme for researchers.
9. Crisis management	Structural	Throughout the years, we have found that the UG has much to gain from a streamlined and effective crisis management organization. This became particularly apparent during the pandemic. For this reason, crisis management has been identified as a priority in our integrated safety policy.	The UG faced a number of challenging crises in the reporting period. These were evaluated and the UG crisis plan was updated based on the evaluation outcomes. In addition, an external party was engaged to conduct an audit of the central crisis team. As part of the audit, members of the UG crisis team were interviewed to determine the maturity level of our crisis management strategies. The UG also held emergency drills at a number of faculties and services. These were meant to raise the readiness level for, and the capacity to respond effectively to, potential crises.
10. Government policy and funding	Structural	The pace of change in government policy outruns the throughput time of the measures that need to be taken to fulfil new ambitions, such as those outlined in the National Programme for Education (NPO) or the Administrative Agreement. This may have an impact on the UG's own strategy. The UG sees risks in potential austerity measures that are being considered in the ongoing process of forming a new government for the Netherlands. These measures are motivated by the effects of the current geopolitical unrest and the energy crisis. In addition, our autonomy as a university is increasingly being affected by the specific earmarking of contributions of the central governments. At the end of 2023, the Ministry of Education announced that it planned to increase the number of fixed-quota seats in the Dentistry programme on a nation-wide basis without providing any extra funding. Instead, the government seems to want to shorten the Dentistry programme from six to five years and to lower the national fixed quota for Medicine. The UG is in the process of exploring the potential impact of these plans.	Against the backdrop of changing government policy, the UG – and, with it, the faculties – has formalized its own ambitions in its Strategic Plan 2021-2026. In dialogue with the consultative participation bodies, we have struck a new balance between the pluralism we seek and the required public presence of the University as a whole. We frequently exchange information with the national government when it comes to relevant rules and regulations. Early flagging of developments allows us to respond faster. We are streamlining our activities, most notably those that support the primary process, to cover increasing compliance costs and to close the funding gap created by the discrepancy between the government-funded pay adjustment and salary increases and indexation. The UG's resilience has further weakened due to the operating shortfall for 2023 and the outlook for the next few years continues to be less than optimistic. Our financial performance has suffered since 2022 due to the high rate of inflation, increases in energy prices, and the reduction in contributions of the central governments as a result of lower enrolment numbers.
11. Regulatory developments	Structural	The current definitions used in the Dutch Higher Education and Research Act (WHW) allow very little scope for universities as public institutions of education to develop private, international, interdisciplinary, and multi-level activities. While many aspects of the frameworks provided in the Act are ambiguous, the Ministry of Education does expect research universities to do their part, e.g. by developing microcredentials, undertaking teaching activities in collaboration with universities of applied sciences, and engaging in European teaching and research partnerships.	The UG calls upon the Ministry of Education to update the Act. The Administrative Agreement 2022 includes a passage to this effect. It is imperative that the Act provide the best conditions for teaching institutions to respond to developments in society. Examples of trends that call for a more flexible framework include the development of teaching activities outside the curriculum, track influx management, dual degree programmes (combination of applied and research programmes), and opportunities for European partnerships.

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Theme	Label	Uncertainties and risks	Controls
12. Strategic real estate plan	Structural	The UG has a strategic real estate plan, which budgets for a total outlay of €337 million for the period up to and including 2027. The plan comes with risks associated with the level of capital expenditures (price developments in the building industry), our cash position, and future operating expenses.	The real estate expenditure budget is updated annually, correlating the outlays to the cash position and future operating expenses (including housing expense ratio). The implementation of each aspect of the plan is subject to separate decision-making by the Board of the University. Property developments are monitored in terms of their cost, lead time, scope, and quality. The Board of the University is provided with a status report every three months. We have raised a treasury loan of €265 million to secure our cash position in the face of the budgeted real estate expenditures. The UG received the first tranche of this loan in the sum of €132.5 million in mid-2023. The second tranche will be transferred to us in mid-2024.

10.5 Major current developments

Times continue to be uncertain where developments in energy prices and the rate of inflation are concerned. The cost increases are taking a heavy toll on the UG's financial performance, as are the effects of salary increases under the new collective labour agreement for 2023, which created a funding gap. The structural government-funded pay and indexation adjustment was – again – not high enough to absorb the sharp cost increases. The budgeted shortfall for 2024 is €43 million. This shortfall is mainly attributable to inflation, high energy prices, the cutback in contributions of the central governments (e.g. due to lower enrolment numbers), and the effects of the funding gap between the government-funded pay adjustment and salary increases in 2023. What is more, the funding providers in question do not pay the UG any indexation for the higher wage costs of staff paid from indirect contributions of the central governments, income on third party contracts funding, or private funding. As it stands, we are unclear on the level of contributions of the central governments to cover salary increases and indexation in 2024, nor do we know whether this funding will be high enough to absorb higher costs and the newly to be negotiated salary increases under the collective labour agreement for 2024.

The UG has engaged in asset-building over the past few years, which – despite having incurred shortfalls for 2022 and 2023 – has resulted in a robust reserves. While drastic austerity measures can be avoided, the current uncertainties do require us to make structural spending cuts. To achieve this, the UG launched the Back to Balance 2026 programme at the end of 2022. This programme will enter its second phase in 2024, entailing the implementation of the adopted austerity measures, mainly in the areas of IT, use of space, and energy consumption. By cutting costs, we aim for the UG to achieve a sustainable budget equilibrium by 2026.

Developments in enrolment numbers are uncertain in the years ahead and may well affect our future financial performance. Enrolment numbers have levelled off in recent years and expectations are that they will continue to see a gradual decline due to the ageing population in the Netherlands and in our local area in particular. Until now, we had expected to be able to offset this decline by welcoming an increasing number of foreign students, both from the EU and elsewhere. However, on the back of the balanced internationalization bill, concerns have arisen about the effect and implications of new legislation for the volume of the UG's student population. The bill seeks to curb the influx of foreign students by limiting the number of English-taught degree programmes. The effects of this bill on enrolment numbers pose a significant risk, only to be exacerbated by the fact that the per-student contributions of the central governments has been on the decline for years and that the staff workload is increasing.

The Ministry of Education has recently changed the rules for awarding starting and incentive grants (Administrative Agreement 2022) in that each early-career tenure-track assistant professor is now offered a grant, that differentiation in grant levels is permitted, and that, where needed, incentive grant funding can be used if starting grant funding falls short. We are in the process of exploring how and whether the new rules align with our own policies. This review is ongoing and the outcome is unclear.

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Property developments have a potentially significant financial impact on the UG, especially in these times of high energy prices and inflation. The UG's strategic real estate plan, which was updated in the autumn of 2023, calls for significant outlays on sustainability improvements and building renovations. In the process of breaking down the plan by area plans (city centre, Zernike, and UMCG), new priority ratings were assigned to property developments, as a result of which total housing costs will stay below the cap of 15% of operating expenses. In the reprioritization process, allowance was made for lower-than-expected enrolment numbers and for office space requirements, applying a flex factor of 0.8.

Given that, as per the budget, capital expenditures will continue to be significant in the years to come, the UG has had to raise a treasury loan. The UG received the first tranche of the €132.5 million loan on 1 July 2023. The second tranche of €132.5 million will be transferred to us on 1 July 2024. Annual repayments of €8.8 million on the loan will be due starting from 2025. No other loan capital will be raised to finance property developments going forward.

10.6 Report of the supervisory body

In accordance with statutory requirements, the Supervisory Board serves as the supervisory body of the UG. The Board of the University is required to submit its strategic plan, the annual report, and the financial statements to the Supervisory Board for approval. The Board of the University keeps the Supervisory Board informed of key developments and matters affecting the University. The members of the Supervisory Board are independent and are appointed by the Ministry of Education.

The Supervisory Board, which met six times in 2023, discussed a large number of relevant issues with the Board of the University. Recurring agenda items included:

- the external assessment of the UG's governance structure by Berenschot, a consulting firm;
- developments in the construction process, particularly of the Feringa Building;
- developments in the planning process, costs, and financing of a new sports centre;
- the role of the Supervisory Board in the UG's accreditation; and
- knowledge security and cybersecurity.

The Supervisory Board engaged with the Committee of Deans on the governance structure and the strategic review, concentrating on the question of whether the UG is taking the right action within the scope of the strategic plan and in light of developments such as the balanced internationalization bill, the expected decline in student enrolment numbers, and developments in artificial intelligence (AI).

The Supervisory Board also monitored the spending cuts that were implemented in 2023 as part of the Back to Balance 2026 programme. The Supervisory Board sat down with the Board of the University on multiple occasions to discuss rising inflation and high energy prices, and their upward effect on general and administrative expenses and building costs. Mainly through its audit committees, the Supervisory Board is closely involved in advancing the Back to Balance programme, as well as in the nature of cost-cutting proposals and their implementation. Political developments were addressed multiple times as well, mostly in relation to the potential implications of the balanced internationalization bill for international enrolment.

The Supervisory Board also monitors closely whether the funding under the Quality Agreement is applied timely and efficiently. Another area for attention of the Supervisory Board was social safety, including the measures the UG has taken to protect its staff and students.

Other key agenda items were the recruitment and appointment of the new Rector, the reappointment of the Vice President of the Board of the University, the recruitment of a new member of the Supervisory

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Board, developments in enrolment numbers of Dutch and foreign students, additional activities of staff members, the annual report of the Ombudsperson, the rushing process for new members of student societies, with a focus on what was agreed with the societies, conduct, and accountability, the Administrative Regulations 2023-2024, the European public procurement procedure for audit services, the remuneration of Supervisory Board members, developments at University Services, and the statutory cap on the remuneration of senior officials in 2024 under the Executives' Pay Act. For other matters discussed at Supervisory Board meetings in 2023, reference is made to the Report of the Supervisory Board (see above).

The Audit Committees for Finance and Quality Assurance were responsible for preparing for the discussion and delving into the details of most of the items listed above. The audit committees met five times in 2023. The Audit Committees for Finance and Quality Assurance also organized special thematic sessions in 2023, taking a deep-dive into costing and the UG's financial policy, and active learning with UG experts in these fields, respectively. As part of an annual two-day event, the Supervisory Board made an on-site visit to Campus Fryslân. During this visit, the members were briefed on the partnership with NHL Stenden UAS.

The Supervisory Board approved the financial statements for 2022 and the Report of the Board of the University for 2022 on 12 June 2023. The Supervisory Board periodically reviewed, as per the UG's PDCA cycle, the analysis of quarterly financial results for 2023, including the forecasts for the remainder of the reporting period and the quarterly real estate reports. These reports allowed the Supervisory Board to form an opinion on the effective application of funds. This opinion was positive for 2023. The reports also enabled the Supervisory Board to oversee risks and developments in the areas of staffing and vacancies, use of funding for reducing the workload, use of funding under the Quality Agreements, use of funding for starting and incentive grants, use of sector plan funding, the PhD Scholarship Experiment, and real estate outlays. In 2023, the focus continued to be on soaring energy prices, inflation, the funding gap created by the discrepancy between the government-funded pay adjustment and salary increases under the new collective labour agreement, and their effects on the UG's financial performance.

Following the University Council's positive opinion, the Supervisory Board approved the University Budget for 2024 on 20 December 2023.

In accordance with the Administrative Regulations, the Supervisory Board met with the central consultative participation body on two occasions in 2023. Issues addressed included social safety, financial matters, and language policy in light of the balanced internationalization bill. These meetings also served to reflect on the external assessment of the UG's governance structure and to discuss the central consultative participation body's powers and ways to support this body.

The Supervisory Board is of the opinion that its members complied with the principle of independence in the performance of their duties during the reporting period. Given the issues that were on the table in 2023, the Supervisory Board has fulfilled its responsibility to supervise the effective application of funds.

university of groningen

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Opening of the House of Connections
photography Chase Wang

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Balance sheet as on December 31, 2023

Amounts x €1,000 (After appropriation of result)

		31/12/2023	31/12/2022
ASSETS			
FIXED ASSETS			
	Intangible fixed assets		
1.1.1.0	Software	1,711.8	3,423.6
		1,711.8	3,423.6
	Tanglible fixed assets		
1.1.2.1	Buildings	356,428.1	346,234.7
1.1.2.2	Land	5,904.8	5,904.8
1.1.2.3	Inventory and equipment	81,256.6	73,536.7
1.1.2.5	In progress and prepayments	347,483.2	283,923.2
		791,072.7	709,599.4
	Financial fixed assets		
1.1.3.1	Investments in participating interests in group companies	10,059.3	10,364.0
1.1.3.2	Investments in associates	26.2	25.8
1.1.3.3	Receivables from group companies	300.0	300.0
1.1.3.7	Securities	8,000.0	16,500.0
1.1.3.8	Other receivables	-	1,681.1
		18,385.5	28,871.0
	Total fixed assets	811,170.0	741,894.0
CURRENT ASSETS			
1.2.1	Inventory	645.0	609.8
1.2.2	Receivables	164,455.8	134,531.2
1.2.4	Cash and cash equivalents	202,093.6	127,241.2
	Total current assets	367,194.5	262,382.2
		1,178,364.5	1,004,276.2

		31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
EQUITY			
2.1.1.1	General reserve	536,648.6	550,922.4
2.1.1.2	Designated reserves (public)	25,436.8	34,280.7
2.1.1.3	Designated reserves (private)	3,845.9	4,144.3
2.1.1.4	Designated funds (public)	686.3	686.3
2.1.1.7	Other legal reserves	1,711.8	3,423.6
	Total equity	568,329.5	593,457.4
LIABILITIES			
2.2	Provisions	47,195.2	45,589.7
2.3	Non-current liabilities	132,500.0	-
2.4	Current liabilities	430,339.7	365,229.0
	Total liabilities	610,035.0	410,818.8
		1,178,364.5	1,004,276.2

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Income and expenditure statement 2023

Amounts x €1,000,-

		Actual 2023		Budget 2023		Actual 2022	
3	**INCOME**						
3.1	Contributions of central governments	567,596.3		547,974.0		530,802.7	
3.3	Academic/tuition fees	89,692.5		91,700.0		67,751.1	
3.4	Income on third party contracts	178,696.6		157,565.0		169,644.8	
3.5	Other income	63,724.0		65,282.0		65,834.1	
			899,709.3		862,522.0		834,032.7
4	**EXPENDITURE**						
4.1	Staff costs	666,661.7		637,055.0		607,641.0	
4.2	Depreciation, amortization, and impairment	43,374.0		48,298.0		42,659.2	
4.3	Accommodation expenses	76,774.9		69,261.0		60,297.9	
4.4	Other expenses	145,235.4		159,900.0		147,657.1	
			932,045.9		914,514.0		858,255.1
	Operating result		-32,336.7		-51,992.0		-24,222.4
6	**FINANCIAL INCOME AND EXPENDITURE**						
6.1	Interest income	9,469.0		-		3,313.1	
6.2	Interest expense	-1,955.8		-1,226.0		-	
	Financial result		7,513.1		-1,226.0		3,313.1
8	**RESULT OF PARTICIPATING INTERESTS**		-304.4		750.0		2,025.3
	RESULT		-25,127.9		-52,467.0		-18,884.0

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Cash flow statement 2023

Amount x €1,000,-

		2023			2022		
	CASH FLOW FROM OPERATING ACTIVITIES						
	Operating result		-32,336.7			-24,222.4	
	Adjustments for:						
1.1.2	Depreciation	43,374.0			42,659.2		
2.2	Changes in provisions	1,605.5			-5,240.9		
8.0	Result of participating interests	-304.4			2,025.3		
			44,675.1			39,443.5	
	Changes in net working capital						
1.2.1	Inventory	-35.2			-51.7		
1.2.2	Receivables	-29,924.6			-12,680.4		
2.4	Current liabilities	55,540.7			64,166.8		
			25,580.9			51,434.7	
	Cash flow from business operations			37,919.3			66,655.8
6.1	Interest received	9,469.0			3,313.1		
6.2	Interest paid	-1,955.8			-		
				7,513.1			3,313.1
	Total cash flow from operating activities			45,432.5			69,968.9

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		2023		2022	
	CASH FLOW FROM INVESTING ACTIVITIES				
1.1.1	Purchase of intantible fixed assets	-		-58.6	
1.1.2	Purchase of tangible fixed assets	-115,962.8		-143,192.3	
1.1.2	Proceeds from sale of tangible fixed assets	2,397.3		2,252.6	
1.1.3.1	Investments and divestments in participating interests in group companies	304.7		-2,008.6	
1.1.3.2	Other investments in participating interests	-0.3		23.3	
1.1.3.3	Receivables from group companies	-		-300.0	
1.1.3.7	Other investments in financial fixed assets	8,500.0			
1.1.3.8	Changes in loans as part of financial fixed assets	1,681.1		-3.0	
	Total cash flow from investing activities		-103,080.0		-143,286.6
	CASH FLOW FROM FINANCING ACTIVITIES				
2.3	New borrowings	132,500.0			
	Total cash flow from financing activities		132,500.0		-
	CHANGES IN CASH AND CASH EQUIVALENTS		74,852.4		-73,317.7
	Changes in cash and cash equivalents were as follows:				
1.2.4	Balance as on January 1		127,241.2		200,558.9
	Changes in cash and cash equivalents		74,852.4		-73,317.7
1.2.4	Balance as on December 31		202,093.6		127,241.2

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Notes to the financial statements

GENERAL

English translation

These financial statements are an English translation of the original financial statements in Dutch, approbated on 23 May 2023. In case of any discrepancies between the English version and the original financial statements, the latter prevail. They are published online on the UG website.

Activities

The statutory tasks of the University of Groningen consist of providing initial education, conducting fundamental research, and knowledge valorization. The University of Groningen is a legal entity under public law pursuant to the Higher Education and Research Act (WhW). The registered office of the University of Groningen is at Broerstraat 5, 9712 CP Groningen, and it is registered in the trade register under Chamber of Commerce number 01179037.

Reporting period

These annual accounts were drawn up assuming a reporting period of one calendar year with date of compilation of May 21, 2024

Continuity

The annual accounts have been prepared on the basis of the going concern assumption.

Functional and presentation currency

The annual accounts statements are presented in euros ('the functional currency'). All amounts have been presented in thousands, except when otherwise indicated. The numerical additions in this financial statement can contain optical differences which are the result of the presentation in thousands.

Transactions in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions.

Consolidation exemption

The annual accounts of the University of Groningen do not have to include data from subsidaries whose combined significance is negligible for the whole (RJ 217.304). As of fiscal year 2023, the University of Groningen will utilize this consolidation exemption for all participations.

For an overview of the subsidaries, please refer to the item Financial fixed assets in the annual accounts.

Administrative cooperation with UMCG

As of 1/1/2007, the merger of the University Medical Center Groningen, which consists of the Faculty of Medical Sciences and the Academic Hospital Groningen, was realized. Administrative cooperation and coordination between the Board of Governors of the University Medical Center Groningen (hereafter UMCG) and the Board of the University of Groningen takes place in the Joint Policy Body (GBO), which consists of the Chairman of the Board, the Dean of the Faculty and the Chairman of the Supervisory Board. Ultimate responsibility for academic education and research rests with the UG Executive Board. In accordance with RJ 660.506, the annual accounts include the operating figures of the education and research sector in full in the statement of income and expenditure. The balance sheet includes fixed assets, equity, provisions and work in progress. These are offset by the current account under the item receivables or current liabilities.

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Related parties

All legal entities over which dominant control, joint control or significant influence can be exercised are considered related parties. Legal entities with a controlling interest are also considered related parties.

Significant transactions with related parties are explained to the extent that they have not been entered into under normal market conditions. In such cases, the nature and scope of the transaction will be explained, as well as other information required for clarification

Explanatory notes for the cash flow statement

The cash flow statement is prepared using the indirect method. Cash and cash equivalents in the cash flow statement consist of cash and cash equivalents, excluding deposits that are not immediately realisable (> 1 year). Interest and dividends received and paid are included in cash flows from operating activities. Investments and divestments of tangible fixed assets and financial fixed assets are classified as cash flows from investing activities. Payments on long-term debt are classified as cash flows from financing activities for the portion relating to principal and as cash flows from operating activities for the portion relating to interest.

Judgements, estimates and assumptions

The preparation of the annual accounts requires the Board of the University of Groningen to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenditure. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

ACCOUNTING PRINCIPLES FOR THE VALUATION OF ASSETS AND LIABILITIES

The annual accounts have been prepared in accordance with the statutory provisions of Part 9 of Book 2 of the Dutch Civil Code and the authoritative statements in the financial reporting guidelines issued by the Dutch Accounting Standards Board (in particular, RJ 660 Educational Institutions). The provisions and guidelines are applicable pursuant to the Annual Reporting Regulations for the Educational Sector

Assets and liabilities are generally valued at acquisition or production cost. If no specific valuation principle is specified, valuation is made at nominal value.

An asset is recognized in the balance sheet when it is probable that future economic benefits will accrue to the University of Groningen and the asset's value can be reliably determined. A liability is recognized in the balance sheet when it is probable that the settlement thereof will be accompanied by an outflow of resources that entail economic benefits, the monetary equivalent of which can be reliably determined

A recognized asset or liability remains on the balance sheet if a transaction (relating to the asset or liability) does not result in a significant change in the economic reality with respect to the asset or liability.

If a transaction results in the transfer to a third party of virtually all or all future economic benefits and virtually all or all risks relating to an asset or liability, the asset or liability will no longer be recognized in the balance sheet. Furthermore, assets and liabilities are no longer included in the balance sheet from the date on which the conditions of probability of the future economic benefits and/or reliability of the determination of the value are no longer met.

Comparison with the previous year

The accounting policies have not changed compared with the previous year.

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Intangible fixed assets

Intangible assets are valued at acquisition price less accumulated amortization and accumulated impairment losses. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (hereafter CGU) exceeds its recoverable amount. The costs of acquisition (licenses) of university administrative systems including (external) training and implementation costs are capitalized at cost. The depreciation period is 5 years. Depreciation takes place using the straight-line method, assuming a residual value of zero.

Tangible fixed assets

Buildings, land, tangible fixed assets under construction and inventory & equipment are valued at the acquisition price or manufacturing price less straight-line depreciation over the estimated future useful life. Land is not depreciated. Any impairment or residual value expected on the balance sheet date is taken into account. If an impairment exists in any financial year, this is explained under the balance sheet item. If such indications are present, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount for the individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognized immediately in the income statement by reducing the carrying amount of the asset.

The cost of inventory & equipment, which can only be used for a specific project and has no business value outside of this project, is fully recognized in the year of acquisition on the project. The relevant inventory & equipment are not accounted for under tangible fixed assets. Depending on the terms of the grant, these costs are reimbursed in full in the year of purchase by the grantor, or annually during the life of the project for the annually attributable portion.

Depreciation has been calculated based on the following principles:

Buildings

- Shell : depreciation in 60 years
- Facade/ interior finishing/ installations : depreciation in 30 years
- Electronics/ technical installations : depreciation in 15 years
- Specific investments : depreciation based on useful life

Land : nil

- Construction costs for sports fields : depreciation in 10 years
- Other site facilities : depreciation in 30 years

Inventory

- Inventory and equipment : depreciation in 3 to 10 years

Depreciation starts in the month following the purchase of the property. In the case of new buildings or renovations, depreciation starts after the completion date.

Buildings and land are valued at acquisition cost less depreciation. Inventory and equipment are valued at acquisition cost less depreciation.

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Depreciation is based on the following scheme:
> inventory etc. with a purchase value below €5K per item is fully incorporated in the statement of income and expenditure.
> inventory etc. with a purchase value above €5K per item is depreciated over the expected useful life with a maximum of 10 years.

Depreciation takes place in monthly installments starting the month following that of purchase.

Repair and major maintenance costs are accounted for using the component approach.

Operational leasing

Lease contracts may exist at the University of Groningen in which all or almost all of the advantages and disadvantages associated with ownership do not lie with the University of Groningen. These lease contracts are recognized as operating leases. Lease payments are recognized on a straightline basis in the statement of income and expenditure over the term of the contract, taking into account payments received from the lessor.

Financial fixed assets

Group companies

The net asset value is calculated in accordance with the principles applicable to the annual accounts. Participating interests in which significant influence can be exercised on business and financial policy are valued according to the equity method on the basis of the net asset value. If the valuation of a participating interest according to the net asset value is negative, it is valued at nil. If, and to the extent that the UG fully or partially guarantees the debts of the participating interest in this situation, or has the firm intention of enabling the participating interest to pay its debts, a provision is recognized. Participating interests in which no significant influence is exercised are valued at acquisition price. If an impairment loss is recognized, valuation takes place at the realizable value.

Significant transactions with related parties are explained to the extent that they have not been entered into under normal market conditions. In such cases, the nature and scope of the transaction will be explained, as well as other information required for clarification.

Other receivables (loans to third parties)

The other receivables included under financial fixed assets include loans granted to third parties and are initially valued at fair value and subsequently valued at amortized cost less any necessary provision for bad debts. Provisions due to bad debt risk are deducted from the carrying amount of other receivables.

Securities

Receivables belonging to financial fixed assets, whether or not due to loans, are in principle recorded at the amortized cost after the first valuation. If there is no premium or discount and transaction costs, the amortized acquisition value is equal to the redemption value of the receivables. Regarding possible write-offs, article 2:387 paragraph 4 of the Dutch Civil Code applies. This write-down of receivables is charged to the income statement. The write-down is reversed as soon as the impairment has ceased to exist. Write-offs as well as reversals are included separately in the profit and loss account or in the notes (Article 2:387(5) BW).

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Inventory
Inventories are initially valued at acquisition price or manufacturing cost; subsequent valuation is at the lower of cost or realizable value. The realizable value is the estimated selling price less directly attributable selling costs. This takes into account possible obsolescence of inventories.

Work in progress
Work in progress refers to projects commissioned by third parties and not yet completed at the balance sheet date. The balance of projects in progress is valued at the directly allocated cost of labor and materials with a mark-up for indirect costs. Invoiced instalments/advance payments received are deducted from the balance of projects in progress. Profit recognition on projects financed by third parties is determined using the "percentage of completion method" or PoC method. When it is probable that total project costs will exceed total project revenues, expected losses are recognized in profit or loss immediately. POC are determined based on the progress of costs relative to entire contract value.

Given the size of the number of projects within the UMCG subsidiary, starting as off 2017, an arithmetic approach has been adopted for UMCG R&E to determine the interim result on projects instead of determining the result per individual project. This arithmetic approach of the PoC method is applied to projects in the category business, top institutes and commission European union (H2020 and Fp7), which is a derivative of realized results on closed projects within these categories.

Projects that do not match the pure definition of a 'project' but are a long-term agreement for a certain performance (clinical trials) are not handled as a project with a rating based on Percentage of Completion. For these projects, the basic principle is that the work is invoiced when it is completed. The interim result is the annual balance of revenues less costs. Due to this approach, no work in progress position is included for the clinical trials.

Receivables
Receivables are initially recognized at the fair value of the consideration.. After initial recognition, receivables are valued at nominal value. The difference from valuation at amortized cost is explained in the notes. Provisions for bad debts are deducted from the carrying amount of the receivable.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances and deposits held at call with financial institutions (< 1 year). Cash and cash equivalents are stated at face value.

Impairments
The institution assesses each balance sheet date whether there is any indication that a fixed asset may be impaired. If such indications are present, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount for the individual asset, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment exists if the carrying amount of an asset exceeds its recoverable amount; the recoverable amount is the higher of its net realizable value and its value in use.

Equity
Equity consists of general reserves and designated reserves and funds. This also includes a segmentation into public and private funds. Designated reserves are reserves with a limited spending option, where a restriction is imposed by the Board. Designated funds are reserves with a more limited spending option as well, whereas a restriction is imposed by third parties.

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Due to the absence of a third-party limitation on assets, in 2022, the designated fund (private) is classified as a designated reserve (private). This change has no impact on the ratio between public and private reserves. The private designated reserves (2.1.1.3) at the end of 2022 is intended to cover private activities and includes, among other things, the equity of the participations.

Designated reserves (public)
The public designated reserve has been formed for the benefit of the current PhD education experiment.

Designated reserves (private)
As off 2022, the private designated reserves are intended to cover the private activities and includes, amongst other, the equity of the participations are shown under the private designated reserve.

Designated funds (public)
The funds under management are shown under the public designated funds. These funds have been made available to the University of Groningen with the intention of spending them within the framework of a specific objective.

Designated funds (private)
Until fiscal year 2022, the private designated funds included the cumulative accumulation of equity in the participations.

Other legal reserves
The statutory reserves are maintained on the basis of statutory provisions. A statutory reserve is maintained to the sum of the capitalized amount of development costs under intangible fixed assets, pursuant to Section 365 paragraph 2 of Book 2 of the Dutch Civil Code.

Provisions

Provisions are measured at the present value of the expenditure expected to be necessary to settle the obligations at the balance sheet date. A provision is recognized in the balance sheet when there is a legal or constructive obligation, resulting from a past event, for which a reliable estimate can be made and where it is probable that an outflow of resources will be required to settle the obligation.

Unemployment contributions
The University bears the risk of redundancy pay liabilities. The provision for unemployment benefits is formed at an individual level for future obligations on the balance sheet date to former employees to whom the University has an obligation in the context of the redundancy pay. The provision is calculated based on statements from third parties. The level of the provision is based on the actual expenditure of the past year. Indirectly, this takes into account the employability of those concerned. The provision also takes into account the term that the University of Groningen runs a risk on the benefit payments. The mutation in the provision is recorded under the item 'Other employee expenses'. The discount rate used is 2.41% (2022: 2.64%).

Reorganization provision
The reorganization provision was formed at the individual level to cover costs directly related to a reorganization. The University of Groningen will form a provision if there is a formalized reorganization plan at the balance sheet date and the reorganization will be implemented. The changes in the provision is accounted for under the item 'Other employee expenses'. The discount rate used is 0% (2022: 0%).

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TFR/KNIR

Under Italian law, the KNIR must include a reservation for a termination fee, called the TFR (Trattamento di Fine Rapporto, to be translated as Termination Fee under Italian law). During employment, the TFR is a debt that is not yet due and payable from the employer to the employee.. This provision is formed at an individual level. The mutation in the provision is recorded under the item 'Other employee expenses'. The average discount rate used is 2,47% (2022: 2,13%).

Deductible WGA scheme

The WGA deductible provision has been formed for the obligation arising from the excess risk the company bears with regards to the Return to Work (Partially Disabled Persons). Regulations (WGA), which falls under the Work and Income (Capacity for Work) Act (WIA).The provision is recognized at an individual level for employees that receive a WGA-payment at balance sheet date. The amount of the provision is determined on the basis of the WIA monthly wage in accordance with the decision of the UWV, taking into account the re-employment percentage and the decreasing benefit after the initial salary-related payment. The provision also takes into account the term that the University of Groningen runs a risk on the benefit payments.
The mutation of the provision is recorded under the item 'Other staffing expenses'. The discount rate used is 2,12% (2022: 2,59%).

Own-risk bearer ZW-flex

As of 1 January 2015, the University of Groningen became an own risk bearer for the ZW-flex premium. As a result, the University will bear the associated expenses for new entrants. A provision has been recognized the annual accounts. The provision is determined based on the details of the individual participants over the term that the University of Groningen runs the risk of the benefit payments. The amount of the provision is determined based on the daily wage in accordance with Visma Raet's decision. The ZW-flex own risk bearer provision is part of the WGA own risk provision. The mutation in the provision is recorded under the item 'Other staffing expenses'. The discount rate used is 1,28% (2022: 1,31%).

Long-term sickness

At an individual level, the University of Groningen has formed a provision for obligations to continue to pay remuneration to staff members who are expected to be permanently or partially unable to perform work due to illness or incapacity for work on balance sheet date. This estimate is made by the company doctors. Contributions from other parties have not been taken into account. The mutation in the provision is recorded under the item 'Other staffing expenses'. The discount rate used is 2,56% (2022: 2,61%).

Jubilee provision

The jubilee provision has been formed at an individual level for future jubilee benefit. The calculation of this provision takes into account the expectation of tenure and mortality, as well as future wage increases. The mutation in the provision is recorded under the item 'Other staffing expenses'. The discount rate used varies between 2.16% and 2.5% (2022: 2.67% - 2.74%).

Leave saving

In period from 2007 to 2012, employees aged 50 years and older had the opportunity to save up to 120 hours per year for the purpose of gradually reducing working hours in the period prior to retirement (leave savings scheme 50+). As of 2013, employees have the option of saving an additional 72 vacation hours annually for a long-term, consecutive leave period (multi-year savings model) for a minimum of 3 and a maximum of 5 years, in addition to regular vacation hours. The UG has made a provision for the associated replacement costs (staffing). The provision is determined based on the data of the individual participants (term and salary costs). The discount rate used is on average 2.13% (2022: 2.67%).

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Transition provision

As of 1 January 2018, the University of Groningen is obliged to pay a transition payment under the Collective Labour Agreement. The provision has been formed at an individual level for employees with a temporary contract, taking into account the probability of contract extension. This probability is calculated based on the average percentage of extended temporary contracts over the past four years. A provision has been created for the remuneration to be paid in proportion to the years of service at the end of the financial year. The mutation in the provision is recorded under the item 'Other employee expenses'. The discount rate used is 2,41% (2022: 2,64%).

Environmental risk

The calculation of the environmental provision is based on (visual) asbestos inspections of the buildings. These inspections were carried out by a specialized external agency. On the basis of this inspection, the agency set up an estimate per building of the expected remediation costs including the costs for project management and final inspections. At the end of 2021, the estimate of the expected costs was updated by a specialized external agency. The change in the provision is recorded in other expenses. The provision is a reliable estimate with a number of uncertainties. The first aspect is the uncertain price development in the construction industry due to market developments. In addition, individual contractors may have an incentive to deviate from the market price during a tender process, thus offering a lower price in order to be awarded the work. Moreso, the provision is based on a visual inspection. During actual remediation, the situation may be different than estimated. In those cases where the actual remediation costs are apparent and differ from the provision formed, the provision is adjusted. Finally, when remediation projects are bundled, economies of scale can be achieved. The inflation adjustment rate used is 2.55% (2022: 2.41%) and the discount rate used is 2.32% (2022: 3.14%). The discount rate can fluctuate over the years. The effect of a 1% higher discount rate in the current situation would constitute a reduction of the provision by €600K at the balance sheet date. The effect of a 1% lower discount rate would beconstitute a €643K increase in the provision in the current situation at balance sheet date.

Project provision

The University forms a provision for expected losses on projects in progress. Expected losses on projects in progress are recognized in the income statement immediately. The amount of the loss is determined regardless of whether the project has already commenced, the stage of completion of the project or the amount of profit expected on other unrelated projects.

Dismantling provision Cyclotron

The provision for dismantling the AGOR-Cyclotron (hereinafter: Cyclotron) concerns the current best possible estimate of the costs to be incurred in the future for the termination (dismantling) of the Cyclotron. Article 10.1 of the Regulation on Basic Safety Standards for Radiation Protection (Rbs), in conjunction with Article 10.8 of the Basic Safety Standards for Radiation Protection Decree (Bbs), stipulates that there must be a termination plan for cyclotrons that produce particles with an energy of more than 8 mega-electron volts. The Bbs is effective as of 6 February 2019. This termination plan must, among other things, indicate how the financial aspects of the termination are arranged. By forming the provision, the University complies with this legal obligation.

The provision is based on an internal report, including a cost estimate, by the radiation expert of the University in collaboration with the real estate department. This internal report was then assessed in a second opinion by an external agency specializing in nuclear services. Based on the internal report and the second opinion of the external expert, the bandwidth of this cost estimate is between EUR 6.6 million and EUR 16.6 million. The bandwidth can be explained by the uncertainties mainly concerning the amount of concrete to be removed and the number of years of decay storage. These uncertainties cannot reasonably be resolved by the University at this time because they partly depend on guidelines and experience figures that are still under development and because no test drilling can be carried out at this time to achieve greater certainty. From the point of view of completeness of the provision (prudence), the University of Groningen has chosen not to be at the lower end of the bandwidth. In our opinion, the upper end of the bandwidth of EUR 16.6 million is too high. As we understand, the idea is that the dismantling costs will be lower because the possibilities for reuse are being expanded in the directives. It is expected that less concrete will need to be stored due to these broader guidelines. As a result of both these considerations, the University of Groningen currently considers the best estimate of the dismantling costs to be EUR 11.6 million (the arithmetic mean of the bandwidth). No inflation adjustment has been taken into account. The

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discount rate used is 2.315% (2022: 3.14%). The effect of discounting from 3.14% to 2.315% is €712K. The discount rate can fluctuate over the years. The effect of a 1% higher discount rate in the current situation would constitute a reduction in the provision of €855K at the balance sheet date. The effect of a 1% lower discount rate would constitute a €952K increase in the provision in the current situation.

In December 2023, the long-awaited permits for the 'termination' of a cyclotron elsewhere in the Netherlands came into effect, consisting of a demolition permit and a permit for the reuse of materials released during the demolition (mainly concrete). In particular, the permit for the reuse of concrete will shed new light on the size of the financial provision. The UG has started a project that will translate the consequences to the situation before the termination of the AGOR-Cyclotron at the UG. The UG does not have any indications beforehand that the costs of the dismantling of the cyclotron, taking into account the development outlined above, will be outside the previously determined ranges.

Other provisions
The other provisions are recognized at the cash value of the expenses and obligations necessary for the settlement of the provision. If a contract has been concluded involving a negative difference between the performance to be received after the balance sheet date and the contract performance to be performed by the service provider after the balance sheet date, a provision will be created for this negative difference. In calculating the provision, the unavoidable costs have been taken into account. The discount rate used is 0% (2022: 0%).

Liabilities
Liabilities are stated at fair value when they are first recognized. Transaction costs that are directly attributable to the acquisition of liabilities are included in the valuation at first recognition. Liabilities are valued at amortized cost after first recognition. As a general rule, the amortized costprice is equal to the book value of the asset minus repayments on the principal and increased or decreased by the cumulative amortization of the difference between the amount on first recognition (including transaction costs) and the repayment amount, determined based on the effective interest rate method.

Netting
An asset and a liability item are netted in the financial statements only if, and to the extent that:
- a sound legal instrument is available to settle the asset and the liability items netted simultaneously; and
- there is a firm intention to settle the balance in this manner, or both items simultaneously.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General
Income and expenditure are allocated to the fiscal year to which they relate. Profits are only recognized to the extent that they have been realized by the balance sheet date. Losses and risks originating before the end of the financial year are taken into account if they became known before the financial statements were determined.

Income
Recognition of revenue from the provision of services is calculated pro rata to the services provided, based on the services performed up to the balance sheet date in proportion to the total services to be provided.

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Government grants

Government grants are recognized as income in the income statement in the financial year to which the funding pertains.

Tuition fees

Received tuition fees are attributed to the financial year to which they pertain, assuming that regular teaching and research tasks are spread evenly over the academic year.

Grants

The University of Groningen utilizes operating grants and occasionally investment grants. Grants are recognized as income in the statement of income and expenditure in the financial year in which the subsidized costs were incurred.

Royalties

Royalties are recognized in the statement of income and expenditure on an accrual basis, in accordance with the terms of the agreement, when the amount can be estimated reliably and their receipt is probable.

Interest income and expense

Interest income is recognized in the statement of income and expenditure on a time proportion basis, taking into account the effective interest rate of the asset to which it relates when the amount can be estimated reliably and their receipt is probable.

Expenditure

Employee benefits expenses

Salaries and social charges (including pension contributions) are recognized in the statement of income and expenditure under the terms of employment to the extent they are payable to employees.

Pensions

The University of Groningen has a pension scheme with the Stichting Bedrijfspensioenfonds ABP (hereafter: ABP). The provisions of the Dutch Pension Act apply to this pension scheme and the University of Groningen pays basic contributions on a compulsory or contractual basis. The ABP utilizes the average salary as a basis for pension calculation. The ABP tries to increase pensions each year by the average wage increase in the government and education sectors. If the coverage ratio is lower than 105%, no indexation will take place.

The coverage ratio of ABP as of December 31, 2023, is 110.5%. The financial position as of 31-12-2023 of the ABP has been assessed as insufficient by De Nederlandsche Bank; the policy coverage ratio should be at least 126%. This requires the ABP to submit a recovery plan to De Nederlandsche Bank. In January 2024, the coverage ratio of the ABP was 111.0%.

The premiums due for the current financial year are recognized as expenses in the statement of income and expenditure. If the payable premium has not yet been paid, it is recognized as a liability on the balance sheet. The premiums are recognized as personnel expenses as soon as they are due. Prepaid premiums are recognized as assets if this leads to a refund or a reduction in future payments. Premiums yet unpaid are recognized as a liability on the balance sheet.

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Depreciation
Tangible fixed assets are depreciated from the time they are taken into use over the expected future useful life of the asset. If there is a change in estimate of the future useful life, depreciation is adjusted prospectively.

Land is not depreciated. Residual value or changes in estimates expected at the balance sheet date are taken into account. Changes in useful life occur when an asset is taken out of use earlier than initially expected. Profits and losses as a result of selling an asset are recognized in the period in which they are realized.

Taxes
More than 90% of the core activities of the University of Groningen consist of government-funded educational and research activities, and more than 70% of these activities are financed by public funds, statutory tuition fees or teaching fees, or contributions from public benefit institutions for which no (or marginal) contractual compensation is requested. Therefore, the University of Groningen meets the activity and funding requirements and is thus eligible for the corporation tax exemption. This exemption has been applied in the annual accounts.

Financial income and expenditure

Interest income and interest expenses
Interest income and interest expenses are recognized time proportionally, taking into account the effective interest rate of the assets and liabilities concerned. When processing the interest expenses, the recognized transaction costs on the loans received are taken into account.

Dividends
Dividends to be received from participations are recognized as soon as the UG has acquired the right to receive them.

Financial instruments and risk management

Financial instruments include primary financial instruments such as receivables, securities and liabilities, as well as financial derivatives. The University of Groningen does not utilize any financial trading instruments in its business operations other than regular debtors and creditors.

The University of Groningen, therefore, has no exposure to the following potential financial risks:
> price risks in the valuation of securities (financial fixed assets)
> currency forward contracts
> concentration of interest, credit and cash flow risks on outstanding trade receivables
> bank credit facilities

The UG operates mainly in the Netherlands and the European Union. To a limited extent, orders for specialized scientific equipment are placed in foreign currencies. No use is made of forward exchange contracts.

Cash and cash equivalents are outstanding with financial institutions that have at least an A rating.

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Notes to the balance sheet

Amounts x €1,000

FIXED ASSETS

1.1.1 INTANGIBLE FIXED ASSETS

	1.1.1.0 Software
Balance as on January 1 2023	
Acquisition value	6,818.4
Accumulated amortization and impairments	-3,394.8
Carrying amount at start of the financial year 2023	3,423.6
Movements during the financial year	
Investments	-
Disposals	-
Amortization	-1,711.8
Amortization on disposals	-
Revaluation	-
	-1,711.8
Balance as on December 31 2023	
Acquisition value	6,818.4
Accumulated amortization and impairments	-5,106.6
Carrying amount at end of the financial year 2023	1,711.8

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1.1.2 TANGIBLE FIXED ASSETS

	1.1.2.1 Buildings	1.1.2.2 Land	1.1.2.3 Inventory and equipments	1.1.2.5 In progress and prepayments	Total
Balance as on January 1 2023					
Acquisition value	866,716.3	5,904.8	160,325.0	283,923.2	1,316,869.3
Accumulated depreciation and impairments	-520,481.6	-	-86,788.3	-	-607,269.9
Carrying amount at start of the financial year 2023	346,234.7	5,904.8	73,536.7	283,923.2	709,599.4
Movements during the financial year					
Investments	1,371.1	-	25,330.1	98,831.6	125,532.8
Disposals	-2,237.3	-	-5,287.5	-	-7,524.7
Depreciation	-25,047.5	-	-16,614.6	-	-41,662.2
Depreciation on disposals	835.6	-	4,291.9	-	5,127.5
Reclassification work in progress	35,271.6	-	-	-35,271.6	-
	10,193.5	-	7,719.9	63,559.9	81,473.3
Balance as on December 31 2023					
Acquisition value	901,121.7	5,904.8	180,367.7	347,483.2	1,434,877.3
Accumulated depreciation and impairments	-544,693.6	-	-99,111.0	-	-643,804.6
Carrying amount at end of the financial year 2023	356,428.1	5,904.8	81,256.6	347,483.2	791,072.7

Notes:
- There are no restrictions to ownership of the above tangible fixed assets
- The disposals recognized relate entirely to decommissioning.
- The Projects in progress consists of €290M of costs associated to the construction of the Feringa Building project. The first phase of the Feringa Building is expected to becompleted in the first quarter of 2024.

For the environmental risks present, such as asbestos in buildings, reference is made to the environmental provision formed, which is outlined in the provision section of the explanatory notes to the annual accounts.

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1.1.3 FINANCIAL FIXED ASSETS

	Place of residence	Rate of participation	Carrying amount value as on 1/1/2023	Total of mutations during the period 2023: Investments	Disposals	Result	Provision	Other mutations	Carrying value as on 31/12/2023
1.1.3.1 Investments in participating interests in group companies									
RUG Houdstermaatschappij B.V.	Groningen	100%	10,364.0	-	-	-304.7	-	-	10,059.3
1.1.3.2 Other participating interests									
Universiteit Groningen NW Germany Gmbh.	Papenburg(Dld)	100%	19.8	-	-	6.3	-	-	26.2
Stichting GN-IX	Groningen	nvt	6.0	-	-	-6.0	-	-	-
LOFAR CV	Dwingeloo	11%	-	-	-	-	-	-	-
			10,389.8	-	-	-304.4	-	-	10,085.5

Stichting GN-IX was dissolved on July 22, 2022.
LOFAR CV was dissolved on January 1, 2023.

	Loans as of 1/1/2023	Loans granted 2023	Repayments 2023	Loans as of 31/12/2023	Interest rate	Remaining term in years
1.1.3.3 Receivables from group companies						
Stichting Universitair Sportcentrum Rijksuniversiteit Groningen	300.0	-	-	300.0	1.9%	29

	Value as of 1/1/2023	Addition 2023	Withdrawal 2023	Vale as of 31/12/2023
1.1.3.7 Securities				
Deposits	16,500.0	-	8,500.0	8,000.0

Securities relate to fixed-rate cash and cash equivalents with a maturity of >1 year.
Amortized acquisition value is equal to face value.

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		Mutations 2023				
	Value as of 1/1/2023	Loans granted	Repayments	Loans as of 31/12/2023	Interest r ate	Remaining term in years
1.1.3.8 Other receivables						
- GSZ Mayday	138.1	-	-	138.1	0.0%	onbepaald
- GSZ Mayday	24.3	-	-2.0	22.3	4.0%	9
- UNICA installatie groep B.V.	1,681.1	-	-1,681.1	-	0.0%	
	1,843.6	-	-1,683.1	160.4		

	Balance as on 1/1/2023	Addition 2023	Release 2023	Withdrawal 2023	Balance as on 31/12/2023
Provision other receivables	162.5	-	-2.1	-	160.4

	Balance as on 1/1/2023	Balance as on 31/12/2023
Loans outstanding	1,843.6	160.4
Less: Provision fixed financial assets	162.5	160.4
	1,681.1	0.0

These are receivables with a maturity of >1 year.
In respect of the outstanding receivable from Mayday, a guarantee has been provided. Amortization has not been applied to loans with an interest rate of 0%. The financial effect of this is €1.7K based on an interest rate of 1.25%.

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CURRENT ASSETS

1.2.1 INVENTORY

		31/12/2023	31/12/2022
	Consumables		
1.2.1.2	Warehouse inventory	645.0	609.8
		645.0	609.8

There is only a limited amount of obsolete inventory, therefore, no adjustments are made.

1.2.2 RECEIVABLES

			31/12/2023		31/12/2022
1.2.2.1	Accounts Receivable		10,735.6		8,388.6
	Less: Provision of bad debt		-701.3		-181.1
			10,034.3		8,207.5
1.2.2.6	Receivables from staff		69.7		88.6
1.2.2.7	Receivables from students/ participants/course participants		15.4		66.8
	Other receivables				
1.2.2.10.1	Income to be received	69,730.3		66,297.4	
1.2.2.10.2	Other receivables	54,185.8		43,746.8	
			123,916.1		110,044.2
1.2.2.11	Taxes and social security contributions		14,766.0		-
1.2.2.12	Prepayments		15,618.1		16,062.6
1.2.2.15	Other accrued assets		36.3		61.5
			164,455.8		134,531.2

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Mutations in the provision for bad debts:

	2023	2022
Balance as on January 1	181.1	317.0
Withdrawal	-75.9	-135.9
Addition	596.2	-
Balance as on December 31	701.3	181.1

The fair value of receivables approximates the carrying amount, given their short-term nature of the receivables and the fact that provisions for bad debts have been formed when required.

The item of accrued assets consists mainly of grant funds yet to be received from the second and third funding streams.
Other receivables include the item Working capital of UMCG R&E of €54,188K (previous year: €47,258K). Working capital is an item that arises from the cooperation between the University of Groningen and the Academic Hospital Groningen and consists of debtors, creditors, cash and cash equivalents, other receivables and payables which are presented netted. In accordance with the deed of deposit (Akte van Depot) as part of this collaboration, the Academic Hospital Groningen is responsible and liable to third parties for legal transactions entered into in the name of the University Medical Center Groningen, and therefore also for the purchase and sale of goods and services. In this regard, the working capital is a claim of the University of Groningen on the University Medical Center Groningen. No interest is payable on this position.

At the end of 2023, a significant receivable position was included in the balance sheet for taxes and social security contributions. This receivable was included because, in addition to the regular balance sheet amounts, a new agreement was made with the tax authorities regarding the offsetting of VAT on purchases over the past years. For further explanation, see the notes on section 4.4 other expenses.

1.2.4 CASH AND CASH EQUIVALENTS

			31/12/2023		31/12/2022
1.2.4.1	Cash		29.6		31.8
	Balances on bank accounts				
1.2.4.2.1	Balances on bank accounts	1,848.5		421.2	
1.2.4.2.2	Deposits (< 1 year)	8,500.0		100.0	
1.2.4.2.3	Current account	191,715.5		126,688.2	
			202,064.1		127,209.4
			202,093.6		127,241.2

- Cash and cash equivalents consist of cash on hand, bank balances and deposits held at call with financial instititions with a maturity of one year or less and are freely available to the institution.
- The current account consists of EUR 191.7 million in cash and cash equivalents that the University of Groningen has placed with the Ministry of Finance within the framework of treasury banking. Due to the application of this facility, these funds are therefore not included under the cash and cash equivalents in the annual accounts but under the current account. In addition, EUR 5.4 million of this item consists of payments in transit.
- The debit limit at the Ministry of Finance is EUR 48.9 million.
- The intraday limit at ABN-AMRO Bank is EUR 101.5 million.

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LIABILITIES

2.1 EQUITY

		Balance as on 1/1/2023	Result 2023	Other changes 2023	Reclassification 2023	Balance as on 31/12/2023
2.1.1.1	General reserve	550,922.4	-24,829.5	10,555.7	-	536,648.6
2.1.1.2	Designated reserves (public)	34,280.7	-	-8,843.9	-	25,436.8
2.1.1.3	Designated reserves (private)	4,144.3	-298.4	-	-	3,845.9
2.1.1.4	Designated funds (public)	686.3	-	-	-	686.3
2.1.1.7	Other legal reserves	3,423.6	-	-1,711.8	-	1,711.8
	Totals	593,457.4	-25,127.9	-	-	568,329.5

In accordance with RJ guidelines, the previous year's statement of movements is included below for comparison:

		Balance as on 1/1/2022	Result 2022	Other changes 2022	Reclassification 2022	Balance as on 31/12/2022
2.1.1.1	General reserve	573,243.6	-23,999.3	1,678.1	-	550,922.4
2.1.1.2	Designated reserves (public)	32,190.7	2,090.0	-	-	34,280.7
2.1.1.3	Designated reserves (private)	-1,049.7	1,000.0	8.0	4,186.1	4,144.3
2.1.1.4	Designated funds (public)	686.3	-	-	-	686.3
2.1.1.5	Designated funds (private)	2,160.8	2,025.3	-	-4,186.1	-
2.1.1.7	Other legal reserves	5,069.8	-	-1,646.2	-	3,423.6
	Totals	612,301.5	-18,884.0	- 39.9	- -	- 593,457.4

Designated reserves are reserves with a limited spending option, where a restriction is imposed by the Board of the University.
Designated funds are reserves with a limited spending option, where athe restriction is imposed by third parties.

- 2.1.1.2 The designated reserve (public) is formed for the purpose of the ongoing experiment of promotion students.
- 2.1.1.3 The designated reserve (private) is to cover private activities.
- 2.1.1.4 The designated fund (public) includes funds under management.
- 2.1.1.5 The designated fund (private) included cumulative growth in equity of the participations until fiscal year 2022.

Due to the absence of a third-party limitation on assets, in 2022, the designated fund (private) is classified as a designated reserve (private). This change has no impact on the relationship between the reserve stocks in the public sphere and the stocks in the private sphere. The designated reserve (private) (2.1.1.3) as of year-end 2022 is intended to cover private activities and includes, amongst others the assets of the participations.

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2.2 PROVISIONS

		Balance as on 1/1/2023	Interest 2023	Addition 2023	Withdrawal 2023	Release 2023	Balance as on 31/12/2023	Short-term portion (<1 year)	Long-term portion >1 year en <5 year	Long-term portion (>5 years)
2.2.1	**Staff provisions**									
2.2.1.1	Reorganization	1,495.4	-	17.0	-235.4	-	1,277.0	278.0	999.0	-
2.2.1.1	Transition	3,264.3	-34.0	3,046.4	-2,175.2	-87.1	4,014.4	2,303.6	1,710.8	-
2.2.1.1	TFR/KNIR	356.2	-	37.6	-65.0	-	328.8	168.3	5.3	155.2
2.2.1.2	Leave savings	2,218.7	62.9	678.0	-385.1	-454.7	2,119.8	741.4	1,378.4	-
2.2.1.3	Own risk WGA	5,466.9	-87.9	6,992.6	-2,527.4	-2,285.3	7,558.9	1,228.7	4,110.5	2,219.7
2.2.1.4	Jubilee provision	4,059.2	16.9	1,433.1	-782.0	-689.8	4,037.4	222.8	1,147.4	2,667.2
2.2.1.5	Unemployment contributions	3,139.5	63.9	4,576.9	-4,265.1	-538.0	2,977.2	1,702.8	1,274.4	-
2.2.1.6	Long-term sickness	1,084.0	-16.4	1,342.4	-389.2	-648.2	1,372.6	1,292.2	80.4	-
	Total staff provisions	21,084.1	5.4	18,124.0	-10,824.4	-4,703.1	23,686.1	7,937.8	10,706.2	5,042.1
2.2.4	**Other provisions**									
2.2.4.2	Environmental provision	13,490.6	-11.8	875.3	-72.1	-	14,282.1	6.4	7,517.4	6,758.3
2.2.4.3	Dismantling cyclotron	8,515.0	712.1	-	-	-	9,227.1	-	-	9,227.1
2.2.4.3	Other	2,500.0	-	-	-2,500.0	-	-	-	-	-
	Total other provisions	24,505.6	700.3	875.3	-2,572.1	-	23,509.2	6.4	7,517.4	15,985.4
	Total provisions	45,589.7	705.7	18,999.3	-13,396.5	-4,703.1	47,195.2	7,944.2	18,223.6	21,027.5

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2.3 NON-CURRENT LIABILITIES

Description	Balance as on 1/1/ 2023	Loans taken out	Repayments	Balance as on 31/12/ 2023	Short-term < 1 year	>1 year and <5 years	Term >5 jaar	Interest rate
Ministery of Finance	-	132,500.0	-	132,500.0	-	35,333.3	97,166.7	1.89%

In 2022, the UG took out a long-term loan totaling €265M with the Ministry of Finance with a term of 30 years. The first part of the loan, amounting to €132,5M, was received by the UG in mid-2023. By mid 2024, the UG will receive the remaining €132,5M.
The first annual interest payment (1.89%) will commence mid-2024 and the first annual repayment in mid-2025.

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2.4 CURRENT LIABILITIES

		31/12/2023	31/12/2022
2.4.4	OCW/EZ	53,366,5	28,086,4
2.4.7	Installments charged and advances received	6,630,4	6,889,8

Below, the balance of current projects and declared installments is included:

		Current projects	Declared Installments	Balance as 31/12/2023	Current projects	Declared Installments	Balance as on 31/12/2022
	Current projects < installments	-25,625,2	18,295,3	-7,329,9	-23,861,1	16,907,1	-6,954,0
	Current projects > installments	-24,451,6	38,411,9	13,960,3	-22,469,2	36,313,0	13,843,8
	Total	-50,076,8	56,707,2	6,630,4	-46,330,3	53,220,1	6,889,8

2.4.8	Accounts payable			26,995,0			20,010,2
2.4.9	Taxes and social security contributions						
2.4.9.1	- Wage tax		21,177,4			18,897,8	
2.4.9.2	- Sales tax		-			1,963,6	
				21,177,4			20,861,4
2.4.10	Liabilities related to pensions			5,725,6			5,923,4
2.4.11	Liabilities related to work for third parties			1,607,9			1,486,2
2.4.12	Other short-term debts			34,878,6			35,437,6
2.4.13	Tuition and examination fees received in advance			44,118,7			41,544,1
2.4.14	OCW/EZ grants received in advance			2,659,5			3,017,9
2.4.16	Amounts received in advance			175,373,8			152,521,8
2.4.17	Holiday pay and days						
2.4.17.1	- Holiday allowance		14,352,2			12,847,5	
2.4.17.2	- Reservation for holiday days		42,007,2			35,164,8	
				56,359,3			48,012,4
2.4.19	Other accrued liabilities						
2.4.19.1	- Profiling fund		300,0			290,8	
2.4.19.2	- Other		1,147,0			1,147,0	
				1,447,0			1,437,8
				430,339,7			365,229,0

Amounts received in advance consist mainly of grant funds received in advance from the second and third money streams. Lower tuition income was realized in FY2022 due to the temporary "halving tuition fees" regulation. As a concession due to damage caused by COVID-19, students temporarily paid 50% of the statutory tuition (and freshmen only 25%). By fiscal year 2023, this arrangement was no longer in effect.

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De OCW/EZ grants received in advance (item 2.4.4) have increased in 2023 due to NPO funds received in advance, start-up and incentive grants received in advance, and sector plan funds received in advance.

National Education Program funds
Funds have been allocated from OCW to correct for backlogs in research and education due to the corona pandemic. Utilizing these funds is restricted to specific conditions. The entire program is called National Education Program (NPO) and is split between Education & Research. For 2021 and 2022, the NPO research compensation for the UG is €8.2M (per year: €4.1M) and the funds from the corona envelope NPO €9.2M (€5.1M in 2021 & €4.1M in 2022). These amounts are covered by the administrative agreement with the NPO. The funds are liabilities on the balance sheet and the release of the funds from the balance sheet to the government contribution takes place in proportion to the spending. At the end of 2023, the balance sheet position is €3.2M. The accountability for the expenses of NPO funds takes place in the Report of the Board.

Starter- and incentive grants
Starter- and incentive grants are a new tool intended to ensure greater stability and predictability in research funding for universities and university medical centers. These are non-competitive funds. The goals are: to stimulate unrestricted research and to reduce work pressure, competition, and application pressure. The UG has received €25.9M and spent €4.1M on starter grants and received €18.2M and spent €2.7M on incentive grants. The accountability for the expenses of starter- and incentive grants takes place in the Report of the Board.

Sector Plan funds
Regarding Sector Plan funds, the Minister of OCW has made €60M in 2022 and €213M in 2023 available for sector plans for the beta/technology/SSH/medical fields. The UG received €6.1M of this in 2022 and €22.2M in 2023. The faculties involved have now spent €13M on the sector plans, leaving a balance of €15.3M by the end of 2023. The accountability for the sector plan funds takes place in the Report of the Board.

Other subsidies received in advance
There are no other grants received in advance regarding OCW with a repayment obligation at the end of 2023 (2022: €0.7M).

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Notes to the income statement

Amount x €1,000

INCOME

3.1 CONTRIBUTIONS OF CENTRAL GOVERNMENTS

		Realization 2023	Realization 2023	Realization 2022
	Contributions of central governments OCW/EZ			
3.1.1.1	Contributions of central governments OCW (sector WO)	680,570.1	654,429.6	639,939.2
	Other subsidies OCW/EZ			
3.1.2.1	Other subsidies OCW	142.2	-906.4	164.7
	Income transfer from contributions of central governments			
3.1.3.2	Academic Hospitals	-113,116.1	-105,549.2	-109,301.2
	Total contributions of central governments	567,596.3	547,974.0	530,802.7

The contributions of central governments forms the basis for funding educational and research activities of the UG and it is received from the Ministry of Education, Culture and Science (OCW). The size of the contributions of central governments is determined each year by Parliament in the Budget Act. Broadly speaking, the contributions of central governments consists of four parts, the education part, research part and the medical education and research part. As of 2022, the funds resulting from the quality agreements have been added as a fourth part.

The 2023 budget includes the contributions of central governments based on the Ministry of Education, Culture and Science's estimate of the expected additional contributions of central governments in 2023 and the passivation and release of non-normative contributions of central governments. An amount of €34.7M has been received in wage and price adjustments in 2023, which could not yet be determined at the time of the budget. In 2023, approximately €12M more in nonnormative contributions was passivated than originally budgeted. In 2023, a total of €598.8M in contributions of central governments was received.

3.3 STATUTORY TUITION/COURSE/EXAM FEES

3.3.4.1	Tuition fees sector WO	92,267.0	91,700.0	82,903.7
3.3.4.2	Education obligation current year	-44,118.7	-	-41,544.1
3.3.4.3	Release of education obligation	41,544.1	-	26,391.5
	Total tuition fees	89,692.5	91,700.0	67,751.1

Lower tuition income was realized in FY2022 due to the temporary "halving tuition fees" regulation. As a concession due to damage caused by COVID-19, students temporarily paid 50% of the statutory tuition (and freshmen only 25%). By fiscal year 2023, this arrangement was no longer in effect.

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3.4 INCOME ON THIRD PARTY CONTRACTS

		Realization 2023		Budget 2023		Realization 2022	
	Contract Education						
3.4.1.1	Faculties		3,846.6		4,106.3		3,974.2
	Income on third party contracts						
3.4.2.1	International organizations						
	European Union	36,716.4		17,208.4		37,110.1	
3.4.2.2	National governments	37,019.1		23,076.7		35,206.1	
3.4.2.3	NWO	38,302.2		31,889.7		33,896.2	
3.4.2.4	KNAW	112.9		338.2		332.2	
3.4.2.5	Other non-profit organizations	25,123.4		28,111.8		23,732.6	
3.4.2.6	Companies	26,324.6		19,992.8		23,769.6	
			163,598.6		120,617.5		154,046.9
3.4.5	Other income from third party contracts		11,251.4		32,841.2		11,623.7
	Total income from third party contracts		178,696.6		157,565.0		169,644.8

Income from work for third parties is €9.1M higher in 2023 than in 2022 and €21.1M higher than budgeted for 2023. Total income for third parties comes to €178.7M in 2023, which is about 19.9% of total UG income. €8.0M of the increase compared to 2022 is caused by higher project income at the Medical Faculty (UMCG R&E), the Faculty of Science and Engineering is responsible for an increase of €1.7M and the Faculty of Behavioral and Social Sciences contributes €0.9M.

The income from work on behalf of third parties does not include any grants that are the subject to discussion with the grant provider regarding the grant approval. The UG mainly obtains exploitation grants. A significant smaller portion concerns actual work for third parties, the so-called WIP projects. The income from the so-called WIP projects is recorded in the sections 3.4.2.6 Companies and 3.4.5 Other income from third party contracts.

Scientific research is one of the core tasks of the University of Groningen and generates a structural flow of incidental research grants. The research grants are incidental in nature because obtaining a grant often requires submitting a research proposal, which is evaluated by the grant provider, after which a grant may or may not be awarded. Therefore, receiving these grants cannot be seen as a structural source of income, as there is always the risk that applications are not approved, and no grant is received. The main grant programs currently running within the University are: EU-H2020, SNN and NWO.
The rationale for these grants is discussed in the notes to the financial statements.

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3.5 OTHER INCOME 3.5 OVERIGE BATEN

		Realization 2023		Budget 2023		Realization 2022	
3.5.1	Rental income		2,381.3		2,584.3		2,387.1
	Other income						
3.5.10.1	Courses, conferences and symposia	8,235.8		1,534.2		7,603.7	
3.5.10.2	Business services	32,442.8		9,046.0		31,888.5	
3.5.10.2	Royalties	487.0		837.5		1,936.2	
3.5.10.3	Other incidental income	20,177.1		51,280.1		22,018.7	
			61,342.7		62,697.7		63,447.0
	Total other income		63,724.0		65,282.0		65,834.1
	Total income		899,709.3		862,522.0		834,032.7

Other income in 2023 is €6.4M lower than budgeted. There was € 2.9 mln less income realized in the Cognigron project of the Faculty of Science and Engineering due to a changed methodology of settling costs with the Ubbo Emmius Fund in 2023. In addition, the NOVA project realized €542K less in grant income as budgeted.

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EXPENDITURE

4.1 STAFF COSTS 4.1 PERSONELE LASTEN

		Realization 2023		Budget 2023		Realization 2022	
	Wages, salaries, social security and pension expenses *)						
4.1.1.1	Wages and salaries	471.709,5		571.385,8		431.337,4	
4.1.1.2	Social security contributions	57.934,2		20.212,1		51.974,0	
4.1.1.5	Pension contributions	64.880,1		24.850,9		68.711,9	
			594.523,9		616.448,8		552.023,3
	Other employee expenses						
4.1.2.1	Changes in personnel provisions	13.206,3		1.432,5		7.876,7	
4.1.2.2	Expenses of external employees	46.953,3		21.173,9		36.402,6	
4.1.2.3	Other employee charges	14.853,2		-1.351,0		13.791,2	
			75.012,8		21.255,4		58.070,6
4.1.3	Compensation received		-2.875,1		-649,2		-2.452,9
	Total employee expenses		666.661,7		637.055,0		607.641,0

Total employee expenses exceeded the budget by €25.2M (3.95%). The difference is a result or the effect of the wage increase of 9%, as a result of the collective bargaining agreement, as of August 1 and a one-time prorata payment is included in the direct personnel expenses, that was not budgeted for. In 2023, the UG received a wage compensation from OCW for the wage increase amounting to €22.3M. The cause of the higher expenses at total level lies in the higher other employee expenses. The other employee expenses are higher due to more hiring of third parties and an actualization (net addition) of the reserve for leave days and the staff provisions.

*) Employee benefits expenses for UMCG R&E are recharged by the UMCG payroll department.

The average number of employees is 7.151 FTE (2022: 6.996 FTE).

	2023	2022
Average number of employees by category in FTE:		
WP	4.182,7	4.139,4
OBP	2.968,7	2.857,0
	7.151,4	6.996,4

The number of UG employees working outside the Netherlands is 2,26 FTE (2022: 2,05 FTE).

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4.2 DEPRECIATION AND AMORTIZATION

		Realization 2023		Budget		Realization 2022	
4.2.1	Intangible fixed assets	1,711.8		-		1,703.1	
4.2.2	Tangible fixed assets	41,662.2		48,298.0		40,956.1	
	Total depreciation and amortization		43,374.0		48,298.0		42,659.2

Due to changes in the realization of the construction of the Feringa Building, completion and occupancy will occur later than planned. With the expected completion and occupancy of phase 1 in the first quarter of 2024, depreciation on these assets will also commence.

4.3 ACCOMMODATION EXPENSES

4.3.1	Rent	5,966.3		3,887.7		3,465.9	
4.3.2	Insurance	1,150.4		937.7		906.3	
4.3.3	Maintenance	14,209.0		14,277.6		15,629.4	
4.3.4	Energy and water	39,297.5		28,891.7		26,962.2	
4.3.5	Cleaning expenses	8,401.6		7,065.5		7,831.8	
4.3.6	Taxes and duties	5,159.5		6,464.9		3,474.3	
4.3.8	Other accommodation expenses	2,590.7		7,735.9		2,028.0	
	Total accomodation expenses		76,774.9		69,261.0		60,297.9

Accommodation expenses are €7.5M higher than budgeted. This is mainly due to substantially higher energy costs. The increase in costs for energy and the effect of the energy-saving measures taken could not yet be foreseen in its full extent at the time of budget preparation in 2022.

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4.4 OTHER EXPENSES

		Realization 2023		Budget 2023		Realization 2022	
4.4.1	Administration and management expenses		5,978.2		4,541.0		5,658.7
	Inventory and equipment						
4.4.2.1	Inventory and equipment	11,210.9		19,240.4		11,798.1	
4.4.2.2	Other	10,579.5		8,758.9		9,900.4	
			21,790.4		27,999.3		21,698.6
4.4.4	Change in other provisions		873.3		378.4		158.6
	Other						
4.4.5.1	Telecommunications and information technology	17,223.7		16,568.5		14,668.2	
4.4.5.2	Travel and accommodation expenses	14,717.2		8,309.9		11,239.3	
4.4.5.3	Publication, representation and subsidies	19,285.8		13,334.1		16,465.6	
4.4.5.4	Specific expenses education & research	57,133.9		58,030.4		50,913.3	
4.4.5.5	Consultancy costs and compensation for services	8,267.7		7,690.8		8,149.8	
4.4.5.6	Other	-34.8		23,047.7		18,704.9	
			116,593.5		126,981.4		120,141.2
	Total other expenses		145,235.4		159,900.0		147,657.1

The item specific expenses education & research consists mainly of costs for laboratory and research equipment, project costs, costs for affiliations UMCG R&E and costs for PhD students.

In the other expenses of 2023, a refund has been included under an agreement with the tax authorities concerning the settlement of VAT on total purchases of €15.6 million. This includes the settlement for the years 2016-2022 of €13.6 million.

	Realization 2023	Realization 2022
Breakdown of audit expenses		
Fee for audit of annual accounts	469.7	512.6
Fee for other audit services	369.2	369.5
Fee for tax advice	14.3	49.9
Fee for other non-audit services	46.3	73.2
Total audit expenses	899.5	1,005.2

The total fees charged to the legal entity during the fiscal year for examination of the financial statements, other audit services, tax advice and other non-audit services relate to work performed during the fiscal year. KPMG audits the medical faculty (UMCG R&E) and the audit fees for examination of financial statements and other audit services amount to €162,1K and €110,1K respectively.

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FINANCIAL INCOME AND EXPENDITURE

		Realization 2023	Budget 2023	Realization 2022
6.1.1	Interest income	9,469.0	-	3,313.1
6.2.1	Interest expense	-1,955.8	1,226.0	-
	Total financial income and expenditure	7,513.1	1,226.0	3,313.1

The increase in interest income is due to the rising interest rate on the Current Account balance with the Ministry of Finance, which increased as off Q3 2022. The discounting of the other provisions within the University of Groningen has an negative interest effect of approximately €0.7M. As of mid-2023, the interest expense for the long-term financing at the Ministry of Finance is accounted for, in 2023 it amounts to €1.26M.

The interest income for 2023 also includes the tax interest received (€2.4 million) in connection with the refund that the University of Groningen has received under an agreement with the tax authorities regarding the settlement of VAT on purchases.

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RESULT OF PARTICIPATING INTERESTS

		Realization 2023	Budget 2023	Realization 2022
8.0	Result UGNWG GmbH	6.3	-	-23.3
8.0	Result of participating interest RUG Houdstermaatschappij B.V.	-304.7	750.0	2,048.5
8.0	Result GN-IX Foundation	-6.0	-	-
	Total result of participating interests	-304.4	750.0	2,025.3

APPROPRIATION OF RESULT

It is proposed to distribute the result of €-25.128K as follows:

Addition to general reserve	-24,829.5
Addition to designated reserve (public)	-
Addition to designated reserve (private)	-298.4
Addition to designated fund (public)	-
Addition to designated fund (private)	-
Result financial year:	-25,127.9

The University of Groningen has no Articles of Association but is a legal entity based on the WhW. Therefore, there are no provisions in the Articles of Association regarding the appropriation of results.

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Subsequent events

There are no events after the balance sheet date that provide further information about the actual situation on the balance sheet date.

Off-balance sheet assets and liabilities

LONG-TERM FINANCIAL COMMITMENTS

Investment commitments have been made in the amount of €36,429K.

The following long-term commitments have been made (amounts x €1,000, including VAT):

	< 1 jaar	1-5 jaar	> 5 jaar
Energy and water	33,798.4	65,630.2	
Inventory and equipment	1,868.0	3,130.4	
Other housing expenses	8,294.4	1,915.6	
Other expenses	4,424.1	7,896.6	
Personnel expenses	5,102.4	7,879.9	
Travel and accommodation expenses	1,259.5	3,148.9	
Cleaning costs	5,770.6	4,299.8	
Telecommunications and information technology	13,301.8	5,294.8	
Rent	3,170.6	6,705.1	3,898.2
	76,989.9	105,901.4	3,898.2

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OTHER NOT RECORDED LIABILITIES AND/OR RECEIVABLES

Scientific work
The valuation of the scientific work in possession depends on various value factors and cannot be reliably estimated. The scientific work are therefore not included in the balance sheet.

Guarantee rental income
Effective September 1, 2018, the UG together with Hanzehogeschool Groningen will guarantee a minimum rental flow per year on the student housing project on the former Suikerunie site in Groningen operated by a third party. The term of this guarantee is 10 years.

Risks due to earthquakes
According to a government decision (March 2018), gas extraction from the Groningen field will be phased out until it is eventually zero. In a letter of 10 September 2019, the government communicated that gas extraction will be phased out faster than the original basic pathway that was agreed on in March 2018. This substantially reduces the safety risk of earthquakes and earthquake damage. Despite the accelerated phasing out, the building regulations have not changed, and this means that from 2023 an earthquake risk assessment will no longer be required. The basic principle of this policy is that turning off the gas taps will substantially reduce the risk of earthquakes in a short period of time. For the three campus areas of the University of Groningen, this means that from 2023 on (T2), no assessment of earthquake load has to be performed. For the Feringa Building, which is currently under construction, agreements have been made with the NAM with regards to the reimbursement of the additional costs. These agreements have been formalized in a Settlement Agreement.

The earthquake problem is an integral part of the University of Groningen's property policy and implementation. In 2017, the survey of the Potential High Risk Building Elements (PHRBEs) per building was completed. The survey of the PHRBEs is part of the reinforcement task of the city of Groningen and falls under the responsibility of the National Coordinator for Groningen (NCG). The reinforcement task in Groningen has been greatly delayed, and the focus of the NCG is on the problems in the core risk area and not on Groningen City. It is not in line with expectations that the NCG will focus on reinforcing the City in the period 2022 - 2023. A number of elements have been found to be in need of reinforcement. The costs incurred by the University of Groningen for this will be reimbursed after approval by the NCG.

Lifelines (Lifelines Databeheer B.V. & Medische Biobank Noord-Nederland B.V.)
For the period 2024-2028, the UG has issued a guarantee of up to €10.5M (5 x €2.1M per year) in the event that insufficient external funding is obtained to maintain the basic Lifelines facility. UMCG Zorg has also issued a guarantee of €5.25M (5 x €1.05M per year) and VWS has confirmed in writing to provide a grant for the fourth research round of Lifelines.

Loan Ministry of Finance
The UG has taken out a loan from the Dutch Ministry of Finance for the amount of €265 million for investments in fixed assets necessary for the performance of the institution's tasks regulated by or in accordance with the law. For this loan, with a term from 30-06-2023 to 30-06-2054, the University has provided a senior mortgage security.

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PhD students

UMCG R&E (the Faculty of Medical Sciences) has two types of doctoral (PhD) students, roughly distinguishable into student PhD's students and employee PhD's students. Forty-four PhD students (and then of these, a group of MD/PhDs) started legal proceedings against the UMCG to have their training contracts retroactively classified by the court as employment contracts. The MD/PhD doctoral students are a specific group: namely, they are admitted to the doctoral program while not yet holding a master's degree.

On January 4, 2022, the district judge dismissed the claim of these PhD students. This ruling was appealed by these doctoral students.

On May 2, 2023, the Arnhem-Leeuwarden Court of Appeal ruled in an interim judgment that the relationship between these student doctoral students and the UMCG should be regarded as an employment contract for the years 2016-2018. This nullifies the earlier decision of the subdistrict court to reject the claim. In addition, the Court of Appeal concluded that the claim filed cannot yet be decided on, because the parties have not yet had sufficient opportunity to comment on the substance of the claim. On August 2, 2023, UMCG R&E has appealed this judgement to the Supreme Court. The pronunciation judgment of the Supreme Court is expected at the end of 2024. Because of the ruling which shows the uncertainty about the size of the claim, no provision has been made for this in the financial statements.

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Model E: List of related parties

Amount x €1,000

In the guidelines for the preparation of financial statements, the Minister indicates, that the legal entity that together with the university,
- form an economic unit and
- are under the common management of the economic unit and
- the joint management has decisive control over the legal entity in question, should be consolidated in the financial statements.

The data of the majority shareholdings are taken from the financial statements of the relevant shareholdings.
At the UG, these are the following legal entities:

Majority interest in group companies

Name		Legal entity type	Registered office	Code activities	Equity 31-12-2023	Revenue 2023	Result 2023	Interest
RUG Houdstermaatschappij (KvK 02058154)								
Declaration section. 2:403BW:	no	B.V.	Groningen	4	10,059.3	-	-78.9	100%
Consolidated:	no							
University of Groningen North West Germany GmbH		GmbH	Papenburg (Dld)	4	26.2	-	6.3	100%
Declaration section. 2:403BW:	no							
Consolidated:	no							

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Note: At year-end 2023, the RUG Houdstermaatschappij B.V. has interests in the following companies:

Companies	Interest	Core activities
NTV Beheer B.V.	100%	Company management
Kennis Conversie Fonds B.V.	100%	Investment fund
Van Swinderen Huys B.V.	100%	Meeting and conference center
RUG UMCG Investeringen B.V.	50%	Investing in promising technology companies
Angteq B.V.	15%	Pharmaceutical and diagnostic advice and research
Nederland Rusland Centrum B.V.	45%	Supervision of bilateral contacts
PolyVation B.V.	49%	Polymer products for medical sector
UC Promotion Groningen C.V.	33%	Investigate training in exercise science
KNN Groep B.V.	20%	Environmental and economic advice
Pro Facto B.V.	6%	Administrative and legal advice
AGILeBiotics B.V.	17%	Development of antibiotics
Biorion Technologies B.V.	3%	DRUG delivery system
Lifelines Databeheer B.V. (Roden)	50%	Medical data collection
Ocean Grazer Holding B.V.	25%	Development of energy generation and storage
EV Biotech B.V.	10%	Development of high performance molecules
Biologisch Arch. Innovatiecentrum B.V.	34%	Biological innovation center
Innolab Holding B.V.	18%	Holding and management activities
QDI Systems B.V.	8%	Development and production of X-ray detectors
SG Papertronics B.V.	22%	Biotechnology company
SlimStampen B.V (Haren)	12%	Development of effective learning methods
Sencilia B.V.	12%	Development, production and operation of sensors (medical and industrial)
Deep Atlas B.V.	8%	Supply of geological knowledge and conduct of geological surveys
Neth.Enabling Watertechn.Fonds B.V.	21%	Participation company
Pharma Connect Capital B.V.	5%	Research and development work in health and nutrition
Preesman Naturals B.V.	20%	Manufacture of vegetable and animal oils and fats
Barder Technologies B.V.	20%	Research and development work in health and nutrition
Ancora Health B.V.	1%	Provision of preventive medical care and lifestyle advice

All companies have their office registered in Groningen, unless stated otherwise.

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Other participations/capital interests

Decisive control

Name		Legal entity form	Registered office	Code activities	Equity 31-12-2023	Revenue 2023	Result 2023	Interest
Stichting AOG (KvK 41011529)								
Declaration section. 2:403BW:	no	Stichting	Groningen	1	3,359.4	-	-130.0	N/A
Consolidated:	no							
Stichting Universitair Sportcentrum Rijksuniversiteit Groningen (KvK 86081802)		Stichting	Groningen	4	-22.1	-	-12.4	N/A
Declaration section. 2:403BW:	no							
Consolidated:	no							

Other related parties

Name	Legal entity form	Registered office	Code activities
Stichting ACLO	Stichting	Groningen	4
Stichting Bestuursrecht en Bestuurskunde	Stichting	Groningen	4
Stichting Groninger Universiteitsfonds	Stichting	Groningen	4
Stichting Groninger Center for Drug Research	Stichting	Groningen	4
Stichting Groninger Universiteitsblad	Stichting	Groningen	4
Stichting Kommissie Eerstejaars Introduktie (KEI)	Stichting	Groningen	4
Stichting Klinische Farmacologie Groningen	Stichting	Groningen	4
Stichting Nicolaas Muleriusfonds	Stichting	Groningen	4
Stichting voor Pedagogisch Onderwijs aan de Rijksuniversiteit Groningen	Stichting	Groningen	4
Stichting Technology Consultancy Center	Stichting	Groningen	4
Stichting ter Bevordering van Onderzoek en Onderwijs in de strafrechtswetenschappen	Stichting	Groningen	4
Stichting ter Bevordering van Ruimtelijke Wetenschappen	Stichting	Groningen	4
Stichting Ubbo Emmius Fonds	Stichting	Groningen	4
Farmaceutisch Technologie Groningen	Vereniging	Groningen	4
Stichting Aquilo	Stichting	Groningen	4
Stichting Pastoor Schmeits voor Sterrekunde	Stichting	Groningen	4
Stichting Sterrenkundig Studiefonds J.C.Kapteyn	Stichting	Groningen	4
CS ASPA	V.O.F.	Groningen	4

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Stichting Bèta Bedrijvendagen	Stichting	Groningen	4
Stichting Grote Buitenl.Excursie(s) Fysisch Mathem.Facult.ver.	Stichting	Groningen	4
Stichting Hilmar Joh.Backer Fonds	Stichting	Groningen	4
Stichting Surfeng	Stichting	Groningen	4
Technisch Fysische Vereniging Prof.Francken	Vereniging	Groningen	4
Vereniging voor Polymeerchemici Netwerk	Vereniging	Groningen	4
Stichting ESEB 2017 (Entosiast)	Stichting	Groningen	4
Stichting Microbes Unlimited	Stichting	Groningen	4
Johann Bernoulli Stichting voor de Wiskunde	Stichting	Groningen	4
Stichting Cover Travel Foundation	Stichting	Groningen	4
Stichting Leonardo da Vinci	Stichting	Groningen	4
Stichting Natuurkunde Olympiade Nederland	Stichting	Groningen	4
Stichting Systems & Control Groningen	Stichting	Groningen	4
Stichting Business Generator Groningen (Northern Knowledge)	Stichting	Groningen	4
Stichting Geertruida Gerharda Bolhuis	Stichting	Groningen	4
Stichting Wereld Vismigratie	Stichting	Groningen	4

Code activities
1 = contract education
2 = income on third party contracts
3 = real estate
4 = other

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Model G: Subsidies provided

Amounts x €1,000

G1 Grants where any unused portion of the grant, provided the activities are fully implemented, can be spent on other activities for which funding is provided

Description	Allocation		The activities were fully implemented and completed at the end of the reporting year in accordance with the grant decision*
	Reference	Reference	
Epiffani	0021-07	4/28/2021	Yes
Orde in de Virtual Reality kleuterklas	0L22-02	4/28/2022	In progress
Leren met VR: The next level?	0022-04	4/28/2022	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS21032	11/16/2021	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS22061	5/3/2022	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS229035	11/8/2022	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS229038	11/8/2022	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS229036	11/8/2022	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS229051	11/8/2022	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS23031	4/20/2023	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS23030	4/20/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS23037	4/20/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS23032	4/20/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS23034	4/20/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS23040	4/20/2023	Yes
Virtuele Internationale Samenwerkingsprojecten	VIS23090	4/20/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS239017	12/6/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS230931	12/6/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS230932	12/6/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS239049	12/6/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS239016	12/6/2023	In progress
Virtuele Internationale Samenwerkingsprojecten	VIS239041	12/6/2023	In progress

* In progress = the grant is ongoing in accordance with the grant obligations
Yes = the grant has been completed in accordance with the grant obligations
No = the grant has been completed in violation of the grant obligations

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G2-A Grants that may be used only for the purpose for which the grant was made, ending at the end of the reporting year

Description	Allocation		Allocation amount	Received up to and including 2022	Total subsidized costs up to and including 2022	Balance as on 1/1/2023	Received in 2023	Subsidized costs in 2023	To be settled as of 31/12/2023
	Reference	Date							
N/A									
			-	-	-	-	-	-	-

G2-B Grants that may be used only for the purpose for which the grant was made, continuing into a subsequent reporting year

Description	Allocation		Allocation amount	Received up to and including 2022	Total subsidized costs up to and including 2022	Balance as on 1/1/2023	Received in 2023	Subsidized costs in 2023	To be settled as of 31/12/2023
	Reference	Date							
N/A									
			-	-	-	-	-	-	-

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Senior Executives in the Public and SemiPublic Sector (Standards for Remuneration) Act (WNT)

Since January 1, 2013, the WNT has applied to publicly funded institutions such as the University of Groningen. The WNT is subject to a disclosure requirement.

The general 2023 remuneration maximum for the UG has been set at €223,000 (full-time employment). The remuneration maximum is calculated in proportion to the length and/or extent of employment in any calendar year. The UG falls into education classification G, in which three criteria are leading in determining the classification. Based on the total income in year t-2, the UG scores 10 complexity points, the number of funded students in year t-2 5 complexity points and the number of types of education in year t-2 5 complexity points. This results in 20 complexity points yielding classification G. The Board of

The senior executive officers identified within our organization with an employment relationship have no employment with other WNT-obligated institution(s) as senior executive officers (entered into as of January 1, 2018).

Remuneration of senior executives

1a. Senior executive officers with employment and senior executive officers without employment from the 13th month of employment.

Senior executive officers with an employment contract and senior executive officers without an employment contract from the 13th month of job performance including those who are considered senior officers for another 4 years by their former positions.

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Senior executive officers with an employment contract

Figures for 2023 (amounts x 1 euro)	J. de Vries	J.A.W.M. Biemans	T.N. Wijmenga	J.M.A. Scherpen
Job title	Chair	Vice-chair	Rector Magnificus	Rector Magnificus
Start and end of job tenure in 2023	01/01 - 31/12	01/01 - 31/12	01/01 - 31/8	01/09 - 31/12
Length of employment (as part-time factor in FTE)		1	1	1
Employment contract	yes	yes	yes	yes
Remuneration				
Remuneration plus taxable expense allowances	199,962	188,829	132,598	66,501
Remuneration payable at a future date	22,552	22,513	15,032	7,485
Subtotal	222,514	211,342	147,630	73,986
Individual remuneration ceiling	223,000	223,000	148,463	74,537
-/- Amount unduly paid and not yet recovered	N/A	N/A	N/A	N/A
Total remuneration	**222,514**	**211,342**	**147,630**	**73,986**
Amount of excess and the reason why the excess is (not) allowed	N/A	N/A	N/A	N/A
Explanation of the claim for undue payment	N/A	N/A	N/A	N/A

Data 2022 (amounts x 1 euro)	J, de Vries	J,A,W,M, Biemans	T,N, Wijmenga	J,M,A, Scherpen
Job title	Chair	Vice-chair	Rector Magnificus	N/A
Start and end of job tenure in 2022	01/01 - 31/12	01/01 - 31/12	01/01 - 31/12	N/A
Length of employment (as part-time factor in FTE)	1	1	1	N/A
Employment contract	yes	yes	yes	N/A
Remuneration				
Remuneration plus taxable expense allowances	191,442	181,276	191,390	N/A
Remuneration payable at a future date	24,097	23,419	24,094	N/A
Subtotal	215,539	204,695	215,484	N/A
Individually applicable remuneration ceiling	216,000	216,000	216,000	N/A
Total remuneration	**215,539**	**204,695**	**215,484**	**N/A**

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1c. Supervisory senior executives

Figures of 2023 (amounts x 1 euro)	J.W. Remkes	R.J. Weil	H.S. de Jong
Job title	Chair	Member	Member
Start and end of job tenure in 2023	01/01- 31/12	01/01- 31/12	01/01 - 31/12
Remuneration			
Remuneration	20,000	15,000	15,000
Individually applicable remuneration ceiling	33,450	22,300	22,300
-/- Amount unduly paid and not yet recovered	N/A	N/A	N/A
Total remuneration	**20,000**	**15,000**	**15,000**
Amount of excess and the reason why the excess is (not) allowed	N/A	N/A	N/A
Explanation of the claim for undue payment:	N/A	N/A	N/A

Figures of 2022 (amounts x €1))	J.W. Remkes	R.J. Weil	H.S. de Jong
Job title	Chair	Member	Member
Start and end of job tenure in 2022	01/01- 31/12	01/01- 31/12	01/01 - 31/12
Remuneration			
Remuneration	20,000	15,000	15,000
Individually applicable remuneration ceiling	32,400	21,600	21,600

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Figures of 2023 (amounts x 1 euro)	W. van Saarloos	A.S. Roeters	M. Riemersma-Diephuis
Job title	Member	Member	Member
Start and end of job tenure in 2023	01/01 - 31/12	01/01 - 30/10	01/11 - 31/12
Remuneration			
Remuneration	15,000	12,500	2,500
Individually applicable remuneration ceiling	22,300	18,573	3,727
-/- Amount unduly paid and not yet recovered	N/A	N/A	N/A
Total remuneration	15,000	12,500	2,500
Amount of excess and the reason why the excess is (not) allowed	N/A	N/A	N/A
Explanation of claim for undue payment:	N/A	N/A	N/A

Figures of 2022 (amounts x 1 euro)	W. van Saarloos	A.S. Roeters	M. Riemersma-Diephuis
Job title	Member	Member	N/A
Start and end of job tenure in 2023	01/01 - 31/12	01/01 - 31/12	N/A
Remuneration			
Remuneration	15,000	15,000	N/A
Individually applicable remuneration ceiling	21,600	21,600	N/A

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2. Payments due to termination of employment to senior executives

Payments due to termination of employment to senior executives with or without employment, including those who are still regarded as top officials for 4 years based on their former position

Figures for 2023 (amounts x 1 euro)	T.N. Wijmenga
Job title	
Position upon termination of employment	Rector Magnificus
Length of employment (as part-time factor in FTE)	1
Year in which employment ended	2023
Payments due to termination of employment	
Agreed payments due to termination of employment	68,609
Individually applicable remuneration ceiling	75,000
Total payments due to termination of employment	68,609
Of which paid in 2023	68,609
Amount unduly paid and not yet recovered	N/A
Amount of excess and the reason why the excess is (not) allowed	N/A
Explanation of the claim for undue payment	N/A

Note:
The UG has agreed a temporary financing agreement with the new employer of the former rector magnificus for a short period after her appointment there. During this period she was able to prepare to resume her new role as professor in her scientific field. This is in the interest of both her new employer and the UG in the position of professor, so that she remains connected to the university. The financial compensation paid by the UG to its new employer during this period is regarded as a termination payment in the UG's WNT accountability. The agreement does not imply any exemption from duties or non-activity. We have not assessed this content.

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3. Remuneration non-top officials

Figures of 2023 (amounts x 1 euro)	Professor	Professor	Researcher
Job data			
Length of employment (as part-time factor in FTE)	1	1	0.65
Remuneration			
Remuneration plus taxable expense allowances	256,885	201,573	333,276
Remuneration payable at a future date	22,401	22,523	13,525
Total remuneration	**279,286**	**224,096**	**346,801**
Individually applicable remuneration ceiling	223,000	223,000	144,950
Amount of excess and the reason why the excess is (not) allowed	Invention compensation	Additional salary	Invention compensation

Figures of 2022 (amounts x 1 euro)			
Job title	Professor	Professor	Researcher
Length of employment (as part-time factor in FTE)	1	1	N/A
Remuneration			
Remuneration plus taxable expense allowances	255,632	192,465	N/A
Remuneration payable at a future date	22,736	23,896	N/A
Total remuneration	**278,369**	**216,361**	N/A

Note:
In accordance with the scope of the WNT legislation, the University of Groningen does not account for non-top officials without employment contract.

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APPROPRIATION OF THE RESULTS

The University of Groningen has no Articles of Association but is a legal entity based on the WhW. Therefore, there are no provisions in the Articles of Association regarding the appropriation of results.

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Groningen, June 10, 2024

Members of the Board

J. de Vries, President
J.M.A. Scherpen, Rector
J.A.W.M. Biemans, Vice-President

Members of the Supervisory Board

J.W. Remkes, President
R.J. Weil
H.S. de Jong
W. van Saarloos
M. Riemersma-Diephuis

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The following is an English translation of the independent auditor's report issued 25 June 2024.

Independent auditor's report

To: the supervisory board of Rijksuniversiteit Groningen

Report on the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of Rijksuniversiteit Groningen, based in Groningen.

In our opinion:

- The financial statements included in this annual report give a true and fair view of the financial position of Rijksuniversiteit Groningen as at 31 December 2023, and of its result for the year 2023 in accordance with the "Regeling jaarverslaggeving onderwijs" (Education Reporting Regulation)
- The income and expenditures recognized in these financial statements, as well as the movements in the balance sheet in 2023, have been legitimately generated in all material respects in accordance with the provisions contained in the relevant laws and regulations, as included in section 2.3.1. "Referentiekader" (frame of reference) of the Auditing Protocol for Auditors in the Education Sector OCW 2023 ("Onderwijsaccountantsprotocol OCW 2023").

The financial statements comprise:

- The company balance sheet as at 31 December 2023
- The company statement of income and expense for the year 2023
- The notes comprising of a summary of the accounting policies and other explanatory information

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing and the Onderwijsaccountantsprotocol OCW 2023. Our responsibilities based on these are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Rijksuniversiteit Groningen in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten" (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the "Verordening gedrags- en beroepsregels accountants" (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Compliance with anti-cumulation provision of WNT is unaudited

In accordance with the "Controleprotocol WNT 2023" (WNT Auditing Protocol 2023), we did not audit the compliance with the anti-cumulation provision in Section 1.6a of the WNT and Section 5(1) (n and o) of the "Uitvoeringsregeling WNT" (WNT Implementation Regulation). Therefore, we did not audit whether or not a remuneration maximum was exceeded by a senior management official as a result of possible employment as senior management official at other institutions that are subject to the WNT, nor did we audit whether the required disclosure is accurate and complete in this respect.

Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by the "Regeling jaarverslaggeving onderwijs" and the relevant laws and regulations as included in section 2.2.2. "Bestuursverslag" (director's report) of the "Onderwijsaccountantsprotocol OCW 2023"

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of the "Regeling jaarverslaggeving onderwijs", section 2.2.2. "Bestuursverslag" of the "Onderwijsaccountantsprotocol OCW 2023" and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board is responsible for the preparation of the other information, including the board report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code in accordance with the "Regeling jaarverslaggeving onderwijs" and the relevant laws and regulations as included in section 2.2.2. "Bestuursverslag" of the "Onderwijsaccountantsprotocol OCW 2023".

Description of responsibilities for the financial statements

Responsibilities of the board and the supervisory board for the financial statements

The board is responsible for the preparation and fair presentation of the financial statements in accordance with the "Regeling jaarverslaggeving onderwijs". Furthermore, the board is responsible for legitimately generating the income and expenditures recognized in the financial statements and the movements in the balance sheet, in accordance with the provisions contained in the relevant laws and regulations, as included in section 2.3.1. "Referentiekader" of the "Onderwijsaccountantsprotocol OCW 2023".

In this respect, the board is also responsible for such internal control as the board determines is necessary to enable the preparation of the financial statements and compliance with relevant laws and regulations, without material misstatements, whether due to fraud or error.

As part of the preparation of the financial statements, the board is responsible for assessing the education institution's ability to continue as a going concern. Based on the financial reporting framework mentioned, the board should prepare the financial statements using the going concern basis of accounting unless the board either intends to liquidate the education institution or to cease operations, or has no realistic alternative but to do so.

The board should disclose events and circumstances that may cast significant doubt on the institution's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the financial reporting process of the education institution.

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Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have maintained professional skepticism throughout the audit and have exercised professional judgment where relevant, in accordance with Dutch Standards on Auditing, the "Onderwijsaccountantsprotocol OCW 2023", ethical requirements and independence requirements. Our audit included among others:

- Identifying and assessing the risks of:
  - material misstatement of the financial statements, whether due to fraud or error,
  - illegitimately generating of income and expenditures as well as movements in the balance sheet that are of material importance
- Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the education institution's internal control;
- Evaluating the appropriateness of accounting policies used, the financial criteria applied for legitimacy and the reasonableness of accounting estimates and related disclosures made by the board
- Concluding on the appropriateness of the board's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the education institution's ability of to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause an institution to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation and whether the income and expenditure recognized in the financial statements as well as movements in the balance sheet have in all material respects been legitimately generated

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Groningen, 25 June 2024

Ernst & Young Accountants LLP

signed by J.J. Kooistra

university of groningen

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Bernoulliborg
photography Peter van der Sijde

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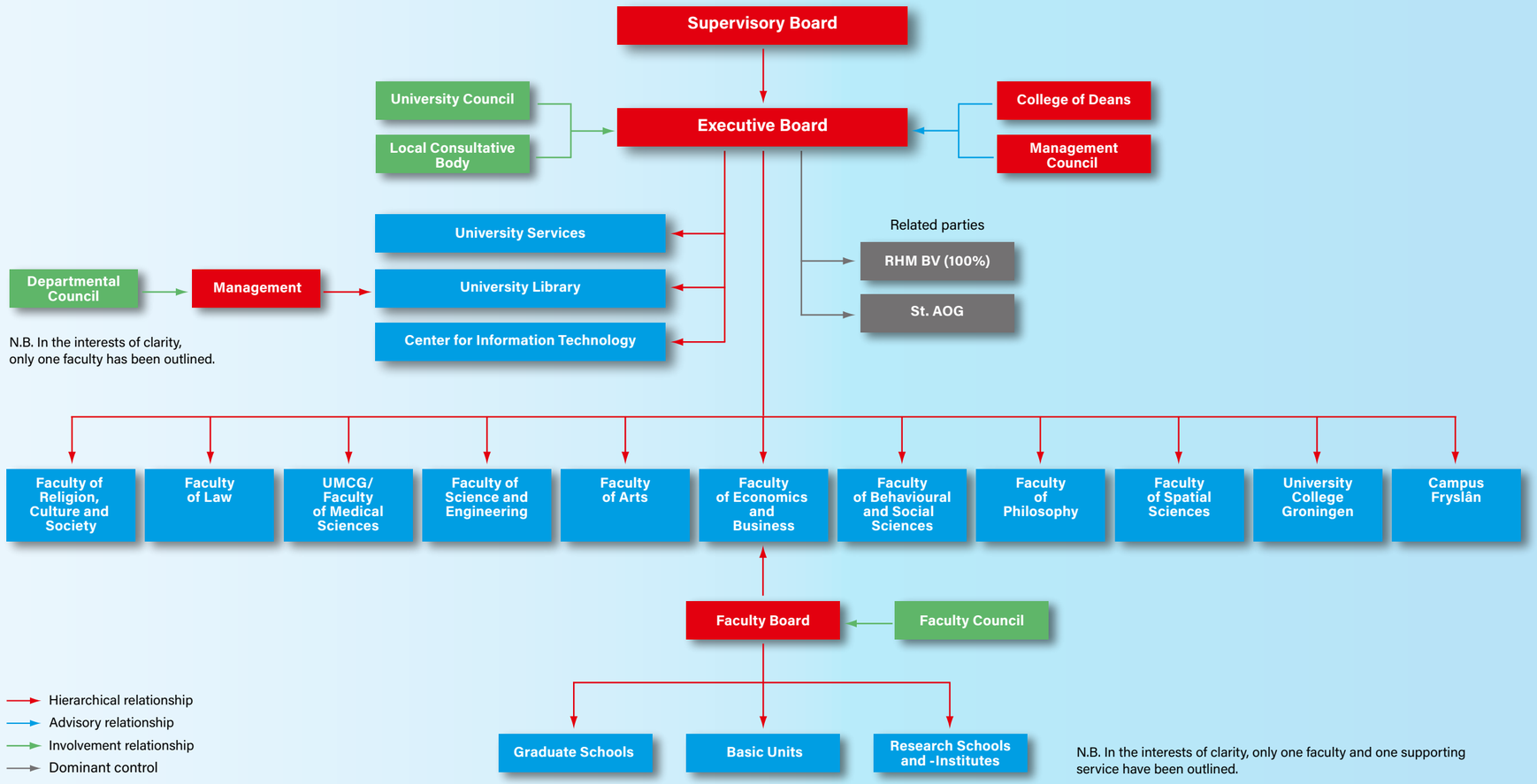
Appendix A Organogram



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Appendix B
Key figures and indicators – teaching

ACADEMIC YEAR	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Students*					
Total	34047	34633	35136	34121	31828
UG's market share in NL	10,0%	10,2%	10,3%	10,4%	10,5%
Foreign nationals	9429	9422	9048	8226	7477
Proportion of foreign nationals at UG	27,7%	27,2%	25,8%	24,1%	23,5%
Registration categories*					
Full-time	33709	34283	34699	33675	31420
Part-time	297	306	392	402	354
Dual	41	44	45	44	54
Registration per academic phase*					
Propedeutic	11020	11485	11491	10632	9510
Bachelor	11404	10895	10723	10849	12242
Master	10503	11077	11563	11164	10076
Pre-master (as of 2020-2021 separate from Bachelor's program)	1120	1176	1359	1476	
Intake of first-year students UG**					
Bachelor	6524	6888	7478	7498	6641
Master	1027	1115	1352	1133	922
Total	7551	8003	8830	8631	7563
UG's market share in NL	8,8%	9,4%	9,7%	9,4%	9,2%
Degrees					
Propedeutic	***	***	***	***	***
Bachelor	n/a	5056	4611	5149	4389
Bachelor's market share UG in NL	n/a	10,7%	10,7%	11,6%	11,1%
Master	n/a	5043	5064	4919	4413
Master's UG market share in NL	n/a	9,1%	9,5%	9,2%	9,3%

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ACADEMIC YEAR	2023-2024	2022-2023	2021-2022	2020-2021	2019-2020
Funding					
Funded registration	20.403	21238	22106	21815	19854
Funded degrees	n/a	8893	8545	9006	7785

Definitions
Source: 1 Cijfer Hoger Onderwijs (1cHO) bestand van DUO/UNL/CBS.
Figures are updated annually in arrears. Definitions and figures may differ from previous RUG annual reports.
* Main registration as of 1 October
**Registrations completely new at UG (Main registration, Institution in first year)
*** The UG does not issue propedeutic certificates as of 2017-2018.

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Key figures and indicators – research

CALENDAR YEAR	2023	2022	2021	2020	2019	2018
Research[1]						
Academic staff	2535	2407	2.331	2.042	1.795	1.799
PhD theses	634	610	640	591	546	507
UG market share	n/a	12,7%	13,2%	11,8%	11,0%	10,5%
Academic publications (excl. Dissertations)	8.546	10.034	10.412	9.379	10.178	9.002
UG market share	n/a	11,3%	12,5%	11,5%	12,5%	11,4%
NWO Veni, Vidi and Vici grants[2]	25	22	13	22	14	21
UG market share	n/a	9,8%	7,0%	10,0%	6,0%	8,2%
Staff (excl. UMCG; fte)[3]	2.783	2.602	2.551	2.463	2.405	2.339
Academic staff	n/a	8,2%	8,4%	8,5%	8,9%	9,0%
UG market share[4]	1429	1291	1235	1119	1078	1014
Non-Dutch nationals	2.277	2.098	2.003	1.916	1.971	1.909
Administrative and supporting staff	n/a	9,3%	9,3%	9,3%	10,0%	10,1%
UG market share	211	173	158	120	119	107
Non-Dutch nationals	326	316	315	317	301	301
Full professors	n/a	10,2%	10,3%	10,5%	10,3%	10,7%
UG market share	302	277	265	252	265	251
Associate professors	n/a	9,5%	9,6%	9,9%	10,8%	10,5%
UG market share	674	577	547	511	516	483
Assistant professors	n/a	8,8%	8,9%	8,9%	9,6%	9,3%
UG market share	815	737	741	730	702	688
Employed PhD students	n/a	7,0%	7,3%	7,7%	8,0%	8,1%
UG market share	488	425	429	386	377	359
Non-Dutch nationals	666	695	683	653	621	616
Other academic staff	n/a	8,1%	8,1%	8,0%	8,2%	8,6%
UG market share						

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CALENDAR YEAR	2023	2022	2021	2020	2019	2018
UMCG staff (fte) [5]						
Academic staff	1167	1156	1119	1105	1050	1026
Non-Dutch nationals	333	288	279	275	262	252
Administrative and supporting staff	738	689	657	620	637	620
Non-Dutch nationals	26	25	24	23	23	23
Professors	100	91	98	95	93	74
Employed PhD students	499	475	442	442	421	384
Non-Dutch nationals	192	183	171	170	162	148
Current PhD projects UG+UMCG [8]	2075	1982	1941	1921	1920	1862
1a. Employed PhD students	197	221	218	226	220	232
1b. Employees engaged in PhD project	528	626	654	655	608	614
2a. PhD students from UG/ UMCG	794	753	669	579	624	572
2b. PhD alternatively funded	516	502	485	457	429	404
3. PhD students externally funded	512	534	516	527	533	522
4. Self-supporting PhD students (private means)	57	55	57	58	59	67
No information	**4679**	**4673**	**4540**	**4423**	**4393**	**4273**
Total	2572	2510	2377	2225	2164	2076
Non-Dutch nationals	55,0%	53,7%	52,4%	50,3%	49,3%	48,6%
Proportion of non-Dutch nationals						

Notes
[1] Research figures 2023 are preliminary; output until 2023 taken from UNL Ruwe data onderzoeksoutput_KUOZ2022.xlsx dwnld 3 mrt 2024
[2] Vernieuwingsimpuls awards; source until 2023: : NWO gegevensbestand 2018_2022 d.d. sep 2023
[3] cf. WOPI definitions: staff with salaried employment, year-end positions; figures until 2023 through UNL website d.d. 15mrt2023, Tabel 1 excl Gezondheid
[4] Market share staff: total national percentage, exclusing HOOP category Health and student assistants; source UNL website d.d. 15mrt2023
[5] Only staff financially relying on UMCG's Teaching and Research budget.
[6] Proportion non-Dutch staff UMCG as of 2019 estimated based on proportion in 2018
[7] Including MD/PhDs
[8] Number of trajectories not yet terminated, regardless of funding; source: Hora Finita; preliminary figures d.d. 4 March 2024

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Appendix C
Other positions held by Board members

I. Members of the Board of the University

NAME/ROLE	ORGANIZATION	REMUNERATED
J. de Vries (President)		
Chair of Executive Board	AOG School of Management	no
Chair of Supervisory Board	Groningen University Foundation	no
Member of Supervisory Board	UG Sports Centre	no
Member of Supervisory Board	RUG Houdstermaatschappij BV	no
Member of Board and Deputy Chair	Ubbo Emmius Foundation	no
Member of Supervisory Board	Groningen Confucius Institute	no
Chair	University of the North Steering Group	no
Member	Groningen Agreement Steering Group	no
Member of Executive Board	National Programme Groningen	no
Member of Executive Board	National Programme Groningen	no
Member	Committee for Gas Extraction-Induced Subsidence	no
Interim Chair	Universities of the Netherlands (UNL)	no
Member and Deputy Chair	UNL Board	no
Chair	Strategy, Public Affairs & Governance Steering Group	no
Member of Board	Dutch Scientific Institutes Abroad	no
Member of Supervisory Board	New Energy Coalition	no
Member of Supervisory Board	Institute for Sustainable Process Technology	no
Member of Supervisory Board	Wetsus (water technology research)	no
Member	Chemport Europe	no
Member of Board	Netherlands Energy Research Alliance	no
Member of Board	Netherlands-Caribbean Foundation for Clinical Higher Education	no
Member of Board	European Medical School Oldenburg-Groningen	no
Member	Guild of European Research-Intensive Universities	no
Member	Association of North German Universities	no

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NAME/ROLE	ORGANIZATION	REMUNERATED
J.A.W.M. Biemans (Vice President)		
Chair of Supervisory Board	RUG Houdstermaatschappij BV	no
Chair of Board	Business Generator Groningen	no
Deputy Chair of Board	AOG School of Management	no
Member	UNL – Operations & Finance Steering Group	no
Member of Investors Board	Carduso Capital BV	no
Member of Member Council	SURF (association of teaching and research institutions in the Netherlands)	no
Member of Supervisory Board	Groningen Cognitive Systems and Materials Center (CogniGron)	no
Member of Steering Group	Youth housing	no
Member of Steering Group	Campus Groningen	no
Treasurer	Beheervereniging Het Eiland Helpermaar (in a private capacity)	no
Member of Supervisory Board	UG Sports Centre	no
Member of Board	AI Hub North Netherlands	no
J.M.A Scherpen (Rector since 1 September 2023)		
Member of Supervisory Board	Groningen University Foundation	no
Chair	Nicolaas Mulerius Foundation	no
Chair of Board	Eric Bleumink Fund	no
Member of Executive Board	Ubbo Emmius Foundation	no
Member of Supervisory Board	RUG Houdstermaatschappij BV	no
Member	Royal Holland Society of Sciences and Humanities	no
Member	UNL – Teaching & Research Steering Group	no
Member of Executive Board	UNL – Resource Capacity Advisory	no
Member	Netherlands Interdisciplinary Demographic Institute (NIDI/KNAW)	no
Fellow	Institute of Electrical and Electronics Engineers (IEEE)	no
Member	Society for Industrial and Applied Mathematicians (SIAM)	no
Member	International Federation of Automatic Control (IFAC)	no
Member and recipient of Prince Friso Engineer of the Year Award	Royal Institute of Engineering (KIVI)	no

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NAME/ROLE	ORGANIZATION	REMUNERATED
C. Wijmenga (Rector until 1 September 2023)		
Member of Supervisory Board	Groningen University Foundation	no
Chair	Nicolaas Mulerius Foundation	no
Chair of Board	Eric Bleumink Fund	no
Member of Executive Board	Ubbo Emmius Foundation	no
Member of Board	Royal Dutch Natural Sciences Society	no
Member of Supervisory Board	RUG Houdstermaatschappij BV	no
Member	Fryske Akademy (Frisian language institute)	no
Member	Royal Holland Society of Sciences and Humanities	no
Member	Royal Netherlands Academy of Arts and Sciences (KNAW)	no
Member of Supervisory Board	Wadden Academy (Wadden Sea research)	yes
Member of Supervisory Board	Ludwig Kliniek (medical centre)	yes
Member of Advisory Board	'De Garage' (meeting place)	no
Member of Scientific Advisory Committee	Estonian Genome Center	no
Member of Scientific Advisory Board	International Genome Sample Resource	no
Member of Scientific Advisory Board	Latvian Biomedical Research and Study Center	no
Member	Academia Europaea	no
Member	UNL – Teaching & Research Steering Group	no
Member of Executive Board	UNL – Resource Capacity Advisory	no
Member	Netherlands Interdisciplinary Demographic Institute (NIDI/KNAW)	no
Member of Supervisory Board	AiNed	no

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II. Members of the Supervisory Board

J.W. Remkes	
Chair	National Programme Groningen
Co-chair	Physical Environment Consultative Council as, as such, Chair of Platform for Goods Transport by Rail
Chair of Supervisory Board	Deltares Knowledge Institute
Chair	Committee for Safeguarding Impartiality in Building Certification (SKG-IKOB)
Chair of Supervisory Board	Platform31-IVO Knowledge & Network Organization
H.S. de Jong	
Member of Advisory Board	Global Factories
Lecturer and Executive Fellow	ISE Business School São Paulo (Brazil)
Lecturer and Executive Fellow	IESE Business School Barcelona (Spain)
Member of Supervisory Board	International Documentary Film Festival Amsterdam (IDFA)
A.S Roeters (member until 1 November 2023)	
Member of Board	Stichting Weduwenfonds
Member of Advisory Board	Dynamics of Youth Social Advisory Council
Member	Higher Education Efficiency Committee
Member of Executive Board	National Library of the Netherlands (KB)
W. van Saarloos	
Chair	Permanent Committee on National Institutes (KNAW & NWO) (until April 2023)
President	European Academies' Science Advisory Council
Member	Scientific Advisory Board of Max Planck Institute for Dynamics and Self-Organization, Göttingen (Germany)
Member	Scientific Council on Social Security (Instituut GAK)
Member of Board of Trustees	Sense about Science, London (UK)
Confidential advisor	Ministry of Health, Welfare and Sport (academic integrity)
R.J. Weil	
CEO Jeroen Bosch Hospital	
Member	Governance Innovation & Advisory Committee (IAC), Association for the Healthcare Sector (BoZ)
M. Riemersma-Diephuis (member from 1 November 2023)	
Member of Board	Drenthe College
Member of Advisory Board	Police Academy of the Netherlands
Member of Supervisory Board	ZINN Elderly Care (Northern Netherlands)
Chair	Intermediate Vocational Education Quality Network
Deputy Chair	Drenthe chapter of Confederation of Netherlands Industry and Employers (VNO-NCW)/SMEs in the North

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Appendix D Terms of office

Board of the University

NAME OF BOARD MEMBER	ROLE	EFFECTIVE DATE	END DATE
J. de Vries	President	1 October 2018	1 October 2026
J.A.W.M. Biemans	Vice President	1 September 2019	1 September 2027
J.M.A. Scherpen	Rector	1 September 2023	1 September 2027
C. Wijmenga	Rector	1 September 2019	1 September 2023

Supervisory Board

NAME OF BOARD MEMBER	ROLE	EFFECTIVE DATE	END DATE
J.W. Remkes	Chair	1 September 2020	1 September 2024
H.S. de Jong	Member	1 January 2022	1 January 2026
M. Riemersma-Diephuis	Member	1 November 2023	1 November 2027
A.S. Roeters	Member	1 November 2015	1 November 2023
W. van Saarloos	Member	1 January 2021	1 January 2025
R. Weil	Member	1 June 2021	1 June 2025

rijksuniversiteit groningen

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