

Sustainability Bond #4
State of North Rhine-Westphalia



Use of Proceeds

Eligible Assets

Düsseldorf, February 2018

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Sustainability Strategy for North Rhine-Westphalia

The State Government of North Rhine-Westphalia advocates for a successful, equitable and future-oriented development in social, environmental and economic terms and therefore bases its actions on sustainability as a guiding principle. As the most populous federal state, we demonstrate how to successfully implement change towards sustainable development while maintaining and reinforcing our economic and industrial structures. The [Sustainability Strategy for North Rhine-Westphalia](#), as approved in 2016, is also the political reference for the Sustainability Bonds.

North Rhine-Westphalia actively joins the global efforts under the umbrella of the global Agenda 2030 and the 17 Sustainable Development Goals (SDG) articulated in it. In its Sustainability Strategy, the State Government lays out how it will implement this global consensus on all political levels (see [Activities in North-Rhine Westphalia to implement the 2030 Agenda](#)). At the same time, Agenda 2030 is a guiding theme for North Rhine-Westphalia's international cooperation efforts and interactions with partner regions.

Within the framework of the Sustainability Strategy, a set of relevant targets and indicators was defined. Progress in the implementation of the strategy will be measured using these indicators. The reporting system comprises almost 70 indicators which relate to the 19 fields of action in the strategy and to the 17 SDGs. The development of the indicators will be reported every two years. The first [Sustainability Indicator Report](#) was published in 2016. In addition, the results are presented on a dedicated website with regular updates (www.nachhaltigkeitsindikatoren.nrw.de/sdgs). The NRW Sustainability Strategy will be updated and revised in 2018, aligning the methodology more closely with the federal Sustainability Strategy of 2017.

Sustainability Bond #4

The key aspect of Sustainability Bond #4 is the topic of Sustainable Development, in line with Sustainability Bonds [#1 \(2015\)](#), [#2 \(2016\)](#) and [#3 \(2017\)](#). The framework relates to the NRW Sustainability Strategy as well as to the concept of SDG. An amount equal to net issue proceeds of the State Treasury Notes will be used to cover expenditures of the fiscal year 2017.

Projects were selected in accordance with the categories and specifications set out in the Sustainability Bond Framework (annex 1 of the Second Party Opinion provided by oekom research). Main criterion is a clear environmental or social benefit. The eligible projects are part of the State's discretionary spending. Projects prescribed by federal law are excluded. Only the State's own expenditures (net of EU grants, federal grants or other sources of revenue earmarked for specific purposes) are taken into account. The State's personnel costs are excluded. Budget figures shown are preliminary results for the fiscal year 2017. The original budget plan figures are provided in brackets. Budget results may exceed budget plans due to specific permissions.

A Education and Sustainability Research EUR 856.3m

SDG 4 – Ensure inclusive and quality education for all and promote lifelong learning

SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Demographic change, shortage of skilled labor, migration and integration as well as social disparity and heterogeneity create huge challenges for scholarly and non-scholarly educational institutions in North Rhine-Westphalia. Education must contribute to solving these issues to ensure that North Rhine-Westphalia can sustain its role as an industrial hub as well as a society based on knowledge and information.

Education generates a sense of purpose on the personal level. Education also promotes cultural life and is a prerequisite for participation and social inclusion. Against this background, the potential of every single individual should be strengthened, irrespective of his or her individual level of development, gender, ethnic origin or age. The process of learning itself should be designed in a sustainable manner to enable everybody to benefit from a wide range of learning options on an ongoing basis. The State's concept of Education for Sustainable Development ([Bildung für nachhaltige Entwicklung](#)) supports interdisciplinary teaching from primary school to university. This approach helps strengthen the students' abilities to make long-term and future-oriented decisions.

- **Enlargement of universities, additional training facilities EUR 769.8m**

Bund-Länder-Covenant for the expansion of universities (State's share)

Budget items # 06 100 title group 70 less # 06 100 title 231 50 425.2m (428.7m)

Budget items # 06 100 title 685 52 and chapters 06 111 – 06 850 (proportionally) 250.0m (250.0m)

In recent years, demand for university education has grown significantly. From 2005 to 2016 the number of newly enrolled students at universities in North Rhine-Westphalia has increased by 55%. In the winter term 2016/2017, a total of 763,400 students were enrolled at 75 universities, more than ever before ([Hochschulen in NRW – Ergebnisse der Hochschulstatistik 2016](#)). No tuition fees are charged at public universities in North Rhine-Westphalia, making university education available for a large group of citizens.

The State responds to growing demand for university education with the creation of additional places to study in the context of the Bund-Länder-Covenant for the expansion of universities (Hochschulpakt 2020), which has been extended for a third phase (2016 to 2020). Through this effort, a larger number of students get the opportunity to receive a high quality university education.

www.wissenschaft.nrw.de/hochschule/finanzierung/hochschulpakt/gemeinsame-wissenschaftskonferenz-einigt-sich-auf-hochschulpakt-2020

<https://www.bmbf.de/de/hochschulpakt-2020-506.html>

Training facilities for the education of teachers and special education teaching

Budget items # 06 100 685 40 and 685 52 34.3m (34.9m)

In order to implement the UN Convention on the Rights of Persons with disabilities in the area of education, more teachers with special education teaching competence are necessary. Existing facilities can no longer meet the training needs. Further colleges will set up Bachelor's and Master's degree programmes, bringing the number of universities offering such courses of study to six, with 2,300 additional study places. This is an important step on the way to an inclusive school system in North Rhine-Westphalia. In addition, training facilities for the education of teachers for elementary schools as well primary, secondary and comprehensive schools are expanded to meet growing demand in these areas.

www.wissenschaft.nrw.de/studium/bewerben/abschluesse/lehrausbildung/mehr-lehramtsstudiengaenge-fuer-angehende-sonderpaedagogen

Professional education of geriatric nurses

Budget items # 15 044 title group 60 60.3m (60.0m)

According to section 5 of the State Law concerning Geriatric Care (Landesaltenpflegegesetz NRW), the State provides financial grants for the training of geriatric nurses. 17,850 places to study at dedicated schools were supported in 2017.

- **Support for best in class universities EUR 23.5m**

Budget items # 06 100 686 55 and 893 00 23.5m (28.5m)

The Initiative of excellence ([Exzellenzinitiative](#)) is a joint effort by the Federation (Bund) and the German States (Länder) to promote top level research as well as to strengthen the overall quality of universities. In the current stage, extending through 2017, two elite universities, ten clusters of excellence and five graduate colleges are being sponsored in North Rhine-Westphalia.

In June 2015, the German Council of Science (Wissenschaftsrat) and the German Research Foundation (Deutsche Forschungsgemeinschaft) have published the [Report of the Joint Commission on the Initiative of excellence](#). In January 2016, an international panel of experts has published an [Evaluation of the Initiative of excellence](#) (with an Executive Summary in English).

www.wissenschaft.nrw.de/forschung/einrichtungen/exzellenzinitiative

Starting in 2017/2018, the Initiative of Excellence will be continued under the name of Excellence Strategy with two lines of support (excellence clusters and excellence universities).

- **Innovation and sustainable development EUR 47.7m**

Promotion of innovation

Budget item # 14 400 title group 61 8.1m (11.7m)

The State's innovation strategy focuses on the major challenges of our time such as climate change, demographic change, preservation of health and food safety, scarceness of resources, energy supply and access to information technology and mobility. Solutions for these challenges cannot purely rely on technological optimization, but must imply social and environmental implications, to provide sustainable progress for citizens and the community. The various research projects are carried out by universities, research institutes and private enterprises.

Johannes-Rau-Forschungsgemeinschaft

Budget chapter # 06 042, items # 11 060 685 10, 09 500 685 00 17.5m (18.4m)

The umbrella organization of [Johannes-Rau-Forschungsgemeinschaft](#) comprises [15 independent, non-profit scientific research outfits](#) which support the State's research and innovation strategy. The institutes pursue sustainable and future-oriented research for society, business and politics.

[Annual report 2016 of Johannes-Rau-Forschungsgemeinschaft](#)

Research initiative "Progress for NRW"

Budget item # 14 400 title group 75 17.6m (20.0m)

The research initiative "Progress for NRW" ([Fortschritt NRW](#)) promotes research and innovation as well as related teaching in the area of sustainable development. The goal is to enhance the universities' contributions to solutions for major global challenges such as climate change, reliable energy supply, resource efficiency, mobility, health, demographic change and public safety.

Sustainable development

Budget item # 10 020 title group 66 1.0m (1.4m)

The State sponsors projects contributing to sustainable development in the State, in the context of the State's Sustainability Strategy ([Nachhaltigkeitsstrategie NRW](#)) and the concept of Education for Sustainable Development ([Bildung für nachhaltige Entwicklung](#)).

Foundation for Nature and Sustainable Development

Budget item # 10 020 686 72

1.8m (2.0m)

The Foundation for Nature and Sustainable Development ([Stiftung Umwelt und Entwicklung Nordrhein-Westfalen](#)) supports projects of various organizations relating to dialogue between citizens of the northern and southern hemisphere, protection of environment and nature, intercultural exchange and sustainable development within the State. Since its inception in 2001, the Foundation has supported more than 1,260 projects with total grants of EUR 60m. Detailed information on these projects is accessible through a dedicated [database](#).

Facilities for environmental education

Budget item # 10 020 title group 77

1.6m (1.1m)

The State's support for environmental education facilities helps to establish a statewide network of such institutions in the context of the concept of Education for sustainable development ([Bildung für nachhaltige Entwicklung](#)).

- **Consumer protection EUR 15.5m**

Budget items # 10 040 684 10 and 686 10

15.5m (17.5m)

The State provides financial support for projects focusing on consumer education and for the works of the consumers' association of North Rhine-Westphalia ([Verbraucherzentrale NRW e.V.](#)). One of the most important current issues relates to how consumers are affected by the ongoing energy transition ([Projekt Energiewende](#)). Further topics include the promotion of a healthy, balanced and sustainable nutrition, especially for children and young people, and the integration of such measures into life at school and day care facilities.

www.verbraucherzentrale.nrw/ernaehrung

In 2016, 600,000 citizens took advantage of the services through personal visits to one of the 60 regional offices, inquiries via phone calls or in writing.

[Annual report 2016 of Verbraucherzentrale NRW e.V.](#)

In all programmes of category A, projects relating to armaments, crude oil and coal as fossil resources, fracking, nuclear power or tobacco are not being sponsored.

B Inclusion and Social Coherence EUR 188.3m

SDG 1 – End poverty in all its forms everywhere

SDG 10 – Reduce income inequality within and among countries)

Inclusion is a key concept for a society that recognizes and accepts diversity and aims at value-based consensus. In an inclusive school system, students with and without disabilities live and learn together. In the school year 2015/2016, the integration ratio (defined as the percentage of students with special needs who attend general public schools) reached almost 38%, up from below 9% in the school year 2000/2001. The State aims to continuously increase this percentage until 2030.

www.schulministerium.nrw.de/docs/Schulsystem/Inklusion/Auf-dem-Weg-zur-inklusive-Schule/Entwicklungsschritte/Grafik/index.html

The State aims to bring the employment rate of persons with a migration background closer to the general employment rate in order to achieve a sustained reduction of poverty risk in this population group. This is to be achieved, among other things, by increasing educational participation and equal opportunities for people with a migration background, with a particular focus on social participation.

Demographic change creates great demands on the economy, the society and the infrastructure. Relevant issues range from changes in the workplace, a lack of skilled labor and problems with the change of generations at the helm of companies to social and health conditions. One result of such developments is an increase in demand for high quality services in the areas of health care and care for the elderly. Policy solutions for the situation of people of advanced age are necessary for all parts of the State, for the neighborhoods and urban centers as well as for rural areas.

- **Inclusion, integration and qualification EUR 83.3m**

Fighting long-term unemployment

Budget item # 11 029 TG 70 4.4m (6.8m)

The funds are earmarked for the support of municipalities, job centers and employment providers for the effective implementation of federal programmes on the employment of long-term unemployed persons. This includes supplementary measures for the activation, monitoring, qualification, guidance and organizational implementation of the programmes (in addition to legal entitlements).

Model projects for a social labor market in NRW

Budget item # 11 029 title group 90 0.2m (3.0m)

The funds are earmarked for developing and implementing projects that enhance existing initiatives for the permanent employment of the long-term unemployed.

European Social Fund 2014-2020 (State's share)

Budget item # 11 032 title group 71 25.5m (25.5m)

The European Social Fund ([Europäischer Sozialfonds](#)) promotes education and employment opportunities. Core issues are competitiveness of small and medium-sized companies and employees, the employability of young people and migrants, the transition from school to employment, and human capital.

During the stage 2007-2013 of the programme, 1.1 million people participated in ESF projects. The most important cluster was employability/human capital (so-called priority axis B) with almost 700,000 participants in various projects. More than 90% of participants were between 15 and 25 years of age (www.mais.nrw/sites/default/files/asset/document/esf_durchfuehrungsbericht_2014.pdf).

The current programme for North-Rhine Westphalia ([Operationelles Programm 2014-2020](#)) also aims at social inclusion and reduction of poverty.

Fight against poverty and social exclusion

Budget item # 11 042 title group 95 4.5m (5.4m)

Despite a fundamentally sound economic development in North Rhine-Westphalia, unemployment and forms of employment which do not provide a sufficient source of income remain a significant problem. The fight against social inequality, poverty and social exclusion will remain an important task for politics and the society in general.

The State's initiative to reduce poverty ([Handlungskonzept gegen Armut und soziale Ausgrenzung](#)) provides funds for various projects focusing on children from low-income families or disadvantaged local communities.

The State's initiative to prevent homelessness ([Aktionsprogramm Hilfen in Wohnungsnotfällen](#)) supports appropriate projects at the municipal level, with a focus on knowledge transfer, consulting, evaluation and reporting.

Detailed information on the social situation in NRW, including demographics, education, the labour market and income levels is set out in the latest social report for NRW ([Sozialbericht 2016](#)). The most recent figures are reported on a dedicated website ([Sozialindikatoren Nordrhein-Westfalen](#)).

Social inclusion of persons with disabilities

Budget item # 11 050 title group 80 2.9m (4.2m)

More than 2,600 people with disabilities live in North Rhine-Westphalia. With a wide range of social assistance schemes, the State is committed to provide opportunities for equal participation in work, employment and society for them.

The programme "NRW – One society for all" ([Eine Gesellschaft für alle – NRW inklusiv](#)) is a comprehensive set of measures adopted by the State to implement the UN Convention on the rights of persons with disabilities. The projects and initiatives shall create opportunities for participation in society. An overview of successful projects, measures and initiatives, clustered according to regions and action areas, is available through an interactive map of NRW ([Inklusionskataster NRW](#)).

Employment opportunities for persons with disabilities

Budget item # 11 050 title group 86 6.6m (7.7m)

There are 104 accredited workshops in North Rhine-Westphalia which employ people with disabilities, providing 77,000 employment opportunities. The State provides grants for construction and equipment of such workshops. The State also provides financial support for so-called integration companies (Integrationsfirmen), who employ people with disabilities as well as regular staff. The goal is to create 250 new employment opportunities for people with disabilities in such companies per year (www.mais.nrw/integration-unternehmen).

Integration of migrants

Budget items # 11 060 title group 68 and 11 010 547 12 39.2m (51.8m)

The State supports a wide variety of efforts at the municipal level to help integrate migrants into society. There are 50 municipal integration centres North Rhine-Westphalia. These centres primarily work with migrants who have been living in North Rhine-Westphalia for a longer period of time.

The State also supports centres for intercultural exchange. Sponsored projects at these centres include various forms of education as well as community organization.

- **Language skills in early childhood education, support and advice for families EUR 58.1m**

Language courses at child care facilities

Budget item # 07 040 633 15

25.0m (25.0m)

Language skills belong to the most important skills for successful education and integration into the labour market. To provide a good foundation for all children, language education should begin as early as possible. Against that background, the State finances language courses at child care facilities, in particular for children from low-income families or from disadvantaged local communities, and for children whose first language is not German (www.kita.nrw.de/fachkraefte-fachberatung/sprachliche-bildung).

Support for family centres

Budget item # 07 040 633 16

33.1m (33.9m)

The purpose of the family centres ([Familienzentren](#)) is to provide information and counseling services to help parents support their children, as well as to bundle counseling and support services for parents and families and to link them with one another. Especially in areas characterized by poverty or inadequate infrastructure, family centres can help promote the social participation of disadvantaged families. In doing so, they make a contribution to more equal opportunities. Day care centres which have been approved as family centres receive special support from the State. One funding priority is family centres in social hotspots.

www.familienzentrum.nrw.de/zertifizierung/checkliste-guetesiegel

- **School social work EUR 47.0m**

Budget item # 11 029 633 20

47.0m (47.7m)

The initiative for School social work ([Soziale Arbeit an Schulen](#)) promotes education and participation for disadvantaged children and teenagers. Supported projects aim at regular school attendance, improved school performance, a reduction of the number of school drop-outs and a broader participation of students in sports and cultural activities. The goal is to strengthen the students' personal development and living environment as well as their employability.

C Public Transportation and Local Mobility EUR 190.2m

SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 11 – Make cities and human settlements inclusive, safe, resilient and sustainable

• **Public transportation for low-income citizens EUR 40.0m**

Budget item # 09 110 title group 60 40.0m (40.0m)

The State supports transport associations and municipalities who offer season tickets at reduced fares for low-income citizens. Most regions of North Rhine-Westphalia now offer such tickets, covering approximately 85% of all potential beneficiaries.

Social tickets enhance the participation of all citizens in a life which is increasingly determined by mobility. At the same time, the system of public transport is being strengthened. According to a survey carried out in 2015, approximately 2m people are eligible for social tickets and more than 300,000 people use it. More than 50% of respondents use public transport more frequently now.

www.landtag.nrw.de/portal/WWW/dokumentenarchiv/Dokument/MMV16-3361.pdf

• **Public transportation for pupils and students EUR 130.0m**

Budget item # 09 110 title group 74 130.0m (130.0m)

According to section 11a of the State's law relating to public transport in North Rhine-Westphalia (ÖPNVG NRW), municipalities and regions get reimbursed for lost income due to reduced fares for pupils, students and trainees. The State also covers additional costs for the improvement of supply and quality in educational traffic ([Ausbildungsverkehr](#)).

• **Transportation infrastructure for cyclists and pedestrians EUR 20.2m**

Local mobility

Budget item # 09 140 title group 61 12.8m (19.3m)

Improvement and expansion of bicycle lanes

Budget item # 09 150 777 14 7.4m (9.4m)

The State provides financial support for projects which improve conditions for cyclists and pedestrians, particularly on short-haul routes (local mobility, see [Aktionsplan Nahmobilität](#)). Major projects relate to the construction of a bicycle road infrastructure and bicycle parking facilities as well as construction of bicycle paths on abandoned railway lines. Supported projects also include

- "Radroutenplaner NRW" (Bicycle Route Planner, available at www.radroutenplaner.nrw.de),
- "Wanderrouutenplaner NRW" (Hiking Route Planner, available at www.wanderrouutenplaner.nrw.de),
- "Radverkehrsnetz NRW" (Bicycle Route Network, available at www.radverkehrsnetz.nrw.de).

D Climate protection and energy transition EUR 35.7m

SDG 7 – Ensure access to affordable, reliable, sustainable and modern energy for all

SDG 13 – Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy

In order to mitigate climate change and its inevitable impact, it is necessary to limit the global temperature rise to a maximum of 1.5 to 2 degrees Celsius in comparison with pre-industrial time. To achieve this goal, enormous efforts are needed at all political and social levels. The State law concerning Climate protection (Klimaschutzgesetz NRW) provides binding targets. Specific measures to achieve these targets are laid out in a plan of campaign ([Klimaschutzplan NRW](#)).

In the context of current climate protection targets at the EU and the federal level, the State Climate Protection Act aims to reduce greenhouse gases in North Rhine-Westphalia by at least 25% by 2020 and by at least 80% by 2050 (compared to levels of 1990). By 2025, more than 30% of all electricity consumption in the State should be obtained from renewable sources. By 2050, this ratio should be 80%. In order to achieve these goals and to reduce environmental damage associated with raw material consumption, it is important to enlarge the capacity for the generation of renewable energies, to enhance networks and grids as well as storage facilities and to increase energy efficiency and resource efficiency in general. Adaptation to unavoidable consequences of climate change will also become an increasingly relevant topic.

• **Climate protection and renewable energies EUR 30.5m**

Energy transition, renewable energies and energy efficiency

Budget item # 10 060 title group 63 7.0m (19.5m)

A significant contribution to the State's climate protection efforts is provided through the programme for rational energy consumption, renewable energies and energy saving "[progres.nrw](#)".

It aims at research and development including market launch of mature technologies. Projects relate to biomass, fuels and engines, solar thermal systems, photovoltaics, geothermal energy, hydropower and district heating. Replacements for existing plants or parts of plants without significant improvements of their efficiency are not eligible.

https://www.bezreg-arnsberg.nrw.de/themen/b/broschueren/broschuere_foerderprogramme.pdf

European Fund for Regional Development (ERDF) 2014-2020 (State's share)

Budget item # 10 090 title 82 23.5m (61.8m)

The State provides financial support for environmental initiatives carried out within the framework of the European Regional Development Fund (ERDF). Supported projects focus on climate protection and renewable energies, combined heat and power, energy efficiency and resource efficiency, decentralization of energy consumption, soil protection and remediation of land as well as reduction of noise. In the current period, reduction of greenhouse gas emissions has a particularly high priority.

www.efre.nrw.de/fileadmin/user_upload/3_Factsheet_EFRE_NRW_final.pdf

• **Resource efficiency EUR 5.2m**

Budget item # 10 020 title group 68 5.2m (4.4m)

These funds are earmarked for the State's efficiency agency ([Effizienz-Agentur NRW](#)), projects relating to environmental protection at the company level, and the State's Green Economy Strategy. The main focus is on resource efficiency and energy efficiency ([www.ressourceneffizienz.de](#)).

www.umwelt.nrw.de/umweltschutz-umweltwirtschaft/umwelt-und-ressourcenschutz/ressourceneffizientes-wirtschaften

In all programmes of category D, projects relating to armaments, crude oil and coal as fossil resources, fracking, nuclear power or tobacco are not being sponsored.

E Protection of natural resources EUR 81.4m

SDG 2 – End hunger, achieve food security and improved nutrition and promote sustainable agriculture

SDG 15 – Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

With almost 18 million inhabitants, North Rhine-Westphalia is one of the most densely populated areas in Europe. At the same time, the State features a diverse and unique natural heritage. 26% of the State's territory is covered with woodlands, agriculture lands account for 49%. The State has 3,152 protected nature area sites covering more than 8% of the land area.

The State of North Rhine-Westphalia is committed to the protection of biodiversity in its Biodiversity Strategy ([Biodiversitätsstrategie](#)) and in its Sustainability Strategy ([Nachhaltigkeitsstrategie](#)). Biodiversity is one of the most important foundations of human life. In NRW, however, diversity of this kind is dwindling at an alarming rate. According to the State's latest environmental report ([Umweltbericht Nordrhein-Westfalen 2016](#)), the number of extinct or lost species is higher than ever. A severe threat for habitats and species can be seen from "red lists" and unfavorable conservation conditions. Of the species studied in North Rhine-Westphalia, almost 45 per cent are endangered, threatened with extinction or already extinct.

The central objective of conservation policy in North Rhine-Westphalia is to avoid loss of biodiversity and to increase population of endangered species. The goal is to reduce the rate of red list species to 40 percent by 2030 and increase overall biodiversity over this period. Comprehensive protection of existing species, preservation of cultivated landscapes and sufficient space for undisturbed wildlife can significantly contribute to this. It is also important to use the forests in a sustainable manner.

- **Protection of nature, landscape and biodiversity EUR 34.8m**

Waste management and soil protection

Budget item # 10 020 883 11 3.1m (4.3m)

The State provides financial support for soil protection efforts at the municipal level, with a focus on risk assessment. The goal is to protect the environment, mitigate hazards for public health, support regional planning and zoning regulation and allow for remediation of abandoned landfills or industrial sites ("land recycling").

www.umwelt.nrw.de/umweltschutz-umweltwirtschaft/umwelt-und-ressourcenschutz/boden-und-flaechen/altlastensanierung-und-flaechenrecycling

The projects are coordinated by the Association for Area Recycling and Remediation of contaminated sites ([AAV](#)), a state-sponsored entity. The [Annual Report 2016](#) gives an overview over the current state of a broad portfolio of projects, most of them located in the Ruhr Valley. This area is heavily affected by contaminated sites due to its more than 200 years of industrial history

Protection of nature

Budget item # 10 030 title group 82 31.7m (35.3m)

An import pillar of the State's conservation policy is the Biodiversity Strategy of 2015 ([Biodiversitätsstrategie](#)). It reflects efforts at the national level, where the federal government has submitted the National Biodiversity Strategy (NBS) in 2007. The NBS contains around 330 goals and 430 measures for protection and sustainable use of nature in Germany with a time frame from 2010 to 2050. The Biodiversity Strategy of NRW supplements and specifies the NBS with regard to the specific conditions of North Rhine-Westphalia.

The State also provides financial support for private environmental protection facilities ("Biologische Stationen") and for land acquisitions for conservation purposes.

"Biologische Stationen" are rooted in private initiatives for the conservation of nature. Today, these facilities serve as an important link between private and official efforts. The network of "Biologische Stationen" in North Rhine-Westphalia is unique nationwide and plays an important role in the

implementation of the conservation work on site. Cooperation with agriculture, forestry and official authorities provides comprehensive support for the existing network of protection areas. Eligible activities also include voluntary conservation projects on site, implementation and support of wildlife conservation projects and education with regard to issues of environmental protection.

Through land acquisitions for conservation purposes, highly valuable areas are protected from intensive economic exploitation in order to allow for a more environment-friendly development (e.g. heath or moorland, grassland, arable, and forest land in protection areas). These parcels of land can serve as "Stepping stone habitat areas", allowing for unimpaired wildlife and strengthening the network of areas with favourable conservation conditions.

- **Flood protection and river restoration EUR 24.6m**

Budget item # 10 050 TG 66 24.6m (49.9m)

Early and environment-friendly flood control is essential in the densely populated and highly industrialized State of NRW, especially for the river Rhine, but also for many other waters. The flood prevention concept of the State ([Hochwasserschutzkonzept](#)) offers solutions for a wide range of possible flood events on large or small waters. The State's approach features concepts of technical assistance and water retention as well as planning instruments for flood prevention purposes, e.g. designation of floodplains. Natural watercourses and their floodplains can cache sprawling water, thus reducing the wave crest. Ecological restoration of streams and rivers can restore this property and thus contribute to flood prevention.

- **Responsible agriculture and rural development EUR 21.9m**

Responsible agriculture

Budget items # 10 080 683 11 and 683 31 5.9m (7.9m)

In the context of the national task to improve the agricultural structure and to protect the coastline, as set out in section 91a of the Federal Constitution, the State supports measures to preserve and improve the living conditions of endangered animals and plants in North Rhine-Westphalia, to reduce the use of fertilizers and plant protection products and to protect soil and water. Additional goals are the protection of pasture land and cultivated landscapes, animal-friendly farming processes and an increase in the use of organic farming techniques to satisfy the growing demand for ecologically produced groceries.

The positive trend in organic farming is clearly reflected in the development of the share of organic farms and ecologically managed land. While there were only 450 organic farms in Germany in 1980, there are about 25,000 farms in 2017, which together manage around 1.1 million hectares. In NRW alone, more than 1,800 organic farms manage an area of almost 70,000 hectare.

www.oekolandbau.nrw.de/fileadmin/redaktion/PDFs/Fachinfo/Umstellung/17-02-2017_Umstellerbroschuere_2S.pdf

European Agricultural Fund for Rural Development – EAFRD (State's share)

Budget item # 10 090 title group 60 16.0m (43.2m)

The State's plan of campaign for rural areas ([NRW-Programm Ländlicher Raum](#)) supports selected projects within the framework of the European Agricultural Fund for the Development of Rural Areas (EAFRD) in North Rhine-Westphalia. The goal is to maintain and develop viable rural areas and to develop sustainable peasant agriculture through projects that help to restore, maintain and improve biodiversity, nature-oriented land management and contribute to the conservation of landscapes.

F **Sustainable Urban Development 254.1m**

SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

SDG 11 – *Make cities and human settlements inclusive, safe, resilient and sustainable*

The policy of urban development in North Rhine-Westphalia focuses on urban and rural areas with significant structural difficulties. In cities and municipalities, nature and free space can enhance the quality of life through environmental and health benefits as well as through a positive influence on social cohesion. Other important goals include energetic modernization of the social infrastructure and barrier-free access to public spaces and buildings.

For the Sustainability Bond, the sub-programmes "Urban Reconstruction in the West" ([Stadtumbau West](#)) and "Social City" ([Soziale Stadt](#)) were selected (see [comprehensive list of all sponsored projects in 2017](#)). Under both programmes, eligible projects must be based on an integrated urban development concept outlining the objectives and measures of the project in question. Such concepts must be implemented with the participation of the citizens.

- **Urban Reconstruction in the West EUR 43.4m**

Budget item # 08 500 883 11 43.4m (41.3m)

The programme "[Stadtumbau West](#)" (Urban Reconstruction in the West) focuses on the problems of a shrinking population and a stagnating economic development. Urban districts with a severe loss of functions or a high degree of abandoned or vacant property (residential, commercial, military or railway) are eligible for support under this programme. The goal is to stipulate new initiatives for sustainable urban development. Relevant issues range from urban planning and housing to economic development and social and environmental policies.

- **Social City EUR 36.3m**

Budget item # 08 500 Titel 883 11 36.3m (42.9m)

The programme "[Soziale Stadt](#)" (Social City) tackles various challenges for local communities with regard to urban renewal, labor market development, economic structure and growth, housing, social and cultural infrastructure, integration and inclusion, schools, promotion of health, prevention of crime and public relations. Most projects start with concrete measures to improve conditions of living and the social environment, such as renewal of play-grounds, schoolyards and parks.

- **Geriatric care and demographic change EUR 11.9m**

Development plan geriatric care

Budget items # 15 044 title group 90 and 15 010 547 14 11.9m (19.0m)

In the context of ongoing demographic change, the State's Development Plan Geriatric Care ([Landesförderplan Alter und Pflege](#)) aims at a suitable local infrastructure for the elderly. The concept addresses local planning processes and model projects for cooperation and networks. It also relates to reliable care for people in difficult economic situations as well as health care needs of migrants, refugees and citizens with special health conditions. A particular focus is on elderly people with disabilities or with a history of migration, in order to strengthen inclusion in the neighborhood. The overall goal is to protect and enhance independence and individuality.

- **Broadband expansion EUR 162.5m**

Budget item 14 730 title group 61

162.5m (162.5m)

The funds are used to co-finance the federal programme "Funding for Broadband Expansion".

More than 76% of households in North Rhine-Westphalia already have access to fast Internet. However, there is a need for expansion, especially in rural as well as commercial and industrial areas. The goal is to accomplish a nationwide broadband coverage of 50 Mbit/second by 2018 and a nationwide fibre optic-based telecommunications infrastructure with bandwidths of at least 100 Mbit/s (upload and downloading) by 2026.

The State sponsors the development of regional broadband concepts and the expansion of the telecommunications infrastructure in cases where market-based expansion is not taking place due to a lack of cost-effectiveness. To this end, the State will provide more than EUR 500m in the years 2016 to 2018.

G Modernisation of educational and public health facilities EUR 420.8m

SDG 3 – Ensure healthy lives and promote well-being for all at all ages

SDG 13 – Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy

Resource-efficient and cost-effective management of public buildings are important contributions to sustainable development. In North Rhine-Westphalia, the management of state-owned real estate has been transferred to the State's Bau- und Liegenschaftsbetrieb Nordrhein-Westfalen ([BLB NRW](#)), which is certified according to ISO 9001 (quality management), ISO 14001 (environmental management) and the eco-management audit scheme regulation of the EU (EMAS III).

www.blb.nrw.de/BLB_Hauptauftritt/BLB_NRW/Zertifizierung/EMAS_Umwelterklaerung_web.pdf

An important goal of the State's climate protection plan is a climate-neutral State administration. Since 2016, the energy consumption of all public buildings managed by BLB NRW – 337 gigawatt-hours per year – are covered from renewable sources such as geothermal energy, solar panels, water and wind power or biogas plants, reducing CO₂ emissions by at least 200,000t annually. The State aims to renovate and retrofit 2% of the existing stock of public buildings in any given year. Currently the efforts focus on universities and university medical clinics.

- **Modernisation of university buildings EUR 67.0m**

Modernisation of university buildings

Budget items # 06 100 891 20, 06 110 685 20, 894 20 67.0m (80.9m)

The State's has launched comprehensive programmes for the modernization of university buildings ([Hochschulmodernisierungsprogramm](#) and [Hochschulbau-Konsolidierungsprogramm](#)) in order to provide renovation and technical upgrades for various university facilities. In case of renovations, current legal standards for energy efficiency and accessibility applicable for new builds are fulfilled.

- **Modernisation of university medical clinics EUR 353.8m**

Conservation and remediation of existing facilities

Budget items # 06 102 TG 63, 06 103-108 891 20 148.1m (148.1m)

The State plans to modernize all existing university medical clinics by 2020 in order to provide state-of-the-art possibilities for medical treatment, but also with regard to research.

The State's grants for conservation and remediation comprise funds for comprehensive measures to save energy and reduce emissions of existing buildings. Projects include asbestos, CFC and PCB disposal, where necessary, as well as modernization of sewage systems. On a limited scale, small new buildings as well as conversions and extensions for existing facilities are included.

Enlargement and other investments

Budget items # 06 103-108 891 30 205.7m (180.5m)

The State's grants for enlargement and other investments comprise funds for reconstruction and restructuring of existing buildings and new developments as well as major extensions, including the initial set-up. A detailed list of the individual projects can be found in the explanatory notes on the relevant budget items ([Haushaltsstellen](#)).