

**Sustainability Bond #5**  
**State of North Rhine-Westphalia**



**Use of Proceeds**

**Eligible Assets**

Düsseldorf, February 2019

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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](http://www.nachhaltigkeitsindikatoren.nrw.de/sdgs)). The NRW Sustainability Strategy is currently under revision and will be updated in 2019, aligning the methodology more closely with the federal Sustainability Strategy of 2017.

## **Sustainability Bond #5**

The key aspect of Sustainability Bond #5 is the topic of Sustainable Development, in line with Sustainability Bonds [#1 \(2015\)](#), [#2 \(2016\)](#), [#3 \(2017\)](#) and [#4 \(2018\)](#). The framework relates to the NRW Sustainability Strategy as well as to the concept of SDGs. An amount equal to net issue proceeds of the State Treasury Notes will be used to cover expenditures of the fiscal year 2018.

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 ISS-oekom). 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 2018. 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 686.0m**

### ***Principal Goals:***

***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 607.3m**

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

Budget items # 06 100 title group 70 less # 06 100 title 231 50

Chapters 06 111 – 06 850 (proportionally) 475.6m (479.6m)

In recent years, demand for university education has grown significantly. From 2006 to 2016 the number of newly enrolled students at universities in North Rhine-Westphalia has increased by 67%. In the winter term 2017/2018, a total of about 759,800 students were enrolled at 75 universities, more than ever before ([Hochschulen in NRW – Ergebnisse der Hochschulstatistik 2017](#)). 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](http://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 chapter 06 111 to 06 270 (without chapter 06 171 and 06 260)

66.5m (68.6m)

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](http://www.wissenschaft.nrw.de/studium/bewerben/abschluesse/lehrausbildung/mehr-lehramtsstudiengaenge-fuer-angehende-sonderpaedagogen)

*Return programme for highly qualified young researchers from abroad*

Budget items # 06 100 title group 65 3.5m (3.9 m)

The state of North Rhine-Westphalia makes it easier for researchers to return to Germany after a career station abroad. Only two years after completing their doctorate, they can already set up their own research group at a NRW university of their choice and qualify for a permanent professorship in this way. 32 promising young researchers have so far been brought to NRW via the return programme. For each junior research group, the country will provide up to EUR 1.25 mio. over a period of five years. The money is intended for personnel and material costs and for the purchase of larger equipment. [www.mkw.nrw/fileadmin/Medien/Dokumente/Forschung/Foerderung/wissenschaftlicher\\_Nachwuchs/Rueckkehrprogramm/MKW\\_NRW\\_2018\\_Forschung\\_Foerderung\\_Rueckkehrprogramm\\_Fragen\\_und\\_Antworten.pdf](http://www.mkw.nrw/fileadmin/Medien/Dokumente/Forschung/Foerderung/wissenschaftlicher_Nachwuchs/Rueckkehrprogramm/MKW_NRW_2018_Forschung_Foerderung_Rueckkehrprogramm_Fragen_und_Antworten.pdf)  
[www.mkw.nrw/forschung/foerderung/wissenschaftlichen-nachwuchs-foedern/rueckkehrprogramm/](http://www.mkw.nrw/forschung/foerderung/wissenschaftlichen-nachwuchs-foedern/rueckkehrprogramm/)

*Professional education of geriatric nurses*

Budget items # 11 090 title group 60 61.7m (63.0m)

According to section 5 of the State Law concerning Geriatric Care (Landesaltenpflegegesetz NRW), the State provides financial grants for the training of geriatric nurses.

**Excellence strategy EUR 24.9m**

Budget items # 06 100 686 55 and 893 00 24.9m (28.5m)

In 2016, the federal state and the German states agreed to support cutting-edge research at German universities with a new funding program. In particular, the goal is to strengthen Germany as a location for science sustainably in international competition. The funding is meant to enable top scientific achievements, sharpen the profiles of universities and stimulate even greater networking and cooperation in the science system. The strategy of excellence thus combines the promotion of cutting-edge research with long-term and strategic investment in the higher education system.

The new strategy of excellence builds on its predecessor program – the Excellence Initiative from 2007 to 2017 which has contributed to outstanding research achievements. It has also strengthened the cooperation of universities with non-university partners and has led to an increasing networking of German universities with universities around the world. This development is attracting worldwide attention: more and more researchers are attracted to Germany from abroad. Other countries have launched their own programmes modeled on the Excellence Initiative. The entire German university landscape benefits from the growing international visibility. The strategy of excellence is intended to maintain and expand this positive momentum.

The strategy of excellence consists of two parts, so-called funding lines: the “Clusters of Excellence” and the “University of Excellence”.

The "Clusters of Excellence" are used to promote internationally competitive research fields at universities or university associations on a project-related basis. In the excellence clusters, scientists from various disciplines and institutions work together on a research project. Funding gives them the opportunity to focus intensively on their research goals, to train junior scientists and to recruit top international staff. Universities with excellence clusters can also apply for a "university lump sum" as a policy supplement to strengthen their organization and strategic direction.

The selection of the Clusters of Excellence and Universities of Excellence is done on the basis of purely academic competitions. These procedures are carried out on behalf of the Federal Government and the Länder by the Deutsche Forschungsgemeinschaft (DFG) and the Wissenschaftsrat.

The Federal Government and the Länder will provide around EUR 533 million annually for the Excellence Strategy from 2018 onwards. 75% of the funding comes from the federal government, 25% from the respective home state of the Cluster of Excellence or the University of Excellence. The Clusters of Excellence account for around 385 million euros per year. The Universities of Excellence are funded with a total of around 148 million euros annually.

- **Innovation and sustainable development EUR 38.0m**

*Promotion of innovation*

Budget item # 14 400 title group 61 15.4m (17.2m)

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, budget items # 07 080 685 10 and 08 500 685 00 13.3m (14.5m)

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 2017 of Johannes-Rau-Forschungsgemeinschaft](#)

*Research and innovation in the fields of sustainable development*

Budget item # 14 400 title group 75 5.5m (9.4m)

The aim of this innovation and research funding is to support the further development of innovative ideas from industry and science on their own responsibility without any restrictions. In particular, the contribution to the development of solutions in the fields of major societal challenges, such as climate change, energy transition, demographic change, health, resource efficiency and increasing demands on mobility and digitilisation are strengthened. In particular, projects and structures of interdisciplinary and transdisciplinary research involving stakeholders from business and civil society along the state's innovation and digital strategy are to be promoted. The transfer of knowledge and technology into economic and social application, spin-offs and start-up infrastructure, patenting and exploitation structures should be promoted. The aim of a research and founder-friendly innovation policy is to give researchers, entrepreneurs and founders in NRW freedom and support for bold future investments.

*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 2.0m (2.0m)

The Foundation for Environment and Development North Rhine-Westphalia pursues the goal of anchoring the environmental and development policy activities in North Rhine-Westphalia in the awareness and practical engagement of the population. It wants to contribute to the implementation of the United Nations Agenda 2030. 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 about 1,400 projects with total grants of EUR 68m. Detailed information on these projects is accessible through a dedicated [database](#).

*Facilities for environmental education*

Budget item # 10 020 title group 77

0.9m (1.0m)

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 15.9m**

Budget items # 10 040 684 10 and 686 10

15.9m (17.9m)

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](http://www.verbraucherzentrale.nrw/ernaehrung)

In 2017, 570,000 citizens took advantage of the services through personal visits to one of the 61 regional offices, inquiries via phone calls or in writing.

[Annual report 2017 of Verbraucherzentrale NRW e.V.](#)

In all programmes in category A, projects relating to nuclear, tobacco, armaments, crude oil and coal are not being sponsored. An exception is a research project within the Johannes-Rau-Forschungsgemeinschaft in the field of coal on behalf of the RAG Aktiengesellschaft, which is not funded by public funds, on the subject of "PCB elimination from mine water." This is about dealing with environmental damage from former coal production.

## **B Inclusion and Social Coherence EUR 379.3m**

### ***Principal Goals:***

***SDG 1 – End poverty in all its forms everywhere***

***SDG 10 – Reduce income inequality within and among countries***

### ***Secondary goal:***

***SDG 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels***

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. The proportion of pupils with special needs in joint learning (integration rate) was 41.1% at primary level, 39.9% at lower secondary level and 42.6% at upper secondary level in the 2016/2017 school year. In the school year 2000/2001, the integration rate was 16.3% at primary level, 3.5% at secondary level I and at 14.4% at upper secondary level 24 percentage points increased. As part of the concept of school inclusion, the integration rate is to be continuously increased until 2030.

[www.nachhaltigkeitsindikatoren.nrw.de/integrationsquote-von-schuelerinnen-mit-sonderpaedagogischem-foerderbedarf](http://www.nachhaltigkeitsindikatoren.nrw.de/integrationsquote-von-schuelerinnen-mit-sonderpaedagogischem-foerderbedarf)

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 centres as well as for rural areas.

- **Inclusion, integration and qualification EUR 89.2m**

#### *Fighting long-term unemployment*

Budget item # 11 029 TG 70 5.1m (6.8m)

The funds are earmarked for the support of municipalities, job centres 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 4.5m (20.0m)

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 25.0m (25.0m)

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 ([https://www.mags.nrw/sites/default/files/asset/document/esf\\_operationelles\\_programm\\_durchfuhrungsbericht.pdf](https://www.mags.nrw/sites/default/files/asset/document/esf_operationelles_programm_durchfuhrungsbericht.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 2.1m (6.3m)

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 2.1m (3.7m)

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](#)).

*Occupational integration of people with disabilities*

Budget item # 11 050 title group 86 3.2m (7.7m)

The State government is continuing to expand its workplaces in workshops for disabled people as needed. The funding of the workshop projects is provided jointly by the Land, the inclusion offices of the two regional associations, the Regional Directorate of North Rhine-Westphalia of the Federal Employment Agency and own funds from the owners. Currently, 104 workshops for disabled people in North Rhine-Westphalia employ around 80,000 people.

The State of North Rhine-Westphalia provides funds for grants for the investment costs for newly created jobs in integration / inclusion companies for severely disabled people. The two landscape associations participate in the program with their own funding and implement it in coordination with the State.

The approximately 300 inclusion companies in North Rhine-Westphalia currently provide a total of around 7,500 jobs subject to social security contributions, including around 4,100 jobs for people of the target group.

[www.mags.nrw/integration-unternehmen](http://www.mags.nrw/integration-unternehmen)

*Promoting integration of migrants living together in diversity*

Budget items # 07 080 title group 68 and 07 080 547 12 47.2m (55.3m)

The State supports a wide variety of efforts at the municipal level to help integrate migrants into society. There are 54 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.

Intercultural centres should be places of encounter and communication for people of different backgrounds and cultures. Funding is provided for training opportunities, low-threshold projects to support integration and the self-organization of migrants.

<https://kommunale-integrationszentren-nrw.de>

- **Language skills in early childhood, family centres and non-contributory day care EUR 242.9m**

*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](http://www.kita.nrw.de/fachkraefte-fachberatung/sprachliche-bildung)).

*Support for family centres / promotion of cooperation of family formation and counseling centres with family centres*

Budget item # 07 040 633 16 and # 07 030 684 10 38.8m (40.1m)

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](http://www.familienzentrum.nrw.de/zertifizierung/checkliste-guetesiegel)

*Exemption to contribution for parents for the last daycare year*

Budget item # 07 040 633 20 179.2m (182.7 m)

Day care centres are educational institutions and must therefore be accessible to all children. Since August 2011, the last year of day care before enrolment at school is free of charge in NRW. Thus, pre-school education, which is not compulsory in Germany, does not depend on the parents' income.

- **School social work EUR 47.2m**

Budget item # 11 029 633 20 47.2m (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 192.0m

### *Principal Goals:*

**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

### *Secondary goals:*

**SDG 10** – Reduce income inequality within and among countries

**SDG 13** – Take urgent action to combat climate change and its impacts

- **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](http://www.landtag.nrw.de/portal/WWW/dokumentenarchiv/Dokument/MMV16-3361.pdf)

- **Public transportation for pupils and students EUR 129.8m**

Budget item # 09 110 title group 74 129.8m (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 22.2m**

#### *Local mobility*

Budget item # 09 140 title group 61 15.8m (23.3m)

#### *Improvement and expansion of bicycle lanes*

Budget item # 09 150 777 14 6.4m (12.4m)

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](http://www.radroutenplaner.nrw.de)),
- "Wanderrouutenplaner NRW" (Hiking Route Planner, available at [www.wanderrouutenplaner.nrw.de](http://www.wanderrouutenplaner.nrw.de)),
- "Radverkehrsnetz NRW" (Bicycle Route Network, available at [www.radverkehrsnetz.nrw.de](http://www.radverkehrsnetz.nrw.de)).

## **D Climate protection and energy transition EUR 55.9m**

### **Principal Goals:**

**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

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 government of North Rhine-Westphalia stands by the climate protection agreement of Paris and supports the goal that the world should operate from 2050 largely greenhouse gas neutral. North Rhine-Westphalia will make its contribution to this. The goal is to make North Rhine-Westphalia the most modern and environmentally friendly industrial location in Europe. 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.

<https://www.klimaschutz.nrw.de/>

- **Climate protection and renewable energies EUR 50.4m**

*Energy transition, renewable energies, energy saving and energy efficiency*

Budget item # 14 300 title group 63 and 10 060 title group 63 30.5m (37.1m)

An essential instrument for the implementation of climate protection measures is the funding program "[progres.nrw - Program for rational use of energy, renewable energies and energy-saving](#)". The program aims to accelerate the widespread market introduction of many applicable techniques for using inexhaustible energy sources and rational use of energy, thereby making a significant contribution to climate protection, reducing CO2 emissions and strengthening the economy. Promoted are marketable products for the efficient and economical use of energy and the use of inexhaustible sources of energy, which still need a start-up aid for the desired economic application for a limited period. The system techniques should be used in a balanced relationship to each other.

Another element is the market ramp-up of electromobility. Within this framework, the program "progres.nrw - launch" has been extended to support public and non-public charging infrastructure for electric vehicles for households and businesses. With the support of private building owners, craftsmen and companies, the concern is linked to increase the willingness to purchase electric vehicles among the general population and to stimulate the market upturn in this target group.

<http://www.foerderdatenbank.de/Foerder-DB/Navigation/Foerderrecherche/suche.html?get=views;document&doc=9579>

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

Budget item # 10 090 title 82 19.8m (22.5m)

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](http://www.efre.nrw.de/fileadmin/user_upload/3_Factsheet_EFRE_NRW_final.pdf)

- **Resource efficiency EUR 5.6m**

Budget item # 10 020 title group 68

5.6m (6.1m)

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.umwelt.nrw.de/umweltschutz-umweltwirtschaft/umwelt-und-ressourcenschutz/ressourceneffizientes-wirtschaften](http://www.umwelt.nrw.de/umweltschutz-umweltwirtschaft/umwelt-und-ressourcenschutz/ressourceneffizientes-wirtschaften)

In all programmes in category D, projects relating to nuclear, tobacco, armaments, crude oil and coal are not being sponsored.

## **E Protection of natural resources EUR 133.2m**

### **Principal Goals:**

**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

### **Secondary goal:**

**SDG 13** – Take urgent action to combat climate change and its impacts

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 28.3m**

#### *Protection of nature*

Budget item # 10 030 title group 82 (without title 427 82) 28.3m (36.3m)

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 64.7m**

Budget item # 10 050 TG 66

64.7m (66.7m)

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.

<https://www.umwelt.nrw.de/umwelt/umwelt-und-wasser/gewaesser/hochwasser/>

- **Responsible agriculture and rural development EUR 40.2m**

*Responsible agriculture*

Budget items # 10 080 683 11 and 683 31

8.9m (7.1m)

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](http://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

31.3m (39.3m)

The State's plan of campaign for rural areas ([NRW-Programm Ländlicher Raum](#)) implements the European Union's support under the European Agricultural Fund for Rural Development (EAFRD) in North Rhine-Westphalia. The funding aims to preserve and develop liveable rural areas and to develop sustainable, rural agriculture. The funding policy addresses the challenges faced by the rural regions of North Rhine-Westphalia: Agricultural structural change requires adaptation of the agricultural sector. It is also important to reduce the impact of intensive agriculture on the environment and to promote environmentally friendly and resource-efficient practices. In addition, the increase of animal welfare in livestock farming and the marketing of regional food are becoming more and more important. The program puts special emphasis on support programs dedicated to the European priority for the restoration, conservation and improvement of biodiversity, high nature value land management and the state of European landscapes.

## F Sustainable Urban Development 323.5m

### **Principal Goals:**

**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*

### **Secondary goal:**

**SDG 10** – *Reduce income inequality within and among countries*

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 modernisation 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 2018](#)). 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 47.0m**

Budget item # 08 500 883 11 47.0m (45.8m)

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 48.8m**

Budget item # 08 500 Titel 883 11 48.8m (51.1m)

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 playgrounds, schoolyards and parks.

- **Geriatric care and demographic change EUR 9.2m**

*Development plan geriatric care*

Budget items # 15 044 title group 90 and 15 010 547 14 9.2m (19.5m)

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.

[www.mags.nrw/landesfoerderplan](http://www.mags.nrw/landesfoerderplan)



- **Broadband expansion EUR 218.5m**

Budget item 14 500 title group 62

218.5m (218.5m)

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 487.7m**

### ***Principal Goals:***

**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*

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](http://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 CO<sub>2</sub> 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 127.0m**

#### *Modernisation of university buildings*

Budget items # 06 100 891 20, 06 110 685 20, 894 20 127.0m (159.5m)

The State's has launched comprehensive programmes for the modernisation 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 360.7m**

#### *Conservation and remediation of existing facilities*

Budget items # 06 102 TG 63, 06 103-108 891 20 145.2m (123.5m)

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 modernisation 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 30 215.5m (210.3m)

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](#)).