

A photograph of a man with dark hair and a beard, wearing a light blue t-shirt, carrying a young child on his shoulders. The child, a girl with dark hair and a yellow patterned headband, is looking up and smiling. They are outdoors under a bright blue sky with scattered white clouds.

**IMPACT REPORT**  
**BNG Sustainability Bonds**  
**for Dutch Municipalities**

Summary report  
July 2025

# TABLE OF CONTENTS

Allocation overview 2024	3
Total overview (2021-2024)	4
Overview ICMA categories and COFOG tasks	5
Preface	6
About BNG and Het PON & Telos	7
Municipalities in Dutch society	8
SDG-related municipal budget	9
Target population	10
Access to essential services	14
Socioeconomic advancement	15
Employment generation	16
Green buildings	17
Clean transportation	18
Living natural resources & land use projects	19
Sustainable water & wastewater management	20
Pollution prevention & control	21
In-depth results SDGs	22
Research methodology	24

## › ABOUT THIS REPORT

BNG, the market leader in financing the Dutch municipalities, started issuing sustainability bonds in 2014. Since 2021 it does so under the [BNG Sustainable Finance Framework](#) accompanied by an annual study on the performance of Dutch municipalities on the Use of Proceeds Categories, aligned with the [ICMA GBP](#) and [SBP](#). This fourth impact report under the framework provides an overview of Dutch municipal SDG-spending and analyses how municipalities performed on the Use of Budget Categories in 2024.

## › GET IN TOUCH

**Commissioned by**  
[BNG Funding department](#)

**Project manager Het PON & Telos**  
[Sanne Paenen](#) and [Inge van Roovert](#)

**Authors**  
Inge van Roovert, Fenna Bijster and Sanne Paenen

**Project team**  
Marijn van Asseldonk, Anne van der Heijden, Floris de Jongh, Jonna Kroeze, Geert Offenberg, Ruben Smeets, Daphne van de Ven

## › MORE INFORMATION

More in-depth information can be read in the research report.

# ALLOCATION OVERVIEW 2024

The BNG Sustainable Finance Framework is aligned with the ICMA Green Bond Principles (GBP), ICMA Social Bond Principles (SBP) and ICMA Sustainability Bond Guidelines (SBG) and follows the four key pillars of Use of Proceeds, Process for Project Evaluation and Selection, Management of Proceeds and Reporting. This page provides the allocation overview which results from the procedure as described in the framework's Management of Proceeds.

The proceeds of each bond issuance are allocated to loans granted to municipalities. Selected loans are granted in the same period as the bond issuance, meaning those loans granted in calendar year 2024 or half a calendar year before and after. A larger amount of duration weighted eligible loan portion is allocated to the amount of duration weighted proceeds. As a measure of duration, the principle of weighted average life is applied. This allocation procedure is applied both to inaugural bond issuances as well as to increases of existing bonds.

## Sustainability bonds issued for Dutch municipalities

2024	Coupon (%)	Maturity Date	ISIN
EUR 1 bn	2.875	06/11/31	XS2838886062

**€ 1 bn ✓ 7 years ✓**

Total amount of Sustainability Bonds issued in 2024

Weighted average life of Sustainability Bonds issued in 2024

**159 ✓ >11 years ✓**

Number of loans financed to municipalities under the framework in 2024

Weighted average life of loans financed to municipalities under the framework in 2024

*Financed municipalities in 2024*



*The indicators that are marked with tickmark '✓' fall within the scope of PwC's limited assurance engagement. For the reporting criteria and limited assurance report reference is made to addendum I. The addendum and assurance report are both published on our [website](#).*



# TOTAL OVERVIEW (2021-2024)

## TIMELINE

### Sustainability bonds issued for Dutch municipalities

Year	Amount	Coupon (%)	Maturity Date	ISIN
2021	EUR 2 bn	0.125	04/19/33	XS2332592760
2022	EUR 2 bn	0.25	01/12/32	XS2430965538
2022	EUR 180 mn	0.125	04/19/33	XS2332592760
2023	EUR 250 mn	3.425	12/18/40	XS2631415556
2023	EUR 100 mn	3.486	09/21/43	XS2692184794
2024	EUR 1 bn	2.875	06/11/31	XS2838886062

**2021** EUR 2 bn in bonds issued

**2023** EUR 350 mn in bonds issued

**2021** Sub-framework I for loans to Dutch municipalities was published

**2022** EUR 2.18 bn in bonds issued

**2024** EUR 1 bn in bonds issued

**€ 5.5 bn**

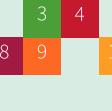
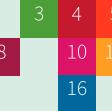
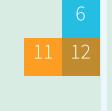
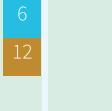
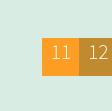
Total amount of Sustainability Bonds issued since the start of the framework in 2021

**696**

Total number of loans to municipalities through the framework since 2021



# OVERVIEW ICMA CATEGORIES AND COFOG TASKS

									
	ACCESS TO ESSENTIAL SERVICES	SOCIOECONOMIC ADVANCEMENT & EMPOWERMENT	EMPLOYMENT GENERATION	GREEN BUILDINGS	CLEAN TRANSPORTATION	LIVING NATURAL RESOURCES AND LAND USE	SUSTAINABLE WATER AND WASTEWATER MANAGEMENT	POLLUTION PREVENTION AND CONTROL	
ELIGIBLE COFOG TASKS	1.1 Crisis management and fire brigade 4.1 Public primary education 4.2 Educational housing 4.3 Education policy and student affairs 5.1 Sports policy and activation 5.2 Sports accommodations 5.4 Museums 5.5 Cultural heritage 7.1 Public health 8.1 Spatial planning	6.1 Cooperation and citizen participation 6.21 Access and primary social care services (Social Support Act (WMO)) 6.22 Access and primary youth care services (Youth act) 6.23 Access and primary integrated care services 6.3 Income plans 6.6 Customized facilities and services (WMO) 6.711 Domestic support services (WMO) 6.712 Support and guidance services (WMO) 6.713 Daytime activities (WMO) 6.714 Other customized support arrangements (WMO) 6.751 Local youth care 6.752 Regional youth care	6.753 National youth care 6.761 Local youth care with housing 6.762 Regional youth care with housing 6.763 National youth care with housing 6.791 Personal budget (WMO) 6.792 Personal budget 6.811 Protected housing (WMO) 6.812 Social relief and women's shelter services (WMO) 6.821 Youth protection services 6.822 Youth probation services 6.91 Coordination and policy (WMO) 6.92 Coordination and policy (Youth Act)	3.1 Economic development 3.3 Business counter and business schemes 3.4 Economic promotion 6.4 Guided participation 6.5 Labour participation	0.3 Management of other buildings and grounds 3.2 Physical business infrastructure 8.3 Living and building	2.5 Public transport	5.7 Public green areas and (outdoor) recreation 7.4 Environmental management	7.2 Sewerage	7.3 Waste
SUSTAINABILITY PERFORMANCE 0-100, with trend	<b>49.7</b>	<b>51.2</b>	<b>51.5</b>	<b>54.6</b>	<b>42.5</b>	<b>50.2</b>	<b>37.3</b>	<b>55.3</b>	
ALIGNMENT WITH SUSTAINABLE DEVELOPMENT GOALS	 7 8 9 11	 3 4 5 10 11 16	 8 9 10	 7 9	 9 11	 3 11 12 15	 3 6 12 14	 11 12	
COMPOSITION of eligible activities in billion €	<b>€ 9.7 bn</b>	<b>€ 30.2 bn</b>	<b>€ 4.7 bn</b>	<b>€ 3.2 bn</b>	<b>€ 0.2 bn</b>	<b>€ 3.6 bn</b>	<b>€ 1.7 bn</b>	<b>€ 2.5 bn</b>	
in %	<b>11.6%</b>	<b>35.9%</b>	<b>5.5%</b>	<b>3.8%</b>	<b>0.3%</b>	<b>4.3%</b>	<b>2.0%</b>	<b>2.9%</b>	

# PREFACE



**We are committed to supporting the Dutch public sector in its efforts to address some of society's most pressing challenges, all while prioritizing social impact over profit in everything we do.**

Through the value we create, we contribute both directly and indirectly to the United Nations Sustainable Development Goals (SDGs). We focus on five SDGs that closely align with the core impact of our financing: SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), SDG 7 (Affordable and Clean Energy), SDG 11 (Sustainable Cities and Communities), and SDG 13 (Climate Action).

This commitment to the SDGs is a cornerstone of our broader ESG (Environmental, Social, and Governance) approach. Together with our clients, we work to deliver tangible ESG results, helping them track and improve their performance across environmental, social, and governance areas. We also focus on being fully transparent in the progress we make. A key example of our commitment to the 'E' in ESG is our 'Going Green' climate plan, supported by our annual climate reports. These highlight how we are reducing emissions from our credit portfolio and operations, in alignment with the 1.5°C target of the Paris Agreement.

A significant portion of our funding comes from ESG bonds. Starting in 2014, we have been a key player in the sustainable finance market. Since then, up to and including last year, we have issued over EUR 32 billion in ESG bonds, including a record EUR 7.5 billion in 2024. All issuances are grounded in our Sustainable Finance Framework and linked to the SDGs. To connect local action with global goals, we have adopted the methodology that links specific municipal tasks to relevant SDGs. This makes each municipality's contribution to sustainable development clear, based on internationally recognized frameworks and a shared language for sustainability.

To name a flagship transaction of 2024: we raised EUR 1 billion for the municipal sector through a 7-year euro-denominated bond, with 83% of investors from Europe, the Middle East, and Africa, and 17% from Asia-Pacific. We take pride in financing activities that make a positive impact, as showcased in this report. A great example is the presented case study of De Kei, a multifunctional facility in the municipality of Reusel-De Mierden, built to the latest sustainability standards.

Looking ahead to 2025, we will further enhance the transparency and measurability of our impact. Together with our clients and partners, we are committed to building a more sustainable future, ensuring our investments deliver lasting societal value.

*Philippe Risch - CEO BNG*

**“Together with our clients and partners, we are committed to building a more sustainable future, ensuring our investments deliver lasting societal value.”**

# ABOUT BNG AND HET PON & TELOS

BNG is a Dutch promotional bank that has traditionally been the bank for the public domain and the public interest in the Netherlands. The bank is owned by the Dutch central government (50%) and local and regional governments (50%) in the Netherlands and it has provided financing to the public sector since 1914, at competitive terms and conditions. Its clients are Dutch local authorities and institutions that are active in the social housing, healthcare, education, energy and infrastructure sectors. BNG is a promotional lender with the majority of loans provided by the bank (more than 90%) granted to, or guaranteed by, government bodies. The bank has been awarded the highest credit rating by all three major credit rating agencies (Moody's: Aaa | Fitch Ratings: AAA | S&P Global: AAA).

BNG's purpose is 'Driven by social impact'. This is leading for all BNG's activities. Instead of maximizing profits, the bank's priority is to maximise the social impact of its activities. Part of the strategy is to demonstrably empower clients to make an impact by financing sustainable projects and activities. The UN Sustainable Development Goals (SDGs) are used as the social impact point of reference. BNG will continue to build on the demonstrability of its impact in 2025. BNG has previously also started its Climate Plan 'Going Green', which outlines how the bank plans to reduce emissions from the credit portfolio and those arising from own operations in line with the 1.5°C target of the Paris Climate Agreement in the coming years. Every year the bank measures and reports on the progress.

BNG is convinced that conscious choices will enable it to achieve its ambitions: to be the promotional lender that delivers social impact and that is considered by clients and other stakeholders as their go-to partner for addressing the social challenges they face. BNG has a long-term loan portfolio that has grown steadily over recent years, to amount to a total of EUR 93 billion per year-end 2024. With its excellent credit ratings, BNG has been a well-known issuer in the international capital markets for a long time. Increasing awareness and engagement in the field of ESG has led the global financial sector to develop ESG-labelled bond frameworks. In this light, BNG has been an active issuer of ESG bonds (formerly known as SRI bonds) since 2014.



Het PON & Telos is a renowned research institute based in the Netherlands. It was formed through the merger of two well-established research organisations, Het PON & Telos, in 2020. The institute specializes in conducting interdisciplinary research and providing expertise in various domains, including social issues, sustainable development and regional development.

Het PON & Telos aims to generate knowledge and insights that contribute to a better understanding of society and support evidence-based decision-making. It collaborates with government organisations, non-profit organisations, banks, and academic institutions to address complex challenges and promote sustainable and inclusive development.

Sustainable development is one of the key areas of expertise for Het PON & Telos. It undertakes research and consultancy projects related to sustainable development, environmental impact, energy transition, circular economy, and social responsibility. By combining its expertise in sustainable development with social and economic factors, the institute helps organisations navigate the complexities of sustainable development and make informed decisions that balance environmental, social, and economic stakes.



# MUNICIPALITIES IN DUTCH SOCIETY



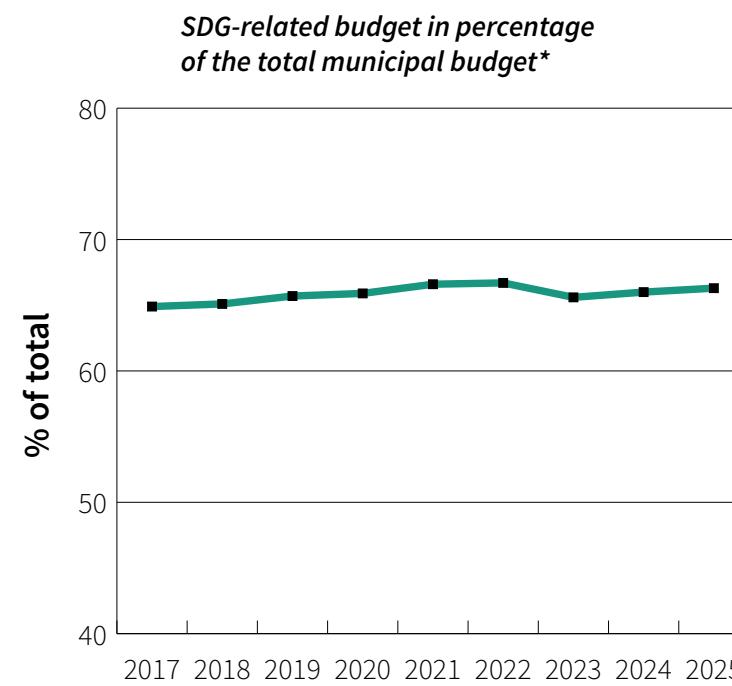
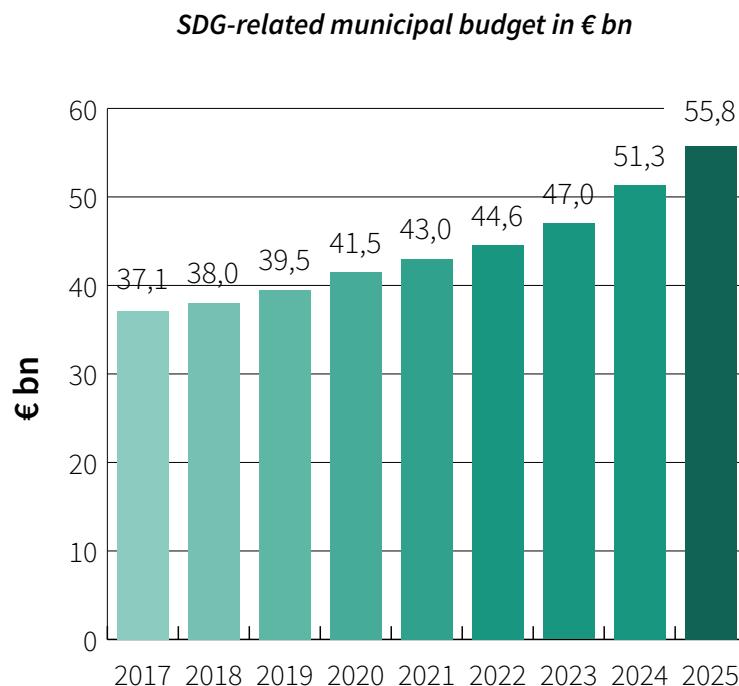
As of January 2024, the Netherlands consists of 342 municipalities. These municipalities vary in size, population, landscape and historical background. Municipalities face various challenges, some arising from global developments or European initiatives, such as climate change and data protection legislation, while others stem from national policy decisions. At the same time, citizens are expecting local authorities to be imaginative, decisive and effective. The municipality decides on matters such as public greenery, social housing, various forms of healthcare, the construction of public buildings and infrastructure. In addition to the implementation of their own policies, municipalities are responsible for implementing national policies. Their tasks include maintaining public order and safety, delivering social services, fostering employment opportunities and promoting economic prosperity and high-quality healthcare.

In 2024, municipalities faced a series of complex challenges arising from both long-term social trends and new policy developments. Municipalities were actively involved in implementing climate adaptation measures, such as adapting public spaces to cope with heavy rainfall. They also worked on rolling out new infrastructure for the increased supply of sustainable energy. Municipalities worked together regionally to prioritise housing construction. As in previous years, most of the municipal expenditure was allocated to the social domain, with a focus on employment and income, youth and social support. In addition, municipalities faced other challenges, including staff shortages, increased workload within their own organisations, and difficulties in reaching all residents. Cooperation between municipalities, care providers, social organisations and other stakeholders is essential to effectively address municipal challenges and responsibilities.

# SDG-RELATED MUNICIPAL BUDGET

The eligible use of proceeds of sustainability bonds for municipalities concerns the funding of green and social impact expenditures of Dutch municipalities. Given its role as the Dutch public sector bank, BNG finances a significant part of the Dutch municipal budget. This budget is specified in detail per municipality using Classification of Functions of Government ("COFOG") tasks. BNG has mapped the COFOG tasks to (in parallel) the ICMA green and social categories as well as to the United Nations SDGs. This approach has made it possible to distinguish between the municipality expenditures with a social or green impact and expenditures without a social or green impact. Thus, all COFOG tasks of all municipalities with a positive social or green impact are deemed eligible, and all other COFOG tasks are non-eligible. In the overview on page 4, the municipal expense categories identified by the OECD Classification of COFOG have been mapped to the SDGs and the ICMA green and social UoP categories.

The graphs below provide an overview of SDG-related municipal budget in percentage terms and in billions of euros. The figure on the left-hand side shows an increase in municipal budget in absolute terms related to the SDGs over the years. In 2025, the SDG-related budget was 4.4bn higher than in 2024, which is an increase of 8.6%. The figure on the right-hand side shows the share of SDG-related municipal budget compared to the total municipal budget. This share of SDG-related budget is slightly higher in 2025 than in 2024 (66.3% vs. 66.0%), indicating that municipalities are allocating a relatively larger proportion of their budget on SDG-related tasks than the year before. Furthermore, most of the SDG related budget is allocated to the Use of Proceeds categories 'Access to essential services' and 'Socio-economic advancement'. This has remained stable over the years and reflects the core responsibilities of municipalities.



\* In the 2024 impact report, 67.7% of the municipal budget was SDG-related. This year, the methodology was slightly revised and adjustments were applied retroactively to previous years.

# TARGET POPULATION

The eligible use of proceeds of sustainability bonds for municipalities concerns the funding of green and social impact expenditures of Dutch municipalities. Most municipal expenditures are targeted towards the general population, some subcategories of the eligible use of proceeds have a more narrowly defined target population. Below, a few of these subcategories are highlighted without this being limitative.

## EXAMPLES OF ELIGIBLE USES OF PROCEEDS

### Access to essential services

- Public health target in particular at-risk groups, youth and elderly
- Primary education targets youth.

### Socioeconomic advancement and empowerment

Several categories have a specific target population for which the proceeds are principally used.

- Customized facilities (WMO), which target people with physical or psychological disabilities
- Housing/shelters, which targets people staying in reception and sheltered housing facilities such as women shelters, domestic violence protection or sheltered housing for persons with mental and psychosocial problems.
- Income plans, which (typically) targets older and partially disabled unemployed employees or former self-employed persons, starting entrepreneurs or low-income households.

### Employment generation

- Labour participation is an example of a subcategory directed largely towards the unemployed population.

## FACTS

- **Number of young people under 20:**  
3,733,300 (20.8% of total population) in 2024
- **Number of elderly people over 65:**  
3,677,200 (20.5% of total population) in 2024
- **Pupils in ordinary primary education:**  
1,353,500 (97.6% of total pupils) in 2024/2025.  
**Pupils in special primary education:**  
33,200 (2.4% of total pupils) in 2024/2025
- **Total number of persons with one or more tailor-made facilities under the WMO:** 1,220,500 in 2023
- **Number of homeless persons between the ages of 18 and 65:**  
32,900 ( $\pm 0.30\%$  of the total population) in 2024.
- **The number of women in shelters who are victims of domestic violence, honor-related violence, loverboys or human trafficking:**  
12,000
- **Households with registered problematic debts:**  
747,600 in 2024 (8.9% of all households)



## CASE STUDY > De Kei in Reusel

### The beating heart of the community



**At the end of 2024, the municipality of Reusel-De Mierden welcomed De Kei, a modern, multifunctional building where people can watch theatrical performances, attend conferences or visit the library, among other things. This energy-neutral building, which replaced an outdated community centre, provides space for a variety of purposes. Thanks to funding from BNG, the municipality of Reusel-De Mierden was able to achieve its ambition for a future-proof meeting place that combines culture and care with connecting people.**

#### A place for everyone

De Kei is the beating heart of the village and provides space for voluntary organisations and cultural associations. Its central meeting space serves as an informal living room for all residents. 'De Kei is much more than a building', said Sasja Aleksic, policy adviser for educational accommodation and social real estate at the municipality of Reusel-De Mierden. 'It's a place where people come for a chat, or activities, or information about the local area.' The low-threshold community centre promotes social cohesion and improves liveability. Everyone, regardless of their age, culture or care needs, is welcome in De Kei.

### From idea to reality

Following the demolition of the old building in 2020, the municipality carefully selected a new approach. As Aleksic explained, 'We wanted the new building to be something special. What we have now is a building that really meets the needs of our residents.' De Kei's strategic location in the centre of the village makes it easily accessible. The building is the permanent home of the local library, daytime activities for people with disabilities and older people, and the Visit Reusel-De Mierden office. 'Combining functions in this way leads to unexpected encounters', Ms Aleksic said. 'For example, elderly people who come for daytime activities end up staying for cultural activities'.

## 'De Kei is a wonderful example of an investment that creates social value.'

### Permanent funding partner

The municipality was able to rely on BNG as its permanent funding partner for the construction of De Kei. Their long-term working relationship is characterised by trust, knowledge-sharing and social commitment. 'BNG has been a permanent, reliable partner of ours for large investments for many years', Aleksic said. 'They actively contribute ideas, and they understand what's going on in a small municipality like ours.' The bank also appreciates their working relationship. 'De Kei is a wonderful example of an investment that creates social value', said Peter Neeskens, relationship manager at BNG. 'It's great to see how this municipality is focusing on connecting people and on care.'

### Social and sustainable

De Kei was built to be future-proof and that has contributed significantly to the achievement of the municipality's climate goals. The building is completely energy-neutral, is gas free, and was constructed using sustainable materials. 'This project is fully in line with what we stand for as a bank', said Neeskens. 'De Kei shows how our funding directly contributes to both social progress and sustainability.'



## **FACTS AND FIGURES > USE OF PROCEEDS CATEGORIES**

# ACCESS TO ESSENTIAL SERVICES



Access to basic services is divided into three categories in the ICMA principles: health, education and financial services.

**Health.** Municipalities are responsible for ensuring the public health of its inhabitants. In general, the health of Dutch residents is good. Life expectancy in the Netherlands continues to rise. Average life expectancy is 81.8 years. The percentage of people who perceive their own health as (very) good decreases with age. The Netherlands has a large network of general practitioners, hospitals, mental health institutions, district nursing services, etc. Almost 97 percent of the population has access to a general practitioner.

**Education.** Municipalities are responsible for ensuring that children can learn in a safe, healthy and stimulating environment. Several positive developments can be observed within the field of education. The proportion of the labour force with tertiary education is gradually increasing. The percentage of the population who have completed their tertiary education is 32.5% in 2023. The younger generation is on average higher educated than older generations, partly because children today benefit from more equal opportunities. The school drop-out rate has increased from 1.7% in 2015 to 2.4% in 2023, which is the highest rate in ten years. This is likely due to the strong labour market, making it more rewarding for young people to gain qualifications at work rather than at school. Over the past ten years, the number of unemployed young people has gradually decreased from a starting point of 13.7% in 2014 to 8.7% in 2024.

**Financial services.** Municipalities have a limited role in the provision of financial services. Municipalities provide income support, debt assistance and financial counselling. The financial situation of Dutch households has developed positively. The median household savings increased from €20,100 in 2022 to €21,100 in 2023. Moreover, the Gini coefficient - a measure of disposable income inequality, ranging from 0 and 1, where 0 indicates perfect equality and 1 represents maximum inequality - was 0.285 in 2022, compared to 0.292 in 2021. Factors affecting income distribution include inflation, tax measures, minimum wage developments, government support (e.g. energy subsidies) and labour market developments.

## FACTS

- Municipality expenditure:** € 9.7 bn
- Life expectancy in years:** 81.6 in 2022 and 81.8 in 2023
- Percentage of the population with a general practitioner:** 97.6% in 2022 and 96.9% in 2023
- Percentage of population aged 15-75 who have completed their tertiary education:** 32.0% in 2022 and 32.5% in 2023
- Number of education facilities and/or initiatives (primary, secondary and tertiary):** 7,315 in 2023/2024 and 7,285 in 2024/2025
- Youth unemployment rate:** 8.2% in 2023 and 8.7% in 2024
- School dropout rate:** 2.4% in 2022 and 2.4% in 2023
- Median household savings:** €20,300 in 2022 and €21,100 in 2023
- Reduced disposable income inequality/Gini coefficient:** 0.292 in 2021 and 0.285 in 2022



## SDG RELATED



# SOCIOECONOMIC ADVANCEMENT



Socioeconomic advancement is divided into three categories: women's empowerment, social inclusion of the disadvantaged and access to technology.

**Social inclusion of the disadvantaged.** In terms of social inclusion, a municipal task is to provide income and welfare support to vulnerable residents. The number of people receiving social assistance has, in absolute terms, increased from 401,700 in 2024 to 406,000 in 2025. The number of low-income households has increased by 0.2% between 2022 and 2023. The Gross Domestic Product (GDP) per inhabitant has increased by €3,574 between 2022 and 2023 and the median annual disposable income of residents has also increased by €2,900 between 2022 and 2023. This is mainly due to the many wage negotiations initiated by trade unions because of rising inflation. As a result of the rising inflation, more and more families are struggling to make ends meet. This percentage has risen from 12.7% in 2020 to 18.8% in 2022. Wealth inequality has slightly decreased but is much higher than income inequality. Income is subject to various redistribution mechanisms but in contrast, wealth redistribution is limited.

**Women's empowerment.** Municipalities are committed to empower women by promoting gender equality in the work force, creating awareness through education and campaigns, by providing safety policies to combat violence towards women and offering victim support. Women have become slightly more likely to feel unsafe in recent years. In 2021, 41.9% of women felt generally unsafe at times, compared to 44.1% in 2023. The feeling of being unsafe has several causes that are socially, culturally and historically rooted. One cause is that women continue to experience structural sexism in many areas of life, from the workplace to everyday life.

**Access to technology.** Municipalities support access to technology by funding and coordinating local initiatives that promote digital inclusion. They provide digital skills training, devices and access to online services, especially for vulnerable groups. This helps reduce the digital divide and promotes equal participation in society.

## FACTS

- **Municipality expenditure:** € 26.8 bn
- **Women's safety and security, women who felt unsafe:** 41.9% in 2021 and 44.1% in 2023
- **The number of households receiving minimum benefits:** 397,700 in 2023 and 401,700 in 2024
- **The percentage of poor households:** 6.3% in 2022 and 6.5% in 2023
- **The GDP (gross domestic product) per inhabitant:** €56,100 in 2022 and €59,700 in 2023
- **The median yearly disposable income of households:** €41,700 in 2022 and €44,600 in 2023
- **The percentage of households experiencing financial struggle:** 12.7% in 2020 and 18.8% in 2022
- **Wealth inequality/Gini coefficient (excluding owner-occupied housing):** 0.858 in 2021 and 0.854 in 2022



## SDG RELATED



# EMPLOYMENT GENERATION



**Employment generation focuses on promoting sustained, inclusive and sustainable economic growth, full and productive employment and suitable work for all.**

Work occupies an important place in people's lives and in society. Having a steady job provides people with an income and contributes to a sense of economic and social security. In addition, your work is part of who you are. It helps determine your identity, your place in society, and your (opportunities for) development, and provides structure, purpose and social contacts. That is why it is important that the labour market is as inclusive as possible.

The percentage of people in employment who can work on a permanent basis and meet the physical requirements of the job (sustainable deployment) was 91.5% in 2023 and little changed in 2024 (91.4%). Municipalities have an important role to play in job creation, through promotional activities aimed at attracting new businesses and new workers, but also by providing jobs, facilities and support for those seeking employment and reintegration.

The net employment rate remained stable, with 73.1% in 2023 and 73.2% in 2024, similar as the unemployment rate (3.6% in 2023 and 3.7% in 2024). In 2023, the net employment rate for women with disabilities was 57.0%, compared to 65.0% for men with disabilities. Both rates are significantly lower than the net employment rate for those without disabilities, indicating that people with disabilities face challenges attributing to the labor force.

## FACTS

- **Municipality expenditure:** € 4.7 bn
- **Sustainable deployment:** 91.5% in 2023 and 91.4% in 2024
- **The net employment rate:** 73.1% in 2023 and 73.2% in 2024
- **The unemployment rate:** 3.6% in 2023 and 3.7% in 2024
- **The net employment rate for women with disabilities:** 57.0% in 2023
- **The net employment rate for men with disabilities:** 65.0% in 2023.



## SDG RELATED



# GREEN BUILDINGS



**If we are to achieve a net zero carbon society by 2050, sustainable buildings are necessary. The construction of new buildings and the adaptation of existing ones plays an essential role in achieving this goal.**

Buildings that municipalities are responsible for must meet legal sustainability requirements, such as having at least Energy Label C (for offices), complying with energy-saving obligations, and being nearly energy neutral (BENG) for new constructions. They must also avoid natural gas connections and increasingly align with circular construction principles. In addition, municipalities can influence the greening of buildings through the provision of permits, land use policies and financial incentives. For example, municipalities can impose sustainability requirements when issuing permits. They can also provide subsidies for the purchase of solar panels.

CO2 emissions from the total built environment in the Netherlands have fallen in recent years. In 2023, emissions were 29.97 Mton, which is 6.04 Mton less than in 2022. Both the electricity- and natural gas consumption of public services buildings have decreased between 2022 and 2023, resulting in an annual consumption of electricity of 9,226 GWh and 1.25 billion m<sup>3</sup> of natural gas. The mild winters and sharp rise in energy prices in 2023 have contributed to the decrease in energy consumption. However, increased awareness and insulation measures have also made a positive contribution. In addition, both the number of electric vehicles and the availability of charging points increased, partly due to considerable efforts made by municipalities to expand the public charging infrastructure.

## FACTS

- **Municipality expenditure:** € 3.2 bn
- **CO2 emissions of the built environment:** 36.01 Mt in 2022 and 29.97 Mt in 2023
- **The amount of public or semi-public charging stations for electrical cars:** 140,305 in 2023 and 177,244 in 2024
- **The total annual electricity consumption of public services buildings:** 9,267 GWh in 2022 and 9,226 GWh in 2023
- **The total annual gas consumption of public services buildings:** 1.34 billion m<sup>3</sup> in 2022 and 1.25 billion m<sup>3</sup> in 2023



## SDG RELATED



# CLEAN TRANSPORTATION

**Mobility — and thus well-developed infrastructure — is essential for full participation in society. A strong infrastructure network contributes positively to both social inclusion and economic development.**

The municipality steers, facilitates and regulates the transition to clean transport through infrastructure improvements, policymaking, behavioural incentives, and collaboration with public transport operators, energy providers, and mobility companies. Cycling as a means of transportation can be considered as sustainable transport.

The average distance to the closest train station is 5.3 km. Since 2017, all electric passenger trains in the Netherlands have been running on green energy. In addition, from 2025 onwards, all new buses must run on 100% renewable energy or fuel. However, access to public transport is under pressure in certain regions. In 2024, the cycling climate in the Netherlands (a combination of experience, safety, congestion on cycle paths, insufficient bicycle parking spaces or traffic jams in front of traffic lights) was rated 3.39 on a scale from 0 to 4, showing a slight decline from 3.48 in 2022. Public transport is also a key component of sustainable transportation. In recent years, the use of clean vehicles by private individuals and companies has increased. The percentage of clean vehicles for private use was 8.4% in 2023 and has risen to 10.2% in 2024. The percentage of clean vehicles for businesses rose to 1.2%.

Transport infrastructure plays a dual role in addressing particulate matter and CO<sub>2</sub> emissions — while traditional road networks contribute to pollution, investments in clean transportation infrastructure, such as bike lanes and electric public transit, are essential to the solution. Between 2022 and 2023, particulate matter emissions per capita decreased from 0.945 kg to 0.900 kg, marking a modest but measurable improvement. Over the same period, CO<sub>2</sub> emissions per capita fell from 8,852 kg to 7,933 kg, indicating a notable reduction in the average carbon footprint.



## FACTS

- Municipality expenditure:** € 0.2 bn
- The average distance to the closest train station:** 5.3 km in 2022 and in 2023
- The percentage of clean vehicles for private use:** 8.4% in 2023 and 10.2% in 2024
- The percentage of clean vehicles for businesses:** 0.8% in 2021 and 1.2% in 2022
- Air pollutants: particulate matter (PM2.5):** 0.945 kg/per inhabitant in 2022 and 0.900 kg/per inhabitant in 2023
- Air pollutants: carbon dioxide (CO<sub>2</sub>):** 8,852 kg/per inhabitant in 2022 and 7,933 kg/per inhabitant in 2023
- The perceived bicycle friendly environment:** 3.48 in 2022 and 3.39 in 2024 (on a scale from 0-4)

## SDG RELATED



# LIVING NATURAL RESOURCES & LAND USE PROJECTS

Living natural resources are defined as the diverse array of plants, animals, and micro-organisms, along with the ecosystem services they deliver.

Municipalities have a direct influence on how natural resources are managed and how land is used. They direct through regulation, design, management and collaboration with residents and partners. Protecting natural areas is one of the most successful ways to maintain and restore biodiversity: In both 2023 and 2024, 9.0% of the total land area of the Netherlands is protected under EU-legislation (Natura 2000).

However, it is not only about the quantity of protected areas but also about the quality of nature. Key frameworks guiding this focus on quality are the Habitats Directive and the Birds Directive. The six-yearly update of both directives show improvements but to reach the goals of 2030 more work needs to be done.

The use of pesticides affects water, soil and air quality, thereby affecting biodiversity as well. Municipalities are required by law to avoid the use of pesticides on pavements, but can do much more through their leadership, procurement, education and policy decisions. In recent years, pesticide sales in the Netherlands have decreased from 9.0 million kilos in 2022 to 7.4 million kilos in 2023.

Biological (organic) farming benefits living natural resources and land use projects by promoting biodiversity, improving soil health and reducing chemical inputs. In 2023, the area of organically certified agricultural land slightly increased by 0.4%.



## FACTS

- **Municipality expenditure:** € 3.6 bn
- **Protected natural reserves Natura 2000 (on land):** 9.0% in both 2023 and 2024
- **The conservation Status of Habitats Directive species (% of favourable conservation status):** 21.0% 2007-2012 and 25.9% 2013-2018
- **The conservation Status of birds (% of favourable conservation status):** 41.8% 2007-2012 and 42.2% 2013-2018
- **Sales of pesticides:** 9.0 million kilos in 2022 and 7.5 million kilos in 2023
- **The area of organically certified agricultural land:** 74,400 ha (4.1% of total agricultural land) in 2022 and 80,900 ha (4.5% of total agricultural land) in 2023

## SDG RELATED



# SUSTAINABLE WATER & WASTEWATER MANAGEMENT



**Billions of people worldwide still lack access to safe water, sanitation and hygiene, despite improvements in the provision of these basic services. Water scarcity is a growing problem in many parts of the world, and conflicts and climate change are exacerbating the issue.**

Municipalities work together with water boards and drinking water companies. Together, they contribute to climate adaptation, sustainable water usage and the protection of drinking water sources.

The total volume of wastewater treated by water treatment facilities in the Netherlands has increased from 86.1 million in 2022 to 107.2 million in 2023. This is the result of a record amount of rainfall in 2023. In 2022, on average, municipalities and water boards complied for 98.6% of the contractual agreements they have with each other about how much wastewater specific locations (the so-called “transfer points” a transfer point is the location where sewage is transferred to the water board) must be able to receive and process. This percentage dropped to 97.6% in 2023.

The total amount of supplied drinking water has increased from 1.117 bn m<sup>3</sup> in 2022 to 1.158 bn m<sup>3</sup> in 2023. This is in line with the prediction that drinking water consumption will increase by 2040, due to climate change and increasing water use.

Good water quality is essential for people, animals, and plants. Although there have been many improvements in recent years, ground and surface water in the Netherlands still does not meet the required quality standards set out in the Water Framework Directive (WFD) and the Nitrates Directive, among others.

## FACTS

- **Municipality expenditure:** € 1.7 bn
- **Total amount of wastewater treated (in m<sup>3</sup>):** 86.1 million in 2022 and 107.2 million in 2023
- **Contractual agreements with municipalities about how much wastewater the water board must be able to receive and process at transfer points:** 98.6% in 2022 and 97.6% in 2023
- **Supplied drinking water:** 1.12 bn m<sup>3</sup> in 2022 and 1.16 bn m<sup>3</sup> in 2023
- **The quality of swimming water (scale from 1 to 4):** 3.8 in 2022 and 3.7 in 2023
- **Surface waters that met the chemical WFD targets:** 0.8% in 2024
- **Surface waters that met the ecological WFD targets:** 0.0% in 2024
- **Surface waters that met the biological WFD targets:** 15.8% in 2024



## SDG RELATED



# POLLUTION PREVENTION & CONTROL



**By separating our waste and using it as new raw materials, we reduce the consumption of primary raw materials and encourage the reuse of valuable materials contained in waste.**

The Netherlands has set national targets for waste management, including achieving 55% waste separation by 2025, increasing this to 60.0% by 2030 and 65.0% by 2035, and reducing residual waste to a maximum of 30 kilograms per inhabitant by 2025. Municipalities play a crucial role in promoting waste separation and reducing residual waste by combining policy, infrastructure, and public engagement.

Between 2022 and 2023, the rate of waste separation showed little progress — rising only slightly from 60.0% to 61.0%. Over the same period, the amount of residual waste per inhabitant declined from 178 kg to 173 kg, indicating a modest improvement. However, with the national target set at just 30 kg per inhabitant, a significant effort is still required to bridge the gap.

Nitrogen oxides (NOx) are air pollutants that negatively impact both human health and the environment. In recent years, NOx concentrations have declined. Between 2022 and 2023, however, the decline has been less pronounced. The average nitrogen oxide concentration was 17.7  $\mu\text{g}/\text{m}^3$  in 2023 and decreased only slightly to 17.5  $\mu\text{g}/\text{m}^3$  in 2024. After years of decline, particulate matter showed even an increase between 2022 and 2023 from 8.6 to 8.8  $\mu\text{g}/\text{m}^3$ .

## FACTS

- Municipality expenditure:** € 2.5 bn
- Percentage of waste separation:** 60.0% in 2022 and 61.0% in 2023
- Amount of residual waste per inhabitant:** 178 kg in 2022 and 173 kg in 2023
- The average nitrogen oxide concentration:** 17.7 in 2023 and 17.5 in 2024 (in  $\mu\text{g}/\text{m}^3$ )
- The average particular matter concentration:** 8.6 in 2023 and 8.8 in 2024 (in  $\mu\text{g}/\text{m}^3$ )



## SDG RELATED



# IN-DEPTH RESULTS SDGS

In its company strategy, BNG focuses specifically on five SDGs that correspond closely to the activities that the bank finances. BNG has developed an engagement plan that will help steer the activities of its clients and support them in their efforts to act on the SDGs. Het PON & Telos has developed a methodology to translate individual indicator outcomes into standardised sustainability scores (ranging from 0 to 100, with higher scores indicating better performance). Sustainability norms are defined for each indicator and are applied to define performance ranges corresponding to different levels of goal achievement. Once the scores for each indicator have been calculated, they are aggregated into overall SDG scores by applying equal weighting across all indicators within a specific SDG.

An arrow below the final SDG indicates the trend over the past five years: upward or downward for material changes that reflect measurable development, or a horizontal line for stable scores.



**46.4**

Municipalities are responsible for ensuring the public health of its inhabitants. Usually, municipalities delegate most of this task to the Gemeentelijke Gezondheidsdiensten (GGD, the Municipal Health Services). In addition, the municipalities serve as a link between social (healthcare institutions and social welfare organisations) and private organisations (private healthcare providers). In collaboration with these organisations, municipalities develop, implement and evaluate health policies, using a shared strategy. Over the past few years, we observe a slight decrease in the score for SDG 3. One of the key factors contributing to the slight decline is the continued ageing of the Dutch population. Research shows that older individuals are generally less likely to rate their own health positively. This trend is also visible in the data: In two years time, the people that assessed their health as good or very good declined from 79.1% to 70.0%. The number of people who have been sick for a long time or have problems with their daily activities due to health issues has risen from 28.2% in 2020 to 30.2% in 2022. The number of smokers has declined in recent years. In 2024, 18.2% of the adult population smoked, compared to 25.7% in 2014. The reduction is likely influenced by growing public awareness of smoking-related health risks and the increasing cost of tobacco products as a result of higher excise duties. The number of residents experiencing stress has risen sharply from 17.7% in 2020 to 20.6% in 2022. The biggest sources of stress are perceived pressure to perform, social pressure and uncertainties in life. In recent years, municipalities in the Netherlands have made great efforts to create an environment that is conducive to physical activity, i.e. more cycle paths and footpaths, accessible sports facilities and more green spaces. This is also reflected in the quality score for physical activity-friendly environment, which was 60 in 2020 and 65 in 2022.



**52.1**

The quality and accessibility of Dutch education has remained fairly stable in recent years, especially when compared on an international level. Through the provision of primary education, educational housing and educational policy, municipalities play an important role in promoting high quality education. Municipalities work together with schools and other local partners to improve the quality of education and to ensure equal opportunities. The percentage of people with only secondary and vocational education is decreasing in the last decade and the percentage of people with a bachelor's, master's or doctorate degree is increasing. The general educational level of Dutch inhabitants has experienced growth, with more individuals completing degrees after secondary school. The percentage of the population who have completed their tertiary education is 32.5% in 2023. The younger generation is on average better educated than older generations. The percentage of young adults (between 12 and 23 years old) leaving school before obtaining a basic qualification fluctuates over the years, but rises again after 2020 to 2.4% in 2023, which is the highest rate in ten years. This is probably due to the attractive labour market, which means that it is often more profitable for young people to go to work and get qualifications in the workplace rather than in school.

## 7 AFFORDABLE AND CLEAN ENERGY



60.6



SDG 7 shows a positive trend in recent years. People, companies and organisations have already taken many steps to produce and use sustainable energy. This has accelerated in recent years. Municipalities promote green energy through policies, subsidies and projects, and fight energy poverty through subsidies, energy saving assistance and cooperation with other parties, such as social housing associations. Renewable energy sources such as biomass, wind and solar contribute to a more sustainable future. In 2022, 14.5% of the total energy generated by all municipalities in the Netherlands came from renewable sources, compared to 6.3% in 2016. In addition, the installed capacity of solar panels per home in kWp increased from 0.16 kWh per home in 2016 to 1 kWh per home in 2022. Not only is it essential to increase the use of renewable energy, but it is also important for individuals and businesses to become more aware of when they consume energy throughout the day. In addition, efforts to conserve energy remain necessary. Gas consumption by both households and businesses fell dramatically between 2018 and 2023. For businesses, annual gas consumption fell from 3,676 m<sup>3</sup> per employee to 2,563 m<sup>3</sup> per employee in six years' time. Households' annual gas consumption fell from 1,270 m<sup>3</sup> to 820 m<sup>3</sup> over the same period. The rising gas prices due to geopolitical tension and changes in global supply and demand is providing a market stimulus to reduce gas consumption. Higher energy prices make it particularly difficult for low-income households to make ends meet. In 2023, it is estimated that 4.8% of households are struggling with the energy bill, while this was 4.0% in 2022.

## 11 SUSTAINABLE CITIES AND COMMUNITIES



47.4



Sustainable cities and communities related indicators have shown a quite stable picture over the last years. The overall number of affordable owner-occupied homes within the housing stock has decreased considerably in recent years. Since 2017-2018, the Netherlands is experiencing a so-called housing market crisis. There is a huge shortage of dwellings in the housing market and the demand continues to rise. Half of the houses are above the payment limit for a household with a modal income. Although the national housing market plays a major role in this matter, municipalities can influence the local housing market through their zoning plans and targeted subsidies or special loan-constructs. Despite the sharp increase in prices and low availability of appropriate housing, households are very satisfied with their homes and their living environment, with over 84.0% of households reporting they are satisfied in 2024. Focusing on the more social aspects of this SDG, general trust in other people has increased. The number of people who see their friends, family, or neighbours at least once a week, as well as the social cohesion in their living environment, has remained stable. However, the number of people who often feel lonely has increased significantly from 11.0% in 2020 to 14.2% in most recent data. Although loneliness is often associated with adults over the age of 75, it affects people of all ages. Loneliness is often caused by a combination of factors such as genetics, changes or loss of social contacts, activities or work and health problems. Municipalities invest in community buildings and initiatives to make it easier for people to meet one another.

## 13 CLIMATE ACTION



49.8



In 2019, municipalities approved the Climate Agreement, thereby committing themselves to the national targets for 2030 (49% reduction in CO<sub>2</sub> emissions compared to 1990 levels) and 2050 (95% reduction compared to 1990 levels). Municipalities play a crucial role in achieving the national climate agreement goals by translating national ambitions into local action through spatial planning, energy transition and citizen engagement. The Netherlands has taken steps to reduce greenhouse gas emissions, but policy implementation—such as renewable energy expansion, industrial decarbonisation, sustainable transport, and building insulation—needs to be accelerated to meet the 2030 and 2050 climate targets. In 2023, total greenhouse gas emissions in the Netherlands amounted to 146 million tonnes (Mton), which is 6.8% lower than in 2022 and 35.6% lower than in 1990. The target for 2030 is a 55.0% reduction compared to 1990 levels. Of the 146 Mton emitted in 2023, 121 Mton was carbon dioxide, 18 Mton methane, 7 Mton nitrous oxide, and the remainder fluorinated gases.

As described above, steps are being taken in climate mitigation. However, adaptation to the impacts of climate change is also necessary. In recent years, for example, the risk of flooding has slightly increased, as has heat stress. Municipalities have not only a role in mitigating climate change, but also in adapting to its impacts. They can do so by implementing a combination of measures such as heat stress management, strengthening green infrastructure, water management, climate resilient infrastructure and climate resilient construction.

# RESEARCH METHODOLOGY



**This chapter briefly explains the research methodology. The complete methodology can be found in the research report.**

In 2019–2020, Het PON & Telos conducted a baseline study in which they developed a matrix linking Government Expenditure by Function (UoP), the COFOG classification, and the Sustainable Development Goals (SDGs).

Not all SDGs are equally applicable to municipalities. To align the Sustainable Development Goals with the framework that BNG uses to finance the entire Dutch municipal budget, the municipal tasks identified by the OECD Classification of Functions of Government (COFOG) were linked to the 17 SDGs. Subsequently, all COFOG tasks linked to the SDGs were categorised using the Green Bond Principles (GBP) and the Social Bond Principles (SBP). Finally, each COFOG code is identified with the main SDG. The result is a measurable table of core municipal tasks and their associated SDGs.

The links between Use of Proceeds categories, COFOG task areas, and SDGs are unambiguous, recognisable to third parties, practically manageable, and easy to use in relation to municipal budget figures. The calculations and analyses performed, show stable and explainable results that develop steadily over time.

Het PON & Telos included a set of indicators to measure the Sustainable Development Goals (SDGs), based on a long tradition and experience with sustainable development indicators and expert judgement. Het PON & Telos carefully selected the indicators to measure impact in line with the SDGs but was also hampered by lack of data. The choice of indicators is influenced by three basic principles:

- The indicator must be linked to an SDG financed by the new BNG sustainability bond;
- The indicator must be closely linked to the municipality's mission or sphere of influence;
- The data used must be of high quality and from a reliable source.

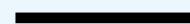


To transform the individual indicator values into a uniform system of sustainability scores, Het PON & Telos has developed a method using sustainability norms for each indicator, within which ranges of sustainability target achievement are defined. This results in a standardised score between 0 and 100, with 100 being the best possible score. A detailed explanation of this methodology can be found in the research report. An arrow below the final SDG or UoP score indicates the trend over the past five years: upward or downward for material changes that reflect measurable development, or a horizontal line for stable scores.

### Example score arrows



Material increase



No material change



Material decrease

Compared to last year's (2024) impact reports, some changes to the Dutch COFOG administration as well as the version update of the BNG Sustainable Finance Framework slightly affect the relative SDG-related municipal budget versus the total budget.

In addition, indicators have been added, removed, or modified, and the sustainability norms for some indicators, by which ranges of sustainability goal achievement are defined, are optimised. Changes in data availability, new scientific evidence and policy changes are examples of reasons for reviewing or adjusting the framework and its indicators. These adjustments to the indicators and the optimisation of the norms have affected the sustainability performance scores.

As the data should be comparable between years, all these changes have been applied not only to the most recent year but also retrospectively to all previous years. As a result, the SDG-related municipal spendings and the sustainability performance scores presented in this report are not comparable with those published in earlier impact reports.

## › **COLOPHON**

**Design by** Mark Dierick

### **Photography**

Provided by BNG, except:

- Page 18: Shutterstock
- Page 19: Paige Cody / Unsplash
- Page 20: Tjeerd Braat / Unsplash
- Page 21: Keanu K / Unsplash

© **Het PON & Telos 2025.** The copyright of this publication is held by [Het PON & Telos](#). Reproduction of texts in whole or in part is permitted, provided the source is acknowledged. Reproduction and publication in any form other than this report is only permitted with the written permission of Het PON & Telos. Although this publication has been compiled with the greatest possible care, Het PON & Telos cannot accept any liability for any errors it may contain.