

Inclusive Growth and Resilience in Bilbao, Spain



OECD CHAMPION MAYORS
for Inclusive Growth



OECD Regional Development Papers

Inclusive Growth and Resilience in Bilbao, Spain



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Foreword

Global shocks such as the COVID-19 pandemic and the war in Ukraine are having profound impacts on the global economy and, in turn, heightening the importance of resilience to these shocks in the policy debate. Cities have been very much on the frontline of these shocks, whether through the differential place-based impacts of COVID-19 or indeed, more recently, in managing inflows of refugees from Ukraine. As such, cities are at the forefront of deliberations around capacities to anticipate and withstand shocks.

An important lesson from the pandemic is that inequalities within and across cities are not just outcomes of shocks but also determinants of the impacts of those shocks, and thus determinants of resilience. Cities are unequal in their vulnerability to crises and their capacity to rebound. Just as the impact of the pandemic has been uneven across and within communities, places and firms, depending on specific local characteristics such as the structure of the economic and social fabric, recovery is predicted to be staggered as well and the current global uncertainty is likely to push it off track. While the timeline of recovery may vary across the globe, both local and national leaders are confronted with an ever-growing need to address structural deficiencies that have been exposed.

Since 2012, the OECD Inclusive Growth Initiative has supported governments in finding new opportunities for growth while addressing widening gaps and ensuring no one is left behind. As part of the OECD Champion Mayors for Inclusive Growth initiative, which is helping local leaders reduce inequalities in cities and drive positive change, this case study offers a deep dive into how the four policy pillars identified by the initiative – education, the labour market, the housing market, and infrastructure and public services – are standing the test of the COVID-19 crisis in the city of Bilbao, Spain. In particular, the case study aims to help Bilbao harness the benefits of digitalisation and the United Nations Sustainable Development Goals (SDGs) framework to strengthen long-term resilience and pursue a more inclusive model of growth that leaves no potential untapped. It, therefore, provides a set of recommendations on how the city can, for example, expand digital access and skills for the “digitally invisible” or utilise smart mobility solutions to cater to the needs of residents with reduced mobility, strengthen the local labour market by fostering an environment conducive to entrepreneurship, and achieve long-term systemic resilience through the use of the SDGs to further guide the city’s management and decision-making to advance a more coherent and integrated urban development strategy.

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Executive summary

Overview

The capital of the Biscay Province and most populous city of the Spanish Basque Country region, Bilbao, is the fifth largest functional urban area (FUA) in Spain, with approximately 350 000 inhabitants in 2020. Before the pandemic hit, the city of Bilbao had an average annual gross domestic product (GDP) per capita growth of 1.2% and the highest economic growth in Spain from 2000 to 2018, driven by a shift from heavy industry to a service-based economy. It also benefitted from a burgeoning tourism and culture sector, initially jumpstarted by the opening of the Guggenheim Museum on a former brownfield site in 1998. Unemployment dropped from above 25% in the city in the early 1990s to below 5% in 2008, significantly below the national average. However, such strengths were not sufficient to shield the city from the 2008 global financial crisis, which pushed unemployment in the Biscay Province to almost 9% in its immediate aftermath and which continued to rise to 13.3% in 2019. The COVID-19 pandemic saw the city's unemployment rate increase further to 15.1% at the end of 2020, reflecting in part the impact of lockdown measures, but, with the easing of restrictions, the rate had broadly recovered to pre-pandemic levels (13.5% as of March 2022). Nevertheless, it remains high and there are many other stubbornly high disparities, including spatial and income inequality and segregation between neighbourhoods, difficulties attracting young talent and social exclusion for segments of the population.

In the midst of these challenges, Bilbao has set a goal to build itself into a smarter, more inclusive and more resilient city. Over 2020-21, Bilbao City Council set up a COVID-19 emergency fund of EUR 30 million (called Bilbao Aurrera), notably to finance social measures for citizens and strategic investments to revitalise the local economy. More broadly, Bilbao City Council is transforming a set of city strategies and approaches to converge around a 2030 benchmark, primarily through localising the SDGs and developing a smart city strategy. In 2018, the city council approved Bilbao's Charter of Values, which outlines the city's 17 core values and connects them to the SDGs. Bilbao has also adopted a Digital Transformation Agenda to create jobs and digitalise public services.

Key findings

Spatial disparities across neighbourhoods

- **Similar to the three Basque province capitals (Bilbao, Donostia-San Sebastian and Vitoria), the income gap in Bilbao is large**, where wealthy residents earn over three times more than the poorest residents and significant income variations and segregation between neighbourhoods exist within the city. Bilbao also hosts the ten poorest neighbourhoods in all three Basque province capitals. In an effort to support tailored, bottom-up neighbourhood development, Bilbao has reshaped the organisation of its municipal budget and allocated EUR 48 million over 4 years to projects proposed by residents and neighbourhood associations (i.e. approximately EUR 1.5 million per district).

- **There are significant spatial disparities in educational attainment within Bilbao.** In terms of overall framework conditions, 97% of the population within Bilbao's FUA has access to at least 1 school within 15 minutes of public transport and 95% within a 20-minute walk, above the OECD average (93% and 91% respectively). However, educational attainment decreases progressively as one moves away from the city centre toward the more peripheral neighbourhoods. In wealthier neighbourhoods in the city centre, such as Abando and Indautxu, over 50% of the residents have higher education. In Iturrigorri-Peñascal, Otxarkoaga and Uretamendi, which are poorer neighbourhoods on the outer edges of the city, the share of the population with higher education falls to 7%. In general, neighbourhoods with lower educational levels were built in the 1960s to absorb large inflows of immigrants. In response to these educational disparities, Bilbao's civil society organisations and libraries have been particularly active in providing resources and offering learning support targeted to migrant populations.
- **Most of the housing stock in Bilbao is over 50 years old and building upgrades had been uneven across neighbourhoods.** The city council has upgraded approximately 1 800 buildings in 35 years, which is 18% of all buildings in Bilbao. However, renovations had been concentrated in wealthier parts of the city and many lower-income neighbourhoods saw fewer housing upgrades and risked falling permanently behind. Bilbao City Council has now invested EUR 1.5 million to improve energy efficiency in 150 buildings, including in disadvantaged neighbourhoods such as Penascal where 215 dwellings will receive upgrades.

Service delivery and investment

- **Overall, two-thirds (66%) of all trips in Bilbao are conducted on foot, compared to only 25% via public transport and 11% by car.** However, almost 1 out of 4 residents in Bilbao are over 65 years old and the city's hills and slopes require investment in vertical mobility systems (such as elevators and escalators), some of which are currently either insufficient or ill-suited.
- In the shadow of the COVID-19 pandemic, Bilbao's Sustainable Urban Mobility Plan has provided alternative mobility solutions by expanding the number of bike lanes and the offer of e-bike share services, resulting in a sharp increase in bike use (e.g. Bilbao's bike share service had to double its fleet compared to pre-COVID levels).
- **While Bilbao offers a generally high level of Internet access and use, differences remain.** Bilbao has developed its own Wi-Fi network to provide free and universal connection to the Internet for residents. The network covers 150 connection points in the streets and 520 points in municipal buildings, with a monthly average of 2.5 million device connections. However, 76.7% of women have access to the Internet, compared to 83.4% of men as of 2020. The city government is planning on extending the network with more than 400 new access points, particularly to serve outlying districts, and working to ensure that all residents have adequate digital knowledge and skills. The Social Action, Equality, Cooperation and Citizenship Departments and the Bilbao Ekintza Municipal Agency have worked in recent years to develop digital literacy programmes for groups at risk of exclusion such as women and the elderly.

Urban economy

- **The pandemic has derailed the city's efforts to bring unemployment down.** The COVID-19 crisis caused a downturn in an already challenging labour market in the Basque Country, pushing unemployment up in all sectors, especially the service sector. Temporary and involuntary part-time employment has multiplied in the Basque Country, with many contracts lasting less than six months. This precarious labour market pre-dates the pandemic since more than 90% of employment contracts signed in 2019 had a defined end date. In 2018, Bilbao's unemployment

rate (11.7%) was almost twice the average of OECD FUAs (6.5%) and ranked among the bottom 10% of OECD FUAs.

- **Youth under 25 years old in Bilbao are almost twice as likely to be unemployed than the rest of the population (over 22% compared to 13% respectively).** The pandemic has highlighted the challenges that young adults are facing to integrate Bilbao's labour market and live independently. In 2020, almost a third (30.5%) of unemployed people in Bilbao were between 16 and 24 years old.
- **Bilbao has provided valuable support to buffer businesses and residents and is looking to strengthen resilience.** Besides COVID-19 related support to businesses at risk of bankruptcy and vulnerable residents, Bilbao is looking to modernise its economy and position itself as a knowledge hub through the Zorrotzaurre Island project, an urban technology park aiming to support the development of advanced services for industry, digital economy and creative and cultural industries.

United Nations (UN) Sustainable Development Goal (SDG) performance

- **Overall, Bilbao's performance towards the SDGs is similar to the average OECD FUA.** Bilbao's results are particularly good in indicators related to public transport connectivity (SDG 11), accessibility to food shops (SDG 2) and schools (SDG 4), green spaces and recreational opportunities (both SDG 11). The FUA of Bilbao also displays levels of air pollution below World Health Organization (WHO) guidelines (SDG 11), a low rate of per capita motor road vehicles (SDG 12) and real GDP per capita growth rates above the OECD average (SDG 8). However, compared to other OECD FUAs and the end values set for 2030, Bilbao has high unemployment rates (SDG 8), persistent reliance on fossil fuels (SDG 7), carbon-intensive electricity production (SDG 13) and relatively low levels of terrestrial protection and a decline in tree cover over the past three decades. (SDG 15).

Key recommendations

Encourage equal access to opportunities across neighbourhoods

- **Bring lifelong learning and vocational training opportunities to disadvantaged communities and neighbourhoods.** Developing partnerships with vocational and adult learning organisations will help expand training offers to meet disadvantaged communities where they are, as a way to lower barriers to education access. This will also require identifying spaces such as community centres and schools that can be converted to learning facilities during off-hours.
- **Promote mixed neighbourhoods.** New neighbourhood projects such as Zorrotzaurre Island should systematise the provision of sustainable, affordable and energy-efficient housing for low-income residents, for example through inclusionary housing practices and innovative finance models such as land value capture.

Channel public service delivery and resource distribution through Bilbao's smart city agenda and SDG strategy

- **Target the specific mobility needs and challenges of people with reduced mobility (such as the elderly),** to provide a diversified range of options to access different parts of the city given the demanding topography. Exploring intelligent transport systems (ITS) using digital technologies could also help create a one-stop-shop service to facilitate access to different transport services (i.e. public transport, ride-sharing, taxi, electric scooters, etc.) under one single service platform.

- **Locate the “digitally invisible” population and expand their digital access and skills** by working closely with community-based organisations and cultural associations to offer adequate training and infrastructure.
- **Actively involve residents in smart city initiatives**, for example by developing advisory committees comprised of a wide range of stakeholders including residents, non-governmental organisations (NGOs) and representatives of the local business community who can provide feedback on the city’s digital transformation activities and insights on how to address effectively the needs of different population groups and firms.
- **Adopt a framework to monitor and assess whether smart city initiatives are achieving the desired impact**, by setting a baseline, defining measurable targets and tracking the city’s smart city outcomes over a defined timeline.
- **Use the SDG framework to identify and address areas for improvement and build long-term resilience**. Expand efforts to monitor progress towards the SDGs, including data collection and publication on Municipal Mandate Plan projects and the Bilbao Charter of Values, as well as integrating the SDGs into the municipal budgeting process, by considering how specific projects are contributing to achieving the SDGs as part of the criteria guiding the council’s budgeting decisions, for example.

Use the momentum from Bilbao’s Aurrera Plan to reinforce access to more stable jobs

- **Foster strategies to support labour market entry and access** especially geared to youth, who are economically vulnerable and at risk, through skills upgrading programmes that are future-proof. Working closely with businesses such as those best suited for the new Zorrotzaurre Island project can help better forecast labour market needs. Partnerships with social economy actors, adult education facilities, vocational training institutes, universities and schools could also help develop adequate curricula together with job agencies such as Lanbide and the Basque Country to link learning to future jobs and skills projections.
- **Expand opportunities for entrepreneurship** by examining barriers to entry for underrepresented entrepreneurs, for example in terms of applying for legal statutes and licenses, as well as understanding tax requirements and the basics of being an employer. Additional measures could include: connecting entrepreneurs with mentors and mentorship opportunities; training potential entrepreneurs on attracting finance from both public and private sector investors; partnering with local law and business schools to help entrepreneurs navigate the legal and administrative landscape, build business plans and gain competency and confidence in market prospects.

1 Inclusive growth in Bilbao

This chapter examines economic and social inequalities and inclusive growth in Bilbao. It assesses the city's performance against relevant United Nations (UN) Sustainable Development Goals (SDGs) that correspond to the four pillars of the OECD Champion Mayors for Inclusive Growth initiative for which data is available, i.e. education, labour markets, the housing market and urban environment, as well as infrastructure and public services.

Introduction

The OECD Inclusive Growth Framework as a response to rising inequalities and the need for action

This case study assesses Bilbao's performance toward achieving inclusive growth. In particular, it reviews the city's inclusive growth agenda through the lens of the four priority policy pillars of the Champion Mayors for Inclusive Growth initiative outlined in the New York Proposal for Inclusive Growth in Cities, i.e. education, the labour market, the housing market and urban environment, and infrastructure (OECD, 2016^[1]). The case study also uses the following Champion Mayors initiative commitments as reference points for local government action for inclusive growth: the Paris Action Plan (OECD, 2016^[2]), the Seoul Implementation Agenda (OECD, 2017^[3]), the Athens Roadmap on Innovation (OECD, 2019^[4]) and the Pledge for Youth for and Inclusive Post-COVID Recovery (OECD, 2021^[5]).

The case study brings international comparisons and best practices from Champion Mayor cities, relying on OECD data from the database Measuring the Distance to the SDGs in Regions and Cities (OECD, 2021^[6]). In particular, it identifies key strengths and weaknesses in Bilbao's current policy framework on digitalisation and mainstreaming the SDGs, and provides policy recommendations to build in a smarter and more inclusive way for the city's post-COVID-19 recovery. The case study is organised into four chapters:

- **Chapter 1** examines the state of inequalities and inclusive growth in Bilbao. It outlines the economic and social challenges the city is facing and reviews policy responses and its inclusive growth agenda.
- **Chapter 2** focuses on the economic, social and health effects of the COVID-19 pandemic on the local economy and urban fabric. It takes a close look at the city's short- and medium-term measures to manage the consequences of the pandemic on residents and the economy.
- **Chapter 3** assesses the city's efforts to become a smart city and mobilise the SDGs for long-term resiliency. First, it reviews Bilbao's smart city and digital transformation capacity and alignment with inclusive growth objectives. Second, it assesses Bilbao's use of the SDGs and affiliation with the municipal mandate plan and charter of values to deliver more inclusive growth outcomes.
- **Chapter 4** provides policy recommendations and ways forward for the city to drive a smart and inclusive recovery.

Box 1.1. The OECD model for a more inclusive model

The OECD developed the Inclusive Growth Initiative in 2012 to respond to rising inequalities and the widening gap between the rich and poor. The top 20% of the income distribution still earn over 5 times more than the bottom 20% (OECD, 2020^[7]). In addition, more than 1 in 3 OECD households are financially insecure, meaning they do not have the means to sustain the household financially for three months following loss of employment (OECD, 2020^[7]).

In many OECD countries, inequalities have reached their highest levels in 30 years (OECD, 2015^[8]). Inequality has generational implications as well. According to the OECD report *Opportunity for All* (2018^[9]), a father who earns twice the average income will spread benefits to his child, who will go on to earn 40% more than a child whose father earned the average income. Inclusive growth as proposed by the OECD was the corrective measure to the socio-economic gaps that risked hampering growth and fuelling discontent. The OECD therefore defines inclusive growth as "growth that is distributed fairly across society and creates opportunities for all" (OECD, 2018^[9]). Moreover, the OECD's approach to inclusive growth is multidimensional and challenges governments to consider and intervene in a range

of well-being factors to improve overall living standards across societies. This approach is based on the fact that inequality goes beyond income inequality and has adverse effects on quality of life including life expectancy and health outcomes, social mobility and educational experience, as well as employment opportunities.

The relationship between inequality and cities

In its 2016 report *Making Cities Work for All* (2016_[10]), the OECD provides and examines evidence on where inequalities are more pronounced. The report found that income inequality is higher in cities respective to their national averages in 10 out of 11 OECD countries where comparable data were available (OECD, 2016_[10]). It also showed that:

- There is a spatial dimension to income inequality in cities, driven by the concentration of poverty and wealth in specific areas. Outcomes can therefore differ drastically for residents within cities in terms of health, educational attainment, earnings and life expectancy.
- Income levels tend to be higher in cities, 21% on average, than elsewhere and inequalities tend to be higher as well, particularly in larger cities. Income segregation varies across cities and is dependent on many factors, such as spatial decentralisation, demography, and levels of wealth (OECD, 2018_[11]).

Source: *Opportunities for All: A Framework for Policy Action on Inclusive Growth*, <https://doi.org/10.1787/9789264301665-en>; OECD (2016_[10]), *Making Cities Work for All: Data and Actions for Inclusive Growth*, <https://doi.org/10.1787/9789264263260-en>; OECD (OECD, 2016_[12]), *All on Board: Making Inclusive Growth Happen* <https://doi.org/10.1787/9789264218512-en> (OECD, 2015_[13]).

Box 1.2. The four policy pillars of the OECD Champion Mayors for Inclusive Growth initiative

The New York Proposal for Inclusive Growth in Cities, endorsed by Champion Mayors at their first meeting, held in New York City (United States) in 2016, states that:

- An **inclusive education system**¹ enables people of all ages and backgrounds to develop their human capital, acquire relevant skills and improve their life chances.
- An **inclusive labour market** aims to make the most of women, youth, older populations, migrants and immigrants, foreign-born populations and people of all backgrounds in the labour force. This means policies that promote access to quality jobs and inclusive entrepreneurship.
- **The housing market and urban environment** provide quality, affordable housing in safe, healthy neighbourhoods for all segments of the population.
- **Inclusive infrastructure and public services** consist of a transport system that provides access to jobs, services and consumption opportunities for all, as well as affordable, reliable public services, such as water, energy, waste management and broadband infrastructure.

Source: OECD (2016_[11]), *The New York Proposal*, <http://www.oecd-inclusive.com/wp-content/uploads/2019/05/New-York-Proposal.pdf>.

Against the backdrop of mounting evidence of inequalities in cities, the OECD launched the Champion Mayors for Inclusive Growth initiative in 2016. This work identified four foundational policy areas to respond to growing inequalities, namely: i) education; ii) the labour market; iii) the housing market and urban environment; and iv) infrastructure and public services. The initiative also leveraged the role of mayors as leaders well-positioned to move a global agenda for growth that translates to better outcomes for all. The

four foundational policy areas have a major influence on residents' well-being and quality of life and, if approached through the lens of inclusion, could help close the opportunity and inequality gaps in cities.

Bilbao's road to inclusive growth

Bilbao is the capital of Biscay Province, the most populous province of the Spanish Basque Country region, and the economic, social and cultural centre of Basque Country. Located along the Nervión River on the northern coast of Spain, roughly 10 kilometres inland from the Bay of Biscay and the North Atlantic Ocean, the city has a population of 346 478 inhabitants as of 2020 (Eustat, 2020_[14]). It has the fifth largest functional urban area (FUA) in Spain as of 2018 (OECD, n.d._[15]). Like all of the Basque Country, Bilbao's two official languages are Spanish and Basque (*Euskara*). Bilbao's status as the *de facto* capital of the Basque Country has played a key role in its rebirth. Bilbao's proximity to the ocean once made it a successful port city and its proximity to nearby iron ore deposits greatly accelerated its industrialisation (Plöger, 2008_[16]).

By the 20th century, Bilbao was rapidly developing into an industrial city whose economy centred on steel, iron and shipbuilding. Bilbao's population grew steadily and its unemployment remained very low throughout the Franco era (1939-75). In the midst of Spain's democratic transition, the loss of industry to low-wage competition in Eastern Europe and Asia provoked an economic crisis in the city that led to unemployment rates of 25% and as high as 35% in some districts, as well as a population loss of 75 000 people in the 1980s (Clark, Huxley and Mountford, 2010_[17]). In 1983, a massive flood resulted in massive environmental degradation and crippled the city financially. These accumulated shocks and industry shifts led the city to urban decay, with serious challenges and scarce resources. However, the metropolitan area eventually rebounded, showing an average gross domestic product (GDP) per capita growth of 1.2% annually and the highest economic growth in Spain from 2000 to 2018, ranking above the median of 247 metropolitan areas with over 500 000 inhabitants (OECD, 2020_[18]).

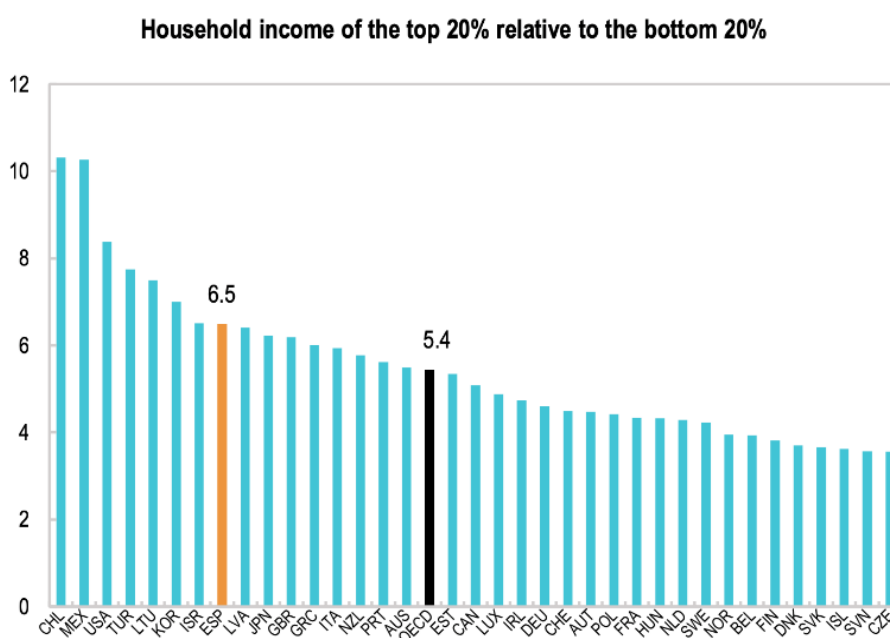
Determining levels of income inequality is an important step to understanding the distribution of wealth and income in places. It enables a better understanding of material conditions within and across countries, and between high- and low-income earners. Moreover, it allows policy makers to examine how these differences affect life outcomes in order to take action. Income inequality determines access to life-enhancing goods and services, ranging from food and housing to education and healthcare. However, it is not the only determinant of life outcomes and well-being. Well-being is as multifaceted as it is intersectional and incorporates many factors, some of which are easier to quantify – e.g. job and housing access and security, climate change impacts, technology and digital services access – whereas others are harder to quantify, such as gender inequality, racial and sexual orientation discrimination and disparities.

Spain's level of income inequality sits above the OECD average, driven partly by the fall in the share of income going to the poorest and consecutive years of income stagnation. After Lithuania, Spain registers the second-highest disposable income ratio between the richest and poorest 20% of the population among OECD countries located in Europe (S80/S20 index)² (Figure 1.1). Millions of Spaniards work precarious, low-paid jobs with few social security benefits. A recent OECD study revealed that it would take a Spaniard born into a low-income family 4 generations (120 years) to reach the country's average income. This system limits prosperity, economic growth and productivity, leaving talent untapped (OECD, 2018_[19]).

Income inequality in Bilbao shows important disparities across residents and neighbourhoods, with the wealthiest residents earning three times more than the poorest residents. While in 2019 the average annual personal income in Bilbao is EUR 46,502 per year, there are significant income variations and segregation between neighbourhoods within Bilbao (Estadística de Renta Personal Y Familiar, 2019_[20]). In the richest neighbourhoods, Abando and Indautxu, the average annual income climbs to EUR 82,630 and EUR 85,062 respectively. By contrast, in the poorest neighbourhoods Iturrigorri-Peñascal, Otxarkoaga and Uretamendi, the average annual income is under one-third of the richest neighbourhoods at EUR 23,560, 24,406 and 24,913 respectively (Figure 1.2). The income gap in Bilbao between rich and poor

neighbourhoods is similar to those within the three Basque province capitals, although average annual income is lower. In San Sebastian's, the average income is EUR 55,606 in 2019, wealthy neighbourhood, Miramon-Zorroaga, has an average household income of EUR 114,479, which is more than three times that of Alza, the poorest neighbourhood (EUR 36,619). In the city of Vitoria, average annual income in 2019 is EUR 43,439, in wealthy neighbourhood Mendizorrotza, households have an average annual income of EUR 110,264, more than three and half times that of El Casco Viejo or Arana, the least wealthy neighbourhoods of the city, which have annual incomes between EUR 31,224 and 31,742 respectively. Moreover, Bilbao concentrates the ten poorest neighbourhoods in all three Basque province capitals. In response, the city has reshaped the organisation of its municipal budget and allocated EUR 48 million over 4 years to projects proposed by residents and neighbourhood associations, with approximately EUR 1.5 million per district to implement projects. In addition, the Basque Country has introduced a minimum income scheme and identified the need for social services and safety nets to reinforce social cohesion.

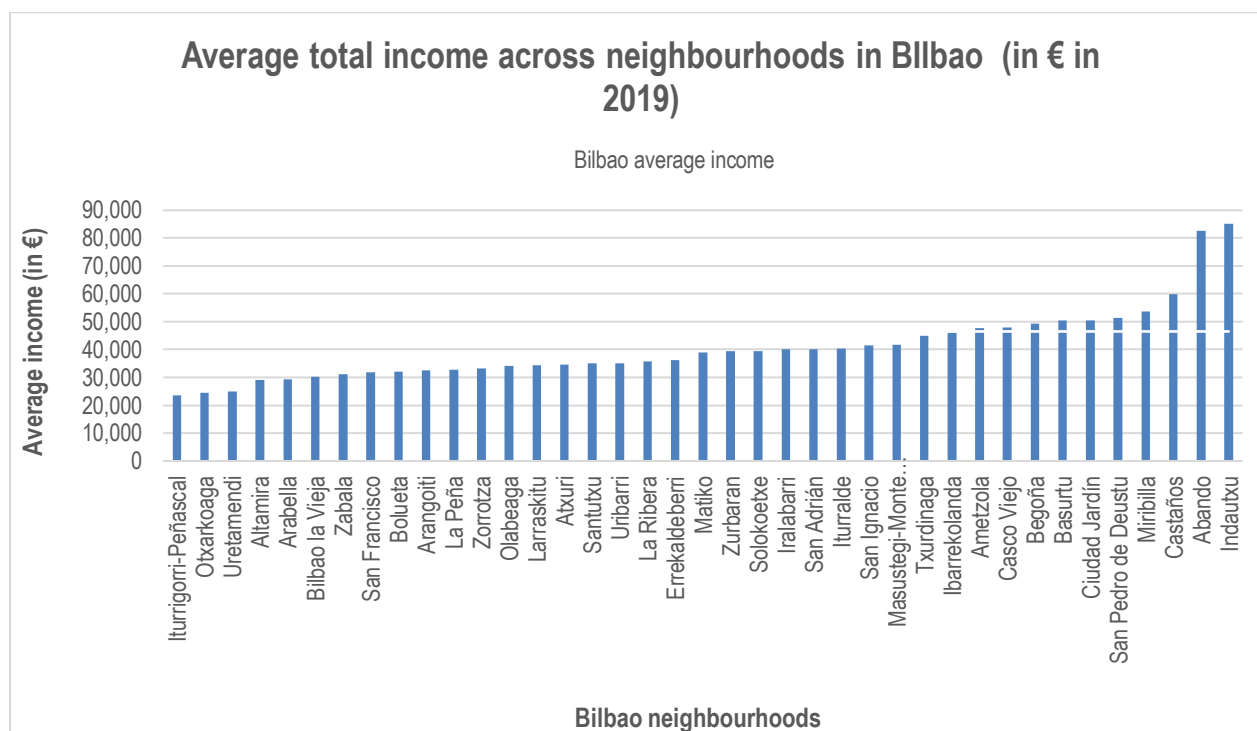
Figure 1.1. Income inequalities in OECD countries, 2018



Source: OECD (2020^[21]), *OECD Economic Surveys: Spain 2018*, https://doi.org/10.1787/eco_surveys-esp-2018-en.

The economic reality, periods of high unemployment, a decline of the industrial sector and significant population loss in Bilbao have required the city to invest, build up and revitalise its neighbourhoods, local economy and international identity over the last three decades. Multiple crises such as the global financial crisis in 2008 have generated unemployment challenges, uneven growth patterns, difficulties attracting young talent and social exclusion for segments of the population. In addition, the climate emergency is present in this city with a history of floods, and the digital transition has added the threat of a digital divide and uneven service access. However, in the midst of these challenges, Bilbao has set a goal to find balance across its economic, environmental, cultural and social spheres, to build better, more inclusive, smarter and more resilient. At the centre of the city's response are Bilbao's charter of values, urban regeneration project Zorrotzaurre Urban Technology Park, Sustainable Urban Mobility Plan and Smart City Strategy, all of which will be examined in this case study and for which recommendations will be made to advance the city's inclusive growth agenda.

Figure 1.2. Income distribution across neighbourhoods in Bilbao (2019)



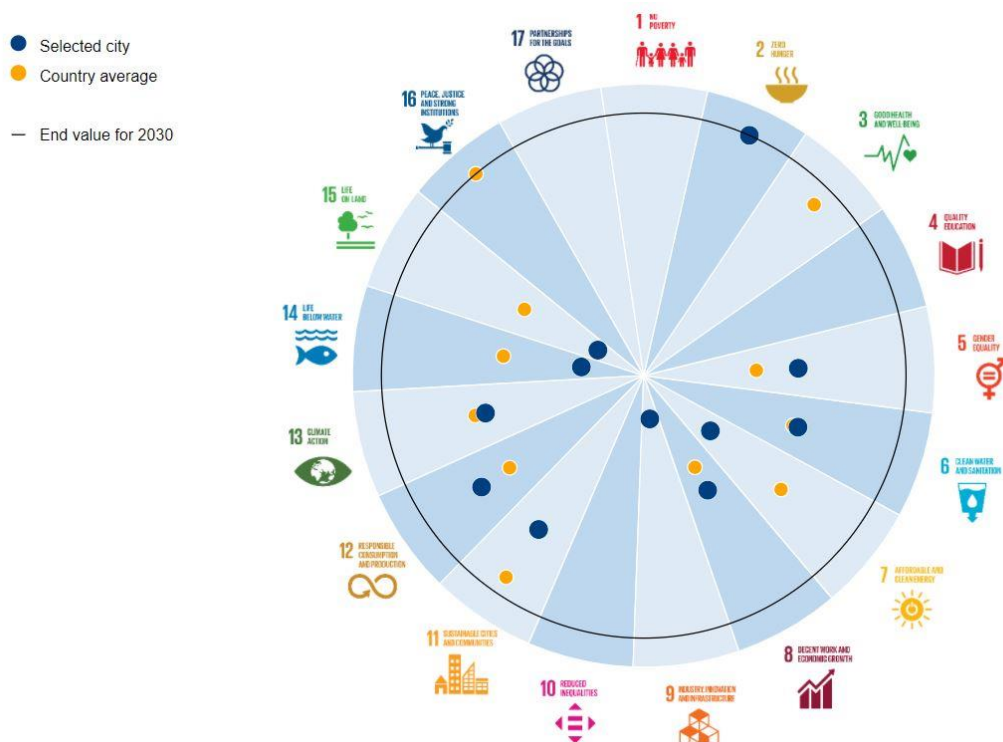
Source: (Eustat, 2019^[22]) Eustat (2019), Renta familiar media de la C.A. de Euskadi por barrio de residencia de las capitals, según tipo de renta (euros)

Bilbao's performance against the 17 SDGs through the lens of the 4 OECD dimensions of inclusive growth in cities

Bilbao's distance to the 17 SDGs

Bilbao's performance analysis of the SDGs is based on the OECD localised indicator framework (Figure 1.3). Data for Bilbao considers the FUA, which includes the city itself and 54 neighbouring municipalities (Box 1.4). It is important to note that data on the FUA of Bilbao do not intend to measure the situation in the city of Bilbao alone but in an economically integrated metropolitan area of Bilbao. Thus, most parts of Bilbao's FUA are outside of the administrative scope of municipal government. Nevertheless, many policy areas that are relevant for the city of Bilbao, such as transport and housing, are closely connected to the policies of its neighbouring municipalities, which influence the city's ability to deliver on inclusive growth and calls for an integrated approach and enhanced co-ordination. To put Bilbao's achievements into perspective, the analysis includes comparisons with other OECD FUAs, the national average of Spain as well as 3 Southern European peer FUAs of similar size and located less than 100 km from a coast (Bologna, Bordeaux, Porto) (Figure 1.4).

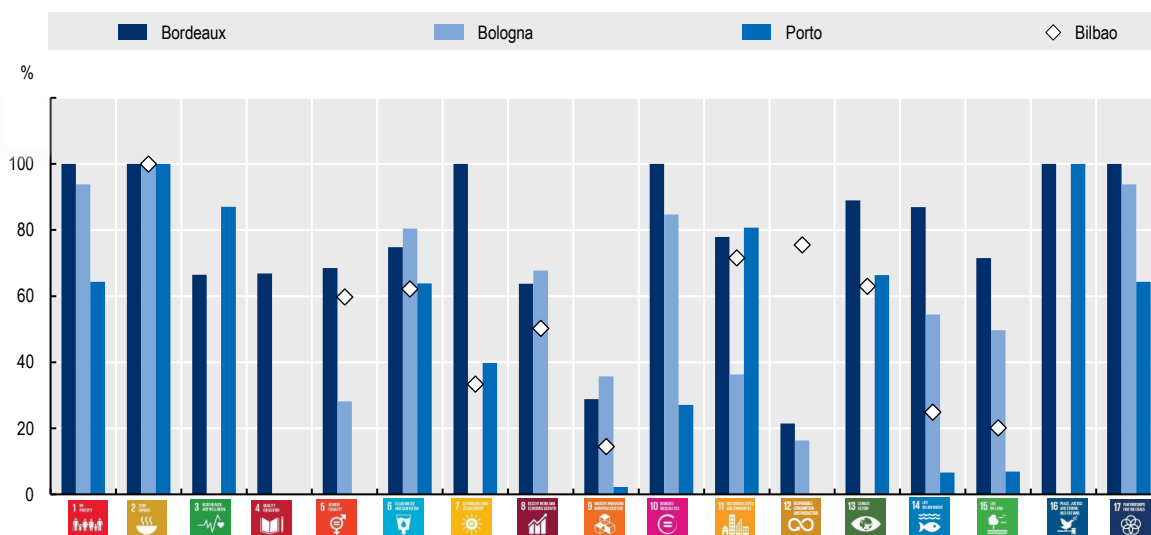
Figure 1.3. Bilbao's distance to the 17 SDGs



Note: Index from 0 to 100 (100 is the end value: black circumference); Darker dot: Bilbao's result; Lighter dot: average of Spanish FUAs. For more details about the methodology to build SDG indices, see OECD (2020^[23]). Due to the lack of available data, the two dimensions Peace and Partnership are not covered in the analysis.

Source: OECD (2021^[6]), *Measuring the Distance to the SDGs in Regions and Cities (visualisation tool)*, <http://www.oecd-local-sdgs.org/>.

Figure 1.4. SDG achievements of Bilbao's FUA in comparison to a selection of OECD peers



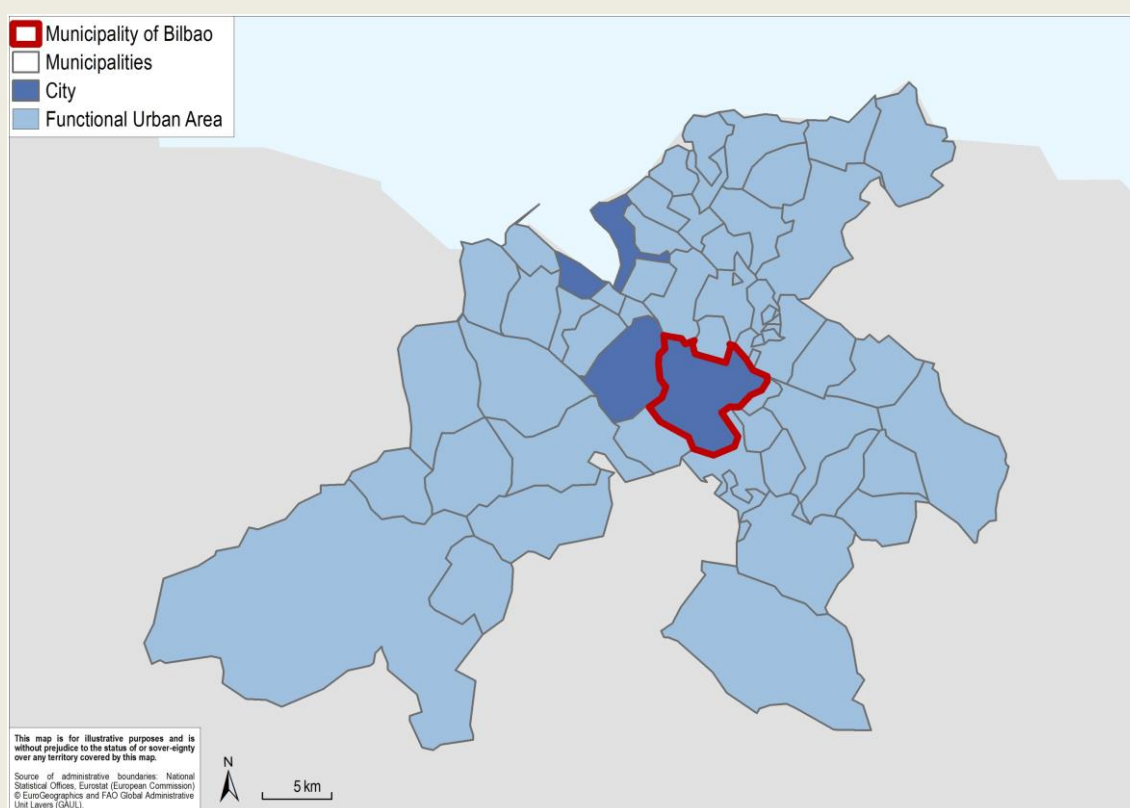
Note: OECD Localised Indicator Framework: Index from 0 to 100 (100 is defined as the suggested end value to be achieved until 2030)

Source: Elaboration based on OECD (2021^[6]), *Measuring the Distance to the SDGs in Regions and Cities (visualisation tool)*, <http://www.oecd-local-sdgs.org/>.

Box 1.3. Definition of functional urban areas (FUAs)

The OECD and the European Commission (EC) have jointly developed a methodology to define FUAs in a consistent way across countries. Using population density and travel-to-work flows, an FUA consists of a densely inhabited city and of a surrounding area (commuting zone) whose labour market is highly integrated with the city. The ultimate aim of the OECD-EU approach to FUAs is to create a harmonised definition of cities and their areas of influence for international comparisons as well as for policy analysis on topics related to urban development. In that context, a city is defined as a local administrative unit (i.e. LAU for European countries, such as a municipality, local authorities, etc.) where at least 50% of its population live in an urban centre.

Figure 1.5. FUA of Bilbao



An urban centre is defined as a cluster of contiguous grid cells of 1 km² with a density of at least 1 500 inhabitants per km² and a population of at least 50 000 inhabitants overall. Urban centres are defined using the population grid from the Global Human Settlement Layer database, referred to circa 2015 (Layer, 2015^[24]). The commuting zone is composed of the LAUs for which at least 15% of their workforce commute to the city. Functional area commuting zones are identified based on commuting data (travel from home to work). Commuting data are also used to define whether more than one city shares the same commuting zone in a single polycentric FUA.

The FUA of Bilbao encompasses the city of Bilbao itself and its surrounding area (commuting zone), which consists of 55 municipalities. The FUA of Bilbao has a population of around 928 000 inhabitants (whereas the city of Bilbao is home to roughly 350 000 people). The 3 international peer FUAs

considered in this report are of similar population size and located in proximity to a coast (maximum distance of 90 km): FUA of Bologna (760 000 residents), FUA of Bordeaux (1 188 000 residents) and FUA of Porto (1 270 000 residents).

Note: The FUA of Bilbao includes the following municipalities: Abanto y Ciervana/Abanto-Zierbena, Alonsotegi, Amorebieta-Echano, Anteiglesia de San Esteban/Etxebarri Doneztebeko E, Arrigorriaga, Artziniega, Bakio, Balmaseda, Barakaldo, Barrika, Basauri, Bedia, Berango, Bermeo, Bilbao, Castro-Urdiales, Derio, Erandio, Galdakao, Galdames, Gatika, Getxo, Gordexola, Gorliz, Guenes, Guriezo, Igorre, Larrabetzu, Laukiz, Leioa, Lemoa, Lemoiz, Lezama, Loiu, Maruri, Mungia, Muskiz, Orozko, Ortuella, Plentzia, Portugalete, Santurtzi, Sestao, Sondika, Sopelana, Sodueta, Ugao-Miraballes, Urduliz, Valle de Mena, Valle de Trapaga/Trapagaran, Zalla, Zamudio, Zaratamo, Zeberio and Zierbena.

Overall, Bilbao's performance towards the SDGs is similar to the average OECD FUAs. Bilbao's results are particularly good in indicators related to public transport connectivity (SDG 11), accessibility to food shops (SDG 2), schools' accessibility (SDG 4), green spaces and recreational opportunities (both SDG 11). The FUA of Bilbao also displays levels of air pollution below World Health Organization (WHO) guidelines (SDG 11), a low rate of per capita motor road vehicles (SDG 12) and real GDP per capita growth rates above the OECD average (SDG 8). Policy areas with room for improvement, compared to other OECD FUAs and the end values set for 2030, are high unemployment rates (SDG 8), a persisting reliance on fossil fuels (SDG 7), its carbon-intensive electricity production (SDG 13) and relatively low levels of terrestrial protection and facing a considerable decrease in tree cover over the past three decades (SDG 15) (Figure 1.3).

Assessment of Bilbao against the four policy pillars of inclusive growth

Inclusion in the education system

Successes

An inclusive education system is one that expands opportunities for people of all ages and backgrounds to develop their human capital, acquire relevant skills and improve their employment prospects and overall well-being (OECD, 2016^[1]) (OECD, 2016^[2]). The Basque Country region ranks first in Spain in terms of education outcomes, with 76% of its labour force having at least secondary education, according to the OECD Regional Well-being database (OECD, n.d.^[25]). Additionally, it is the region with the highest share of the population with tertiary qualifications (Gaintza, Darretxe and Boyle, 2020^[26]). According to the Education First English Proficiency Index (EF, n.d.^[27]), Basque residents also have the highest level of English proficiency in Spain. A 2015 Save the Children report found that the Basque Country presents the highest level of educational equity among Spanish autonomous regions (Assiego and Ubrich, 2015^[28]).

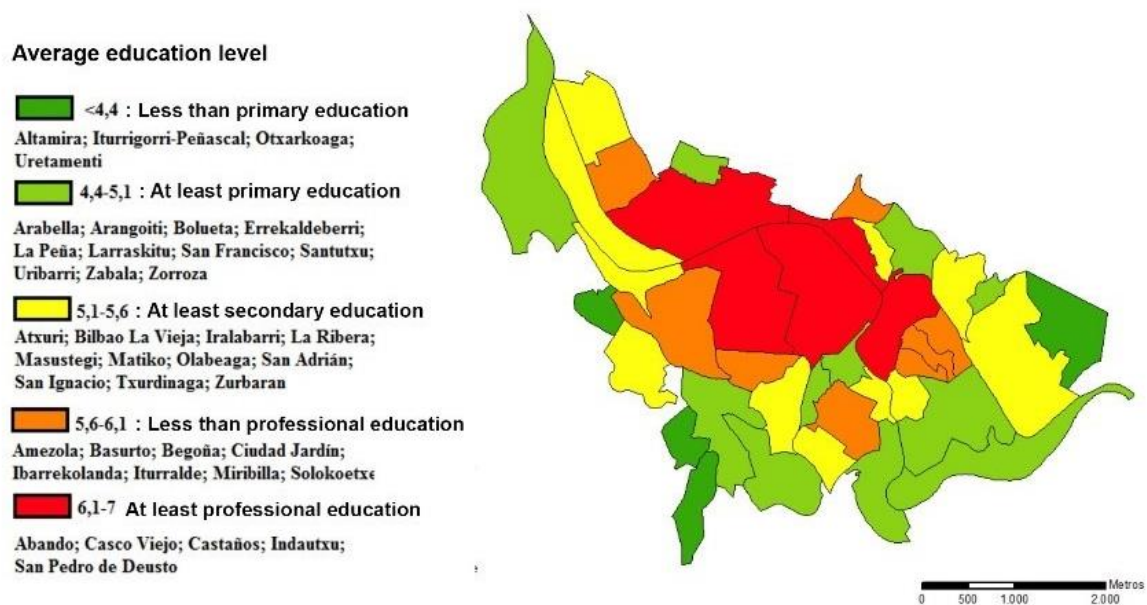
The FUA of Bilbao offers good access to education facilities, a crucial prerequisite in order to achieve positive results in SDG 4: Quality education. In 2017, more than 97% of the population of Bilbao's FUA had access to at least one school within 15 minutes of public transport, and around 95% had access to at least one school within 20 minutes of walking. Both values correspond to the national average of FUAs in Spain but are slightly higher than the average OECD FUAs where 93% of people have access to at least one school within 15 minutes of public transport and 91% within 20 minutes of walking. They also exceed the values of two of the three international peer FUAs, i.e. Bologna and Bordeaux. Porto has an equally large share of people with access to at least one school within 20 minutes of walking.

Challenges

The Basque Country ranks first in Spain in terms of education outcomes. In PISA 2018, gaps between the strongest and weakest performing regions were greater than 90 points in science and mathematics. These performance gaps relate largely to socio-economic characteristics, as well as differences in demand for low-skilled workers. There are also substantial regional differences in early school-leaving rates, ranging from 7% in the Basque Country (of which Bilbao is the largest city) to 26.5% in the Balears (OECD, 2019^[29]).

Despite the good overall performance of the Basque Country, there are significant disparities within Bilbao. The level of education decreases progressively when moving away from the city centre toward the more peripheral neighbourhoods. Districts with the highest income levels correspond to those with a large share of households with a bachelor's or higher degree (Figures 1.6 and 1.7). In wealthier neighbourhoods, such as Abando and Indautxu, over 50% of the residents have higher education (OECD, 2020^[30]). In Iturrigorri-Peñascal, Otxarkoaga and Uretamendi, which are poorer neighbourhoods, the share of the population with higher education falls to 7%. Neighbourhoods that tend to have lower educational levels correspond largely with those built in the 1960s, a period that was marked by large inflows of immigrant population. A high percentage of immigrants arriving at this time lacked formal education, which resulted in high rates of educational deprivation in certain areas or neighbourhoods, e.g. Otxarkoaga and Uretamendi.

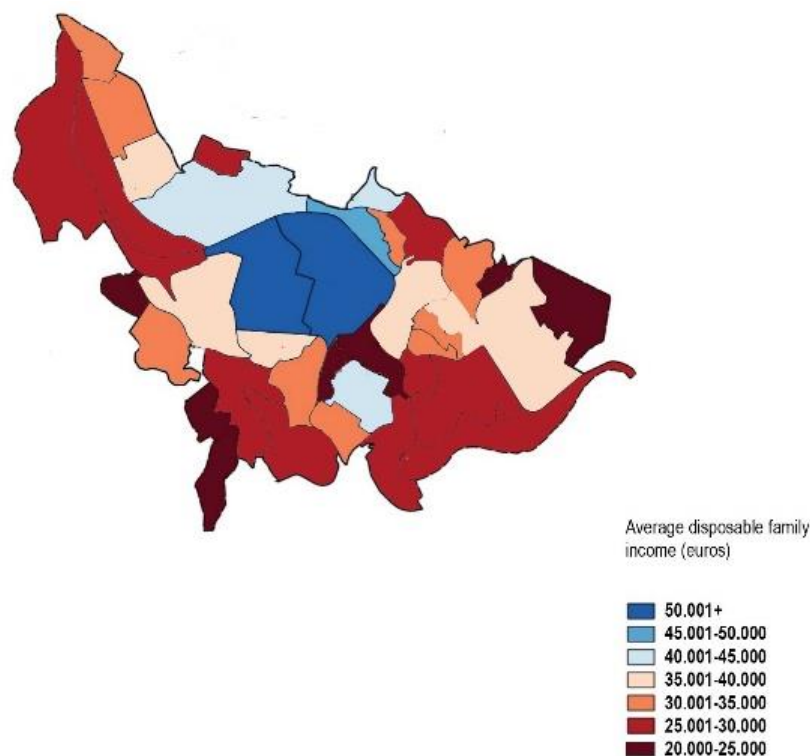
Figure 1.6. Education levels across Bilbao's neighbourhoods



Note: The decision has been made to define a quantitative variable that synthesises the percentages of the population based on 4 levels of education, with the following weighting according to the level of education attained: 2.5 for primary education, 5 for secondary, 7.5 for professional and 10 for middle/higher and higher education. The value obtained is divided by the total number of educated people in each neighbourhood, obtaining a value of 0 and 10, which corresponds to the average educational level of the neighbourhood.

Source: Hoya Gobantes, O. (2017^[31]), "El Efecto Barrio en Bilbao: Estudio de Indicadores", https://addi.ehu.es/bitstream/handle/10810/23591/TFG_Hoya.pdf?sequence=1&isAllowed=y.

Figure 1.7. Average disposable household income across Bilbao's neighbourhoods



Source: Hoya Gobantes, O. (2017^[31]), "El Efecto Barrio en Bilbao: Estudio de Indicadores", https://addi.ehu.es/bitstream/handle/10810/23591/TFG_Hoya.pdf?sequence=1&isAllowed=y; Data from Geoeuskadi; Eurostat, Year of reference 2018.

Policy response

Partnerships and community-based approaches are central to how Bilbao tackles educational disparities across neighbourhoods. Civil society organisations in Bilbao are working to close the gaps in education in lower-performing neighbourhoods where there are additional resource needs. They provide individualised support and services to complement the public education system. For example, in 2008, the Bakuva Foundation put in place support measures for minors at risk of social exclusion. Bakuva has built a strong relationship with schools and has created a programme in which children who have fallen behind academically match with a tutor who liaises with the student's teachers and parents.

Bilbao's libraries also play an important role in fostering inclusion and reducing educational inequalities, by offering a wide range of cultural services and activities. For example, in the San Francisco neighbourhood, where many library users come from Sub-Saharan Africa and the Maghreb, the library adapts its content and activities to cater to the needs and interests of these communities. It also provides help with language acquisition as well as a variety of books and videos to facilitate integration.

Preparing for the future of work and job loss from automation are important to city government labour market strategies. The Basque government has invested in initiatives in response, including training courses through a Professional Training Centre Network, and Hiru, a digital portal for lifelong learning, where students access courses and educational material online. Digital literacy is also been identified as a major agenda item. This is why KZGunea centres offer free courses and services to teach residents how to use new technology. There are specific programmes called NagusiWeb dedicated to senior citizens. Adult education centres offer formal and informal education opportunities and activities to adults without formal education or those who have not completed secondary school education.

At the tertiary level, Bilbao is taking steps to ensure that instruction embraces diverse learners. The Basque tertiary educational system has evolved over the last few decades, focusing on inclusion and accessibility. For instance, the University of Basque Country offers services specifically tailored to people with disabilities to ensure that students with special needs can benefit from and participate fully in academic life. Other universities such as the University of Deusto are ensuring that diversity extends to staff as well, where currently 3% of staff have disabilities and receive accommodations accordingly. Additional measures include fighting discrimination, ensuring language diversity and championing lifelong learning. For example, at the University of the Basque Country, residents over 55 years of age can obtain a degree in human sciences through the Experience Classrooms programme.

Inclusion in the local labour market

An inclusive labour market affords people of all backgrounds access to quality employment opportunities and provides all individuals with the chance to contribute to the economy and reap the benefits of economic growth (OECD, 2016^[2]). Labour market inequalities, including high labour market duality and regional disparities, also create challenges for inclusive growth (OECD, 2018^[32]). Future growth and improved well-being will hinge on higher employment rates and productivity gains. Until 2020, labour productivity had improved from the 2008 global financial crisis, reflecting capital deepening and reallocating labour to more productive firms and sectors (OECD, 2020^[7]). The main obstacle to labour productivity in Bilbao was a loss of competitiveness and the economic and social impact of the global financial crisis. After the financial crisis, it took over ten years for the Basque Country to recover employment levels, while the quality of jobs deteriorated.

Successes

The gender gap in the employment rate in the FUA of Bilbao (7.4 percentage points) is lower than the average of Spanish FUAs (10.4 percentage points) and the OECD FUA average (8.9 percentage points) as of 2017. At the same time, there remains room for further improvement to close the gender gap towards full gender equality. More than a third of OECD FUAs do exhibit a lower gender gap than Bilbao.

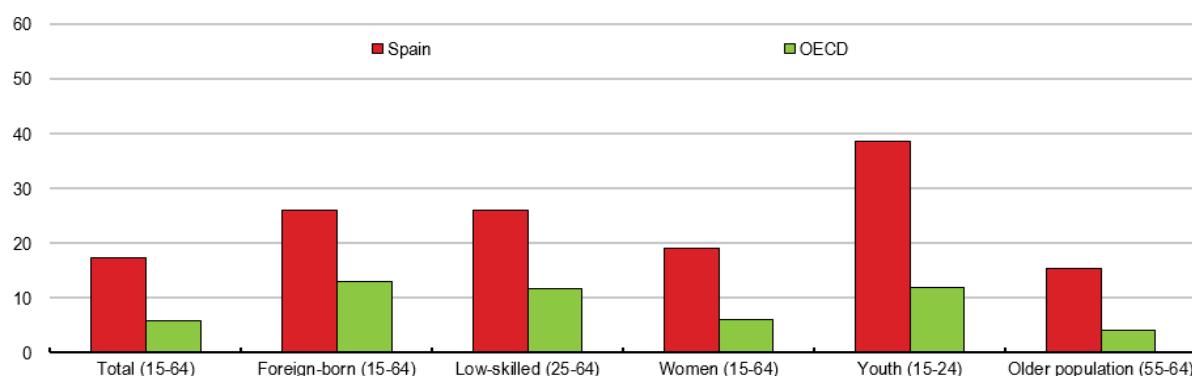
The gender gap in unemployment in the FUA of Bilbao is, however, comparatively low. In 2017, it was about 0.7 percentage points, which indicates marginally higher unemployment rates among men than among women. The FUA of Bilbao is thus close to achieving the suggested end value of a 0-percentage point gender gap, an equally low unemployment rate for men and women, by 2030.

Challenges

High levels of long-term unemployment, skills mismatch and low labour mobility have prevented Bilbao from returning to pre-2008 employment levels. Such challenges disproportionately affect certain groups of the population such as youth and migrants (OECD, 2018^[33]). With a youth unemployment rate of nearly 40% and more than 3 times higher than the OECD average, Spain's labour market remains highly segmented (Figure 1.8).

Unemployment rates in Bilbao are high in comparison to the OECD average. In 2018, Bilbao's unemployment rate of 11.7% was almost twice the average of OECD FUAs (6.5%), yet is significantly lower in comparison to its national peers (the average of Spanish FUAs was 24.2%). In the FUA of Bilbao, the employment rate in 2018 was 64%, which is slightly higher than average of OECD FUAs (62%) and Spanish FUAs (59%), and not far off the suggested end value of 67.5% based on the best-performing FUAs. It also exceeded the employment rates of its international peers Bologna (56.4%) and Bordeaux (55.7%). Concerning unemployment, however, the situation looks different.

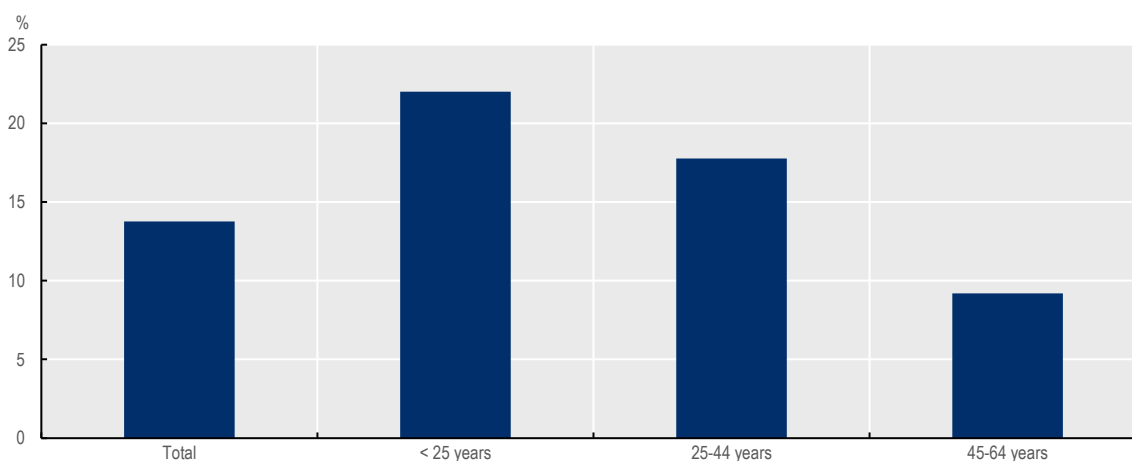
Figure 1.8. Unemployment rate among different demographic groups in Spain, percentage of labour force, 2017



Source: OECD (2018_[19])

In line with the national trend discussed above, youth under 25 years old in Bilbao are more likely to be unemployed than the rest of the population, regardless of their education level (Figure 1.9). The high rate of youth unemployment (nearly 22.5%) combined with the prevalence of temporary and part-time employment among youth, increases vulnerabilities associated with job insecurity, contributing to inequality. As of 30 June 2021, unemployment in Bilbao sat at 13.36% and affected a large share of young people.

Figure 1.9. Unemployment rate in Bilbao by age group, 2019 (%)



Source: Eustat (2019_[34]), *Activity and Unemployment Rate and Employment Coefficient of the Population Aged 16 to 64 for the Basque Country by District (11 Districts), Sex and Age (%)*; https://en.eustat.eus/elementos/ele0004500/activity-and-unemployment-rate-and-employment-coefficient-of-the-population-aged-16-to-64-for-the-basque-country-by-district-11-districts-sex-and-age-/tbl0004549_i.html

While the gross value added (GVA) per worker in Bilbao exceeded the average of Spain's FUAs (0.65%), Bilbao's labour productivity in terms of GVA per worker is slightly below the average of OECD regions. The OECD uses the annual growth rate of real GVA per worker, which reached 0.8% in the FUA of Bilbao in 2015 and is the same value as its best-performing peer FUA Porto. However, Bilbao was lagging slightly behind the OECD average (1.1%).

Skills proficiency is among the lowest across OECD countries according to the 2018 OECD Economic Survey of Spain (2018_[19]). The gap in GDP per capita relative to the most advanced OECD countries remains large, reflecting differences both in labour productivity and utilisation. A further threat to the Bilbao labour market is the rise of automation in industry. In the Basque Country, 22% of jobs are at high risk of automation (versus 14% for the OECD), meaning these jobs could disappear. Automation is an opportunity to raise productivity, though it also poses risks to some workers, sectors and occupations (OECD, 2020_[7]). At the same time, the Basque Business Confederation, Confebask, has identified a skills mismatch within the city. Available jobs from industry sector growth or workforce exits due to retirements remain unfilled because of a lack of training, specialisation or interest within the younger workforce (ConfeBask, 2018_[35]). Lanbide, which is the office of employment services in the Basque government, confirms these findings in their 2018 report on graduate labour market choices from the University of the Basque Country. Indeed, 79% of graduates of science, technology, engineering and mathematics (STEM) disciplines at the university went into service sector employment, whereas only 19% went into industry sectors (Lanbide, 2018_[36]). However, this counts for only those that have gone through higher education programmes. Increasing the adaptability of workers, through lifelong learning policies that better target the participation of lower-skilled adults, is essential to building a resilient labour force and local productivity (OECD, 2020_[30]).

Policy response

In the Basque Country, the share of active labour market spending on training is low, which can be a barrier to upskilling the labour force and overcoming a mismatch between skills and jobs. Universities and the Basque Employment Service, Lanbide, have taken action to fulfil this need in Bilbao, providing adult courses, particularly in areas of innovation and digital skills.

Bilbao offers a wide range of resources and services and infrastructure aimed at promoting entrepreneurship, creating new companies and supporting small- and medium-sized enterprises (SMEs). The city council's desire to attract talent to the region has resulted in numerous programmes to support businesses and encourage investment (Box 1.4). Furthermore, the Basque Country is the best-performing region in Spain and amongst OECD regions (for which data is available), and registered a survival rate of 65% compared to 45% in the worst-performing region in Spain (2019_[37]) (Figure 1.10). This shows the Basque Country to be a high performer when compared to other Spanish regions and among the top OECD regions for firm survival.

Box 1.4. Initiatives to support business creation and entrepreneurship in Bilbao

BIG Bilbao – Bilbao's Municipal Entrepreneurship Centre

The BIG centre offers a comprehensive set of assistance services for entrepreneurs, including advice on development and business plans, networking, competency development, communication services and financing.

Auzo Factory Centres

This network of municipal innovation centres promotes knowledge and technology-intensive business opportunities, using renovated discarded buildings. By creating new urban spaces while promoting new business activities, an attractive urban space is created for citizens, associations and companies. Most central amongst these centres is the new Zorrotzaurre centre.

Bilbao – Bizkaia International Entrepreneurship Centre

In collaboration with the Provincial Council of Bizkaia, the International Entrepreneurship Centre favours intra-entrepreneurship and the acceleration of start-ups with high technological and innovative content.

Bilbao Advanced Services Fabrik Project

The AS Fabrik Bilbao project aims to increase the competitiveness of local companies and consolidate Zorrotzaurre as an ecosystem for the advancement of industry 4.0 and the digital economy in Bilbao.

Gizatea Network

The Gizatea lobby represents 20 social enterprises in Bilbao, employing 1 400 people, around 60% of whom belong to disadvantaged groups who have difficulties accessing the labour market. Gizatea provides financial support, business training and re-orientation services to identify new fields of activities for social enterprises and helps business digitalisation efforts. The network provides training and tailors follow-up activities to ensure participants' future ability to access the labour market.

Confederacion Empresarial de Bizkaia (CEBEK)

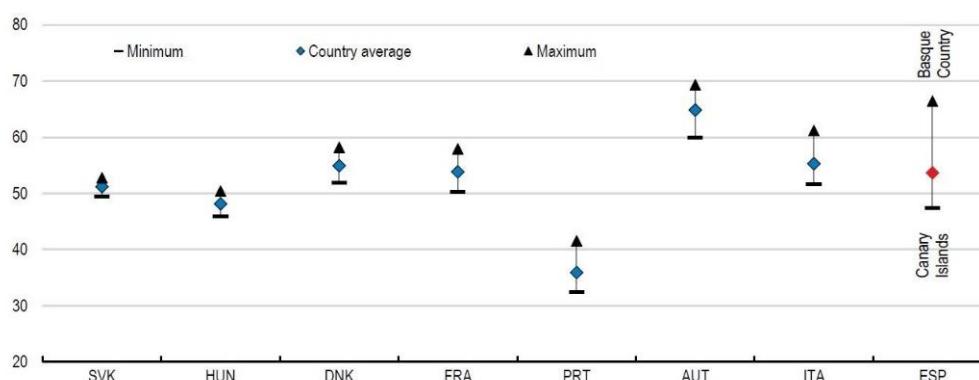
CEBEK is the business organisation of Bilbao Bizkaia. It supports regional projects likely to result in the creation of jobs and increased competitiveness. CEBEK's main activities are institutional representation, the transmission of knowledge of interest to companies and collective bargaining and project development.

Fiscal initiatives to encourage investment and start-ups

Bilbao's tax system and incentives include grants that offer numerous competitive advantages to international funds and businesses intending to set up in the region. This has resulted in more than 700 international companies establishing themselves in the Basque Country. In 2018, Bilbao was recognised as the fourth most attractive European city for foreign investment in the medium-sized cities section by fDi Magazine.

Source: Bilbao City Council (2021^[38]), "Inclusive Growth Questionnaire"; Bilbao City Council, (2019^[39]), *Bilbao - A City of Opportunities for Your Business*, https://investinbilbao.com/wp-content/uploads/2019/12/Censo-oficinas_09_V_ingles_RGB.pdf.

Figure 1.10. Survival rates of firms in a sample of European countries, percentage, 2014 or last available year



Note: Survival rates measure the number of firms created in year t-3 which are still active at time t (three-year survivors/births t-3). 2014 or last available year. Countries are ranked according to the range of difference between regions in the survival rates of all firms.

Source: OECD.stat (2019^[37]), *Regional Business Demography (database)*, https://stats.oecd.org/Index.aspx?DataSetCode=REG_BUSI_DEM_OG.

Inclusive housing and the urban environment

Inclusive housing and an urban environment mean providing quality, affordable housing in safe, healthy neighbourhoods for all segments of the population. This includes strategies to improve well-being and quality of life in neighbourhoods and adapt the urban form including planning, spatial development and investment in technology and digitalisation that have a direct impact on urban dimensions.

Successes

Housing

The proportion of homeownership in Bilbao is 84%, higher than the national rate of Spain at 76.30%. Rental housing accounts for 14% of housing consumption in Bilbao (Trading Economics, 2021_[40]). Average family dwellings are 51.9 years old and on average encompass 82.1 m². Since 1991, the average size of families has decreased from 3.1 to 2.4 members today. The number of rooms per person, at 2.1, compares favourably to the national average, placing it third for housing outcomes in Spain in the OECD Regional Well-being database (OECD, n.d._[25]).

As in many cities, providing affordable housing is a policy priority in Bilbao. Following the 2008 crisis, rents increased disproportionately in large Spanish urban areas and regions where employment opportunities were higher (OECD, 2020_[21]). In Spain, regions and local governments decide on the number of social houses, the allocation of funding and the requirements to privatise social housing services and track users. Bilbao City Hall aims to provide decent housing for those in need and manages 4 155 homes, which is 22% of rental assistance in the city, and 10% of Bilbao inhabitants receive some form of housing assistance. Bilbao, through its Municipal Social Housing system, targets groups facing the greatest hardships with special attention given to vulnerable youth. The goal is to increase the number of social housing units and repurpose vacant dwellings.

Transport and mobility

This emphasis on access to sustainable and public transport through the Sustainable Urban Mobility Plan (SUMP) is paying dividends for both residents' quality of life and the environment in Bilbao. More space and longer traffic light intervals have been allocated to pedestrians, contributing to improved air quality, lower median temperatures and a decrease in noise pollution and road accidents. Bilbao is "the city with the lowest use of private vehicles [in Spain] and is the leader in the Spanish state in terms of travelling on foot and by bicycle" (Observatory of Metropolitan Mobility, 2014_[41]). Sixty-six percent of all trips are completed on foot, which is remarkable given the challenging topography of the city. Another 25% of trips are done through public transport and only 11% by car. The use of bikes has also increased in the shadow of the COVID-19 pandemic, following a rise in the number of bike lanes and e-bike share services. In addition, Bilbao's bike share service doubled its fleet compared to pre-COVID levels.

Measuring against the SDGs, the FUA of Bilbao offers good connectivity by public transport. The score of Bilbao's FUA of 0.65 in 2017 was among the top 5% of OECD FUAs and higher than in all 3 international peer cities. It was also considerably higher than the Spanish FUA average of 0.5, which indicates a strong performance of its public transport system. At the same time, the car transport performance is very similar to the average of OECD FUAs and Spanish peers. The same pattern applies when looking at the ratio between accessibility and proximity to hospitals. Here, the public transport network performance ratio of 0.77 is among the top 5% of OECD FUAs, while the car transport network performance ratio of 2.12 is similar to the OECD FUA average (2.2) and slightly exceeds the average of Spanish FUAs (1.84).

Challenges

Housing

Housing consumes a large share of the household budget in Spain and represents the largest single expenditure for many individuals and families. On average, Spanish households spend 22% of their gross adjusted disposable income on shelter, above the OECD average of 20% (OECD, 2020^[18]). Across the OECD, average housing expenditure exceeds 30% of income for middle- (31% of household budget) and low-income households (37% of household income) (OECD, 2021^[42]). Given these national trends, housing costs may overburden low-income households in Bilbao as well. According to Bilbao Etxebizitzak, 75% of rental housing is subsidised and districts such as Otxarkoaga (District 3) and Ibaiondo (District 5), concentrate the highest percentage of residents on housing assistance, 13.1% and 15.1% respectively, whereas the central district of Abando, which is wealthy, registers 2.5% of the people on housing assistance (Bilbao Etxebizitzak, 2020^[43]). The concentration of people on housing assistance in certain districts results in the spatial segregation and concentrations of wealth and poverty in the city and can impact a city's inclusive growth outcomes. At the same time, while the price per square meter of housing for new and old construction has been generally decreasing gradually since 2011, monthly rent prices increased continuously from 2013 to 2019, experiencing a slight decrease in 2020 (Bilbao Etxebizitzak, 2020^[43]). The main challenges faced by the Municipal Social Housing Department are collaborating with the regional government regarding Basque housing law and the development of new homeownership models for people to access affordable housing. Social housing in Spain has traditionally tilted towards ownership rather than rental properties (OECD, 2021^[44]).

The housing stock in Bilbao is relatively old with most buildings in Bilbao being over 50 years old which means that many require restoration and investment (Figure 1.11). Building upgrades, however, have been uneven across neighbourhoods. Significant renovations have been conducted in wealthier parts of the city, however, certain neighbourhoods with naturally occurring affordable housing and residents with fewer resources have seen fewer housing upgrades and a lower risk of being left behind.

Transport and mobility

The surrounding hills and slopes of Bilbao require investment in vertical mobility systems, such as escalators and elevators, some of which in their current form are insufficient, not suited to the communities they serve or not adequately adapted to the environment. The complex topography of Bilbao makes it difficult for pedestrians to move around the entire city with ease, a problem that is exacerbated by the fact that nearly 1 in 4 residents is over the age of 65.

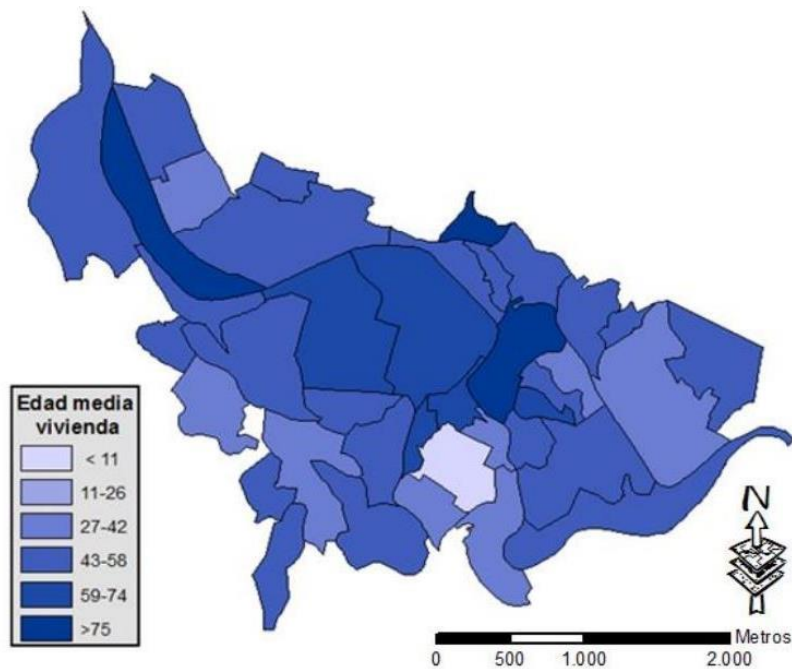
Policy response

Housing

The city council is working to rehabilitate housing stock by increasing energy efficiency. It has invested EUR 1.5 million in aid for energy renovations in 150 buildings, including in disadvantaged neighbourhoods. In the Penascal neighbourhood, 215 dwellings will benefit from a programme aimed at improving energy efficiency for vulnerable populations. In addition, another goal is to increase the amount of social housing in circulation, expanding access by restoring empty dwellings so that they are incorporated into the city's housing stock.

Bilbao has had a social housing programme since 1918, running for over 100 years. Attached to the city's housing department, Viviendas Municipales is a local body and the main implementer of the city's social housing policy, including managing the city's 4 155 housing units and 1 172 other properties such as storage facilities, ensuring repairs and maintenance of properties, as well as the application process for those seeking housing (Bilbao Etxebizitzak, 2020^[43]).

Figure 1.11. Average age of housing stock according to neighbourhoods in Bilbao



Source: Hoya Gobantes, O. (2017^[31]), "El Efecto Barrio en Bilbao: Estudio de Indicadores", https://addi.ehu.es/bitstream/handle/10810/23591/TFG_Hoya.pdf?sequence=1&isAllowed=y; GeoEuskadi; Eurostat.

Transport and mobility

Bilbao City Council is installing and upgrading elevators and escalators to aid movement around the city. Connecting all neighbourhoods regardless of their socio-economic outcomes is crucial to inclusive growth, particularly for Bilbao's ageing population. For this reason, the city council is working with the Spanish government to bury all railway lines that bisect neighbourhoods and impede movement between communities. This should not only improve accessibility around the city but should also be a step towards uniting neighbourhoods and providing better access to transportation for historically disadvantaged zones.

In line with the national government's desire to address both current and future socio-economic and environmental needs, Bilbao's Sustainable Urban Mobility Plan (SUMP) seeks to balance regional development and the use of natural resources while minimising the social, economic and environmental costs of producing and using public transport. Bilbao's sustainable mobility model relies on five pillars: i) inclusive social development; ii) environmental sustainability; iii) health and safety, iv) economic development of the territory; and v) regulatory framework and public policies. Data analysis is key to the city's transport decision-making, as indicators such as road entrance and exits, the number of travellers, occupancy of parking spaces and public transportation ridership were considered in the development of the SUMP.

In the short term, the council is pursuing three main strategies for the transport network:

1. **Bilbao 30 Strategy:** One hundred percent of the urban network is now subject to a speed limit of 30 km/h. This measure aims to improve air quality for pedestrians and cyclists. Pedestrians will enjoy greater security in the streets of Bilbao and the reduction of speed is expected to help reduce fuel consumption, noise and emissions. The city aims to reduce urban mobility emissions by 50% by 2030.

2. **Pedestrian-friendly city:** Bilbao is aiming to prioritise people, not cars. By enlarging sidewalks, eliminating architectural barriers, installing vertical lifts and reducing speed on the city's roads, the city council is promoting non-motorised mobility (specifically cycling). In addition, the citywide project *Corazones de Barrio* (Neighbourhood Hearts) aims to enhance each neighbourhood's identity through participatory interventions in areas identified as places of opportunity, including by creating pedestrian spaces for children and youth, as well as offering sporting activities and facilities.
3. **Gender Mobility Action Plan:** Considerations of equity for men and women will contribute to shaping a more inclusive, safe and sustainable transport system in Bilbao. As part of Bilbao's Gender Mobility Action Plan, enhancing safety, accessibility and adaptability of public transport is a priority, in addition to considering the different needs and uses of transport between men and women, there are efforts to increase the number of women that work in transport. To encourage women's cycling, the city offers courses and workshops exclusively for women.

It will be important to monitor these efforts and determine if these strategies and plans deliver intended sustainability and inclusion results in terms of Bilbao's mobility goals.

Inclusive infrastructure and public services

Inclusive infrastructure and public services connect people of all income levels and backgrounds to jobs and recreational spaces, and expands access to vital utilities; it also plays a role in the sustainable development of our cities. Shifting to green infrastructure across basic services such as water, sanitation and electricity in ways that are affordable and accessible is the goal of sustainable and inclusive infrastructure; additionally, life-sustaining infrastructure such as clinics and hospitals need to be responsive to demographic shifts and changes. Dependency is also growing on digital services and broadband access, due to the shift to distance learning and teleworking driven by the COVID-19 pandemic, which changed needs across society. At the same time, investing in well-being-enhancing features such as green space and recreational and cultural facilities in ways that support diversity and build a sense of inclusion and feeling of community increases life satisfaction in cities, social cohesion and social resiliency.

Successes

Almost all residents in Bilbao's FUA live near green areas or recreational facilities. More than 98% of the population of the FUA of Bilbao had access to at least 1 hectare of green urban areas (parks) and forests within 15 minutes of walking in 2017. Moreover, 93% of the population had access to at least 1 recreational opportunity (theatres, museums, cinemas, stadiums or cultural attractions) within 15 minutes of cycling, a value higher than in all 3 international peer FUAs and only exceeded by 12% of OECD FUAs where data was available. In both of these cases, the FUA of Bilbao already exceeds the suggested end value of SDG 11 based on the best-performing FUAs.

The OECD further captures sustainable urbanisation through the indicator of the difference between built-up area growth and population growth rates, which is about 0.9 percentage points in the FUA of Bilbao. This means that the built-up area is growing slightly faster than the population. To achieve sustainable urbanisation in the long term, the built-up area rate should follow the growth path of the population. While this is not the case for Bilbao, the difference between growth rates exists, even though larger than in OECD and Spanish FUAs (0.2 percentage points on average in both cases).

Bilbao demonstrates good performance regarding responsible consumption, as the rate of motor road vehicle use in the FUA of Bilbao is lower than in 80% of OECD FUAs. The OECD localised indicator framework uses the number of motor road vehicles per 100 people to capture one of the key aspects of SDG 12, i.e. the need to decouple economic growth from intensive resource use. A high number of motor road vehicles translates into the use of fossil fuels and high carbon dioxide (CO₂) emissions, which is one

of the major issues of resource utilisation in developed countries. Compared to other OECD FUAs, Bilbao is among cities that face fewer challenges regarding the rate of motor vehicle use and benefits from a good public transport performance. In the FUA of Bilbao, the value of 42.8 motor road vehicles per 100 people was lower than both the average of Spanish FUAs (46.1) and of FUAs in the OECD (48.8). The values in the peer FUAs Bologna (58) and Bordeaux (57) were much higher. Nevertheless, Bilbao has not yet reached the end value suggested in the OECD localised indicator framework of 36.5 motor road vehicles, which is based on the best-performing FUAs in this indicator.

Bilbao, like the rest of the Basque Country, has a high level of Internet access and use. This is an important asset in digital citizenry and in order to profit from the emerging technologies. Digital citizenry would imply that people have the knowledge and skills to use digital technologies successfully, access services and communicate. In recent years, Bilbao has developed its own Wi-Fi network to provide free and universal connection to the Internet for residents. The network covers 150 connection points in the streets and 520 points in municipal buildings, and has a monthly average of 2.5 million device connections (Bilbao City Council, 2019^[2]). This is of similar capacity to other European cities (Box 1.5). The city government plans to extend the network with more than 400 new access points, particularly in outlying districts. In the Basque Country, Internet access at home passed from 82.8% in 2015 to 95.5% in 2020 (INE, 2021^[45]). In the same period, the number of people that use the Internet at least once a week increased from 78.1% to 91.5% (INE, 2021^[45]).

Box 1.5. Selection of cities in Europe that offer free Wi-Fi

- **Tallinn** (Estonia) – Since 2005, access to Wi-Fi is free across the city and has made Tallinn one of the most innovative cities in the world. The download speed is 15Mbps and there are access points across the old town and public spaces.
- **Helsinki** (Finland) – Since 2006, the city operates the Helsinki Open City WLAN network that provides free access to Wi-Fi without the many restrictions and need for prior registration or a password in the different busiest points in the capital.
- **Barcelona** (Spain) – The city has the largest Wi-Fi network in Spain. There are around 400 wireless network points located in public spaces, especially in areas of the old town and the Example, Gràcia and Sants districts. The download speed is 256Kbps only.
- **Milan** (Italy) – Since 2012, the city government operates 370 access points to Wi-Fi distributed across the city, of which 70 are within public buildings. Daily users have 300Mb; when they run out, the speed is reduced to 192Kbs.
- **Paris** (France) – There are more than 400 Paris Wi-Fi access points distributed across the city since 2007. Access is unlimited between 7 a.m. and 11 p.m., although this also depends on opening hours of public buildings.
- **Groningen** (Netherlands) – Since 2013, the city government offers free Wi-Fi across the city without the need to be in a specific location. However, the service can only be accessed 2 hours a day and with a speed of 200Mbits, and covers only the outdoors.

Source: OMIO (n.d.^[46]), “Top 10 European Cities with Free Wi-Fi”, <https://www.omio.co.uk/travel/wifi>.

Internet usage among households in Bilbao is high but still below national levels. 99% of households in Spain had Internet access in 2020 (INE, 2021^[47]). In the province of Biscay, 80% of the population over 15 years old had a computer and 90% had Internet access (Bilbao Observatorio, 2020^[48]). In Bilbao, 79.8% of the population over 15 years old was an Internet user in 2019, representing a 2.7% increase from 2018 (Bilbao Observatorio, 2020^[48]). In comparison, 94% of the EU-27 population ages 16-29 years old

accessed the Internet on a daily basis in 2019 (Eustat, 2021^[49]). Despite the high access to the Internet by Bilbao's population, there is still a slight digital gap of 6.7 percentage points between men (83.4%) and women (76.7%) (Bilbao Observatorio, 2020^[48])

Challenges

While life expectancy is high, hospital accessibility in Bilbao is lower than in the majority of OECD FUAs. Around 78% of the population had access to at least 1 hospital within a 20-minute drive, compared to 84% in Spanish FUAs on average and 88% in OECD FUAs in 2017. Differences in accessibility compared to peer FUAs such as Bologna (88.9%), Bordeaux (84.7%) and Porto (94.7%) were considerable. While Bilbao belongs to the bottom 20% of OECD FUAs in this indicator, the gap to the suggested end value of 88.5% based on the best-performing OECD FUAs per country is not alarming.

Internet access among enterprises in Bilbao is almost universal; however, it is not being fully leveraged to expand market access. The use of the Internet by enterprises is an indicator of how competitive those businesses are, covering aspects such as production process or service provision as well as internal and external communications. In Bilbao, 100% of enterprises with more than 10 employees and 90% of enterprises with less than 10 employees had access to the Internet in 2019 (Bilbao Observatorio, 2020^[48]). At the national level, 98% of enterprises were connected to the Internet in 2019 (Statista, 2020^[50]). Among Bilbao enterprises, Internet usage grew 0.3% between 2018 and 2019 (Bilbao Observatorio, 2020^[48]). However, the percentage of enterprises that carried out e-commerce was only 25.5% in general, and 37.5% of enterprises with more than 10 employees in 2019 (Bilbao Observatorio, 2020^[48]).

Policy response

Public space and recreation

Bilbao City Council has increased the number of parks and green spaces in the city and continues to regenerate commercial and public areas heavily frequented by pedestrians. Urban design that ensures quality for both high- and low-income neighbourhoods is one of the key goals in terms of public space generation in Bilbao and a priority for creating inclusive cities. Moreover, the city council is also reflecting on how to create a city that encourages well-being and provides open spaces for recreation and sport. For example, a previously abandoned train station in the area of Loruri was recently transformed into a park, creating a new space for residents to engage in active lifestyles where children and the elderly can come together.

Digitalisation and smart city strategy

Bilbao is preparing an agenda to guide the digital transformation. For the city, a key factor in becoming smarter is its ability to exploit the power of technology and data. Thus, the Bilbao city government has included in its Municipal Mandate Plan 2019-2023 several initiatives that aim to leverage the potential of new technologies. A key initiative is the *Digital Transformation Agenda 2030 (Agenda de Transformación Digital 2030)* which is Bilbao's strategic document to guide government action for the progressive implementation of technological and digital solutions such as artificial intelligence, real-time control systems, 5G communications and advanced services, analysis devices and models that improve municipal services. The city authorities are in the process of approving the agenda to then move on to the implementation stage.

The city of Bilbao provides free Wi-Fi to residents, which makes them more vulnerable to cyberattacks and malicious software. To address the situation, the city government is conducting a pilot programme to develop a new municipal capacity to identify and block online threats, alert citizens of risks and educate users on cybersecurity. The aim of this project is to increase digital security and build residents' trust in the use of digital technologies.

Beyond Internet access and adoption, Bilbao is working to ensure that residents have adequate digital knowledge and skills to benefit from smart city services. The Social Action, Equality, Cooperation and Citizenship Departments and the Bilbao Ekintza Municipal Agency have worked in recent years to develop digital literacy programmes for groups at risk of exclusion. Many courses are geared to beginner levels in computer use (Windows and Word) and to the most advanced computing skills (Internet, email and blogs) as well transcribing resumes digitally and other measures to support access to employment. The Professional Training Centre Network, the Basque Employment Service “Lanbide” and the Digital Portal for Lifelong Learning “Hiru” are some of the programmes and instruments implemented by the city government to support lifelong learning and the acquisition of new skills. In Bilbao, there are also several KZgunea centres, where new courses on e-government are offered to teach users, among other things, how to apply for a standard inhabitant registration slip, access jobs and track official gazettes, process documents with the Provincial Treasury Department or obtain traffic information.

The Chamber of Commerce of Bilbao has also been promoting the digitalisation of the local companies for several years. It has two main work avenues: i) digitalisation of commerce through the EUD-Commerce programme, for the implementation of technological solutions, and the Basque Retail School that advises small businesses on digitalisation; and ii) digitalisation for companies through the Xpande Digital programme to promote the use of digital marketing tools and Digital Trade Missions that explore foreign markets digitally.

Healthcare facilities

Bilbao’s Municipal Plan of Health guides the city’s health policy. The plan directs all municipal activity towards co-ordinated and integrated action to improve the health of the population and reduce social inequalities in health. The plan is inter-sectoral, derived from citizen consultation and seeks to bring public health policies closer to the needs and interests of citizens and promotes healthy habits for all demographics. The plan also advocates for the creation of healthy environments and the generation of knowledge and innovation to improve health and well-being outcomes for residents. With the goal to achieve a more equal and inclusive health system, the municipality also signed a memorandum of understanding with Bilbao universities to study the Municipal Health Plan from a gender perspective. Gender indicators will be included in future plans.

The Basque Country has developed new administrative bodies (known as integrated healthcare organisations), consisting of collaborating hospitals and primary care centres. In response to geographical barriers in accessing some specialised services, the region has also established telehealth services for patients with heart failure to support self-management and monitor physiological measurements that are examined remotely by specialists (United4Health, 2016^[51])

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Notes

¹ Education sector competencies may vary according to municipal jurisdiction and management of the school district. The mission of this policy pillar is to promote early childhood development that levels the playing field for low-income households, and lifelong learning that prepares residents for jobs of the future.

² S80/S20 index is the income quintile share ratio. S80 represents that population in the 80 quintile (top income earners) versus the S20, those in the 20 quintile, the lowest income earners. The share ratio is calculated as the ratio of total income received by the 20% of the population with the highest income to that received by the 20% of the population with the lowest income.

2 COVID-19 response and recovery strategies in Bilbao

This chapter examines how the current health crisis has amplified existing challenges in Bilbao and to which extent COVID-19 response measures and lessons learned pave the way for paradigm shifts over the long run. In particular, the chapter provides an assessment of the economic and social impacts of the COVID-19 crisis on Bilbao and the implications of the pandemic in terms of health, urban development and environmental impacts. The analysis aims to set Bilbao on a path to recovery that achieves the city's inclusive growth goals.

Introduction

The COVID-19 pandemic represented an unprecedented shock across countries and cities in the OECD. In Bilbao, the municipal economy declined by 6% in the first 6 months of 2020 due to lockdown measures and a drop in demand and household consumption. As a result, unemployment rose in the municipality.

In response to the pandemic, Bilbao activated a Municipal Emergency Plan to support citizens and offer a safety net. In May 2020, Bilbao launched the first of its recovery initiatives, the EUR 15 million Bilbao Aurrera Plan, to implement measures for social cohesion, economic, employment and cultural reactivation in the municipality.

Solidarity networks and citizen participation were the main building blocks for social resilience in the city. Bilbao, which has a strong tradition of volunteering networks, saw a new form of social cohesion emerging from the crisis to support vulnerable citizens during the worst months of the COVID-19 crisis. These citizen-led initiatives were used to bridge the socio-economic gaps that emerged or were exacerbated during the crisis.

In 2021, Bilbao City Council aimed to move from COVID-19 response to recovery, with the largest municipal budget ever approved in the history of the municipality (i.e. EUR 585.5 million for 2021), along with the 2021 Bilbao Aurrera Plan, allocating another EUR 15 million focused on alleviating the social and economic effects of the pandemic. This is the second edition of the Bilbao Aurrera Plan, which responds to the municipality's current need to continue providing urgent support to its communities and local economy. However, larger annual municipal budgets alone cannot drive economic recovery. Bilbao will need a renewed focus on structural inequalities and systemic barriers that perpetuate uneven growth and well-being disparities among residents. Seeking long-term solutions while engaging in activities to dismantle drivers of exclusion and inequitable development will need to be prioritised and mainstreamed throughout the city's administration. Therefore, recovery plans and spending, as well as adjusting the policies and programmes that govern many dimensions of urban development (ranging from housing affordability to labour market access, local economic growth and distribution and access to public services) should be considered at the same time. In addition, forward-looking strategies to manage the twin transitions of climate change and digitalisation will need to be examined to offset challenges and trade-offs, improve well-being outcomes and advance sustainability and resiliency measures in cities. In the short and medium terms, recovery packages are valuable instruments to help address some of the economic losses and social fracturing that were caused by the crisis, but they are finite and exhaustible. Leveraging recovery packages to advance smart, green and inclusion goals in the long term will result in shaping a better urban future.

To move from response to recovery, Bilbao City Council must design a comprehensive recovery plan that provides a vision of what Bilbao should look like living with COVID-19. Bilbao has an opportunity to address structural inequality already present and exacerbated by this crisis in the city, by mainstreaming an inclusive growth agenda into a comprehensive recovery plan. Such an approach will be crucial in reducing the vulnerability of Bilbao's economic, social and environmental systems, whilst meeting the needs of vulnerable populations.

Economic impacts of the COVID-19 crisis in Bilbao

Spain was struck hard during the first wave of the COVID-19 pandemic in early 2020. The Spanish economy shrank by a record 5.2% and unemployment rose to 3.8 million people in the first quarter of 2020 because of confinement measures. In addition, the measures to mitigate and contain the health impacts brought a wave of political instability. Political disagreements around the measures put stress on the government's capacity to extend the state of emergency, thus making political consensus hard to achieve.

Immediate impacts of the COVID-19 pandemic on the local economy

The COVID-19 crisis has had a profound impact on the economic vitality and employment of Bilbao. Unemployment rose from 14% in the first quarter of the year to 15% in the second quarter of 2020. The third quarter of 2020 was marked by the de-escalation phase and a certain recovery in economic activity. It is worth noting that the ERTE national scheme, a temporary employment regulation that enables companies to suspend employment contracts or reduce working hours due to force majeure, contributed to safeguarding jobs and reducing job losses. By the end of 2020, Bilbao registered 25 142 unemployed people, 2 841 more than in 2019. These data on unemployment do not include workers under the ERTE scheme, as they are not considered unemployed. Overall, unemployment has increased in all sectors, particularly in the service sector, and among people with vocational training.

The COVID-19 crisis caused a downturn in the Basque labour market, disrupting efforts to improve employment rates since the 2008 crisis. Temporary and involuntary part-time employment has multiplied in the Basque Country, with many contracts lasting less than six months. In 2019, more than 90% of contracts signed in the Basque Country had a defined end date (OECD, 2020^[1]). In Bilbao, the health crisis resulted in a decline of 6% and 4% in the economy of the municipality in the first 2 quarters of 2020 respectively, due to a drop in demand and household consumption. This was accompanied by an increase in unemployment.

Youth have suffered consequences due to the pandemic

The economic precariousness of youth in Bilbao has been exacerbated during the crisis. Almost 60% of respondents of an opinion survey conducted in May 2020 in Bilbao (Bilbao City Council, 2020^[2]) reported being impacted economically or professionally by COVID-19. Of those respondents, 86% of them were between 25 and 34 years old. Twenty-six percent of respondents in Bilbao reported being affected by partial unemployment (ERTE), 13% have seen their working conditions affected, 11% have had to close their businesses and 7% have been laid off. This shows the precarious state of employment for young people in Bilbao. The opinions highlighted in the survey are in line with the surge in unemployment for young people in Bilbao. In 2020, 30.5% of unemployed people in Bilbao were between 16 and 24 years old.

To understand the goals and concerns of young people better in Bilbao, the City Council started a participatory process (Bilbao City Council, 2021^[3]) to include young people in the making of municipal youth programmes. More than 40 participants between 15-30 years old participated in a series of online meetings to discuss the future of sustainability, housing, entrepreneurship, lifelong learning, culture, leisure and sport, and volunteering in Bilbao, among other topics. The results of this participatory process will be included in the Municipal Youth Plan (Bilbao Hiri Gaztea 2021-2023 strategy), which aims to make Bilbao an attractive city for young people. Most participants aged 19-25 stressed their fear of not being able to be economically independent and raised concerns about the environment and climate change. Preliminary results of this discussion forum highlighted the municipality's need to continue working towards sustainability and gender equality, whilst improving access to housing and innovation hubs for young people.

Service and construction sectors have been particularly impacted, while the industrial sector fares better

The Bilbao Chamber of Commerce calculated that the COVID-19 pandemic affected 70% of companies in the province of Biscay and all sectors at different levels in 2020 (Commerce, 2020^[4]). CEBEK, Biscay's business confederation, calculated that between March and November 2020, between 15% and 20% of businesses would have to close permanently if the crisis extended over time. This has not been the case for all sectors in Bilbao. For instance, companies in the industrial sector such as manufacturing and

shipbuilding, and companies with fewer than 250 employees have fared better in the pandemic because of their ability to adapt.

The service sector accounts for 87% of Bilbao's economic activity and saw a decline of 2.3% in the number of people employed in the sector in 2020. The construction sector was more affected during the pandemic (-2.5% in the number of people employed). In 2020, 2 520 local businesses in the retail sector had to close permanently. Moreover, the tourism sector in Bilbao saw a great decline in activity. During the summer of 2020, there was a decrease of 61% in overnight stays and Bilbao received almost 60% fewer tourists compared to previous years. This meant that the municipality's performance in foreign tourism had worsened by 80% in comparison to 2019. By the fourth quarter of 2020, Bilbao's economy saw a decline of almost 4%, thus highlighting the need to move from emergency measures to safeguard the economy to medium- and long-term strategies to create jobs.

Bilbao's response to the economic crisis

Temporary efforts to mitigate the economic fallout of COVID-19 crisis

Bilbao activated a Municipal Emergency Plan on 13 March 2020 (Box 2.1). This mechanism included measures to support citizens such as municipal hotlines, specific cleaning and sanitation services, public transport adaptation, tax breaks and a housing contingency plan. In the opinion survey (Bilbao City Council, 2020^[2]) conducted in May 2020, around 85% of communities in Bilbao reported being worried or very worried about the social challenges generated by COVID-19 and almost 90% reported being very worried or worried about the consequences that the virus might have on Bilbao. More than half of the population of Bilbao reported thinking that life would be different from before. This survey helped the city council examine the level of uncertainty and alarm experienced by residents to better adapt the municipality's emergency measures.

Box 2.1. Co-ordinating first response: Bilbao's Municipal Emergency Plan

To offer a co-ordinated and effective response to the first months of the COVID-19 pandemic, Bilbao City Council activated a Municipal Emergency Plan in March 2020. This municipal mechanism included:

- **Permanent contact with the Department of Health** of the Basque government to adopt preventive measures to avoid the spread of COVID-19 in the city.
- **Closure of all municipal activities and facilities**, including sports centres, municipal district centres and libraries, except for citizen engagement bureaus called "*Centros de atención ciudadana*".
- **A call for citizen action** to adopt basic hygiene and physical distance measures. The city council also urged the population to avoid creating panic.
- **Flexible loading and unloading schedules** to facilitate the delivery of goods.

Source: Bilbao City Council (2020^[5]), *El ayuntamiento de Bilbao activa el plan de emergencias municipal y pone sus medios a disposición del gobierno vasco*, https://www.bilbao.eus/cs/Satellite?c=BIO_Noticia_FA&cid=1279197089130&language=es&pageid=3000075248.

To mitigate the consequences of the crisis, the national government put in place measures such as short-term work arrangements, increased sick pay for infected and quarantined workers, benefits for the cessation of activity by the self-employed, extension of the coverage of unemployment benefits, increased regulation of dismissals due to COVID-19 and support to meet payment obligations. The Spanish

government also approved a guaranteed minimum income scheme and several exemptions, deferrals and moratoria on social security contributions and taxes to support the most vulnerable. Through these initiatives, the national government offered a supportive environment for COVID-19 action at the regional and local levels.

The pandemic has had a deep impact on disadvantaged workers and has put many jobs at risk. During the first months of the pandemic, the role of organisations like the Gizatea network has been crucial to mitigate the impact of the pandemic on local businesses. Gizatea acts as a lobby representing 20 social enterprises based in Bilbao. These companies employ about 1 400 people, of which 60% belong to disadvantaged groups and have difficulties accessing the labour market. In this regard, the role of social enterprises is more important than ever as these companies have a social purpose to include disadvantaged groups. To support social businesses, Gizatea provided financial support, re-orientation programmes and helped businesses' digitalisation efforts. To continue supporting social enterprises, the network provides training and tailored follow-up activities to develop the skills capacity to access the labour market during the pandemic. It is also leading a public procurement pilot project with Bilbao City Council to identify procurement opportunities for social enterprises through an online tool.

The Bilbao Aurrera Plan outlines strategic investments to revitalise the local economy

Many municipal plans to contain the effects of the pandemic and respond to the negative effects of the crisis were approved by all municipal parties. In Bilbao, the local crisis management team started working on finding ways to develop a significant budget for the development of strategic plans post COVID-19. A few months later, on 8 May, 2020 Bilbao City Council approved Bilbao Aurrera, a plan of measures for social cohesion, economic, employment and cultural reactivation in the municipality to further tackle the COVID-19 crisis (Box 2.2). This plan, signed by all Bilbao City Council political parties, focused on the people and companies of Bilbao, particularly on small local businesses, the tourist sector and cultural and creative industries. All political parties also approved Barcelona's, Madrid's and Malaga's Extraordinary Plans. Local councils showed their commitment to move from political and individual agendas to serve public common interest.

Box 2.2. Bilbao Aurrera Plan for 2020: A commitment to leave no one behind

To respond to COVID-19, the city council approved a plan of urgent measures for social cohesion, economic, employment and culture reactivation in the first months of the pandemic. The council described the EUR 15 million plan as a commitment to leave no one behind. As of March 2021, Bilbao City Council reported a high level of implementation of the 57 measures to support vulnerable populations and local businesses at risk of closure:

Social cohesion

- **Absence of income:** The Social Emergency Aid (AES in Spanish) was reinforced with an additional allocation to the aid granted by the Basque Regional Government to meet basic food and household maintenance needs. An extraordinary special non-periodic municipal aid programme was also created (with EUR 625 000) to serve those who have had no income or whose income decreased due to the COVID-19 crisis but do not meet the AES requirements.
- **For people at risk of exclusion:** Bilbao City Council put in place a special fund to house homeless people. This fund of EUR 1 million from different institutional organisations and EUR 375 000 from Bilbao City Council guaranteed temporary accommodation and meals, particularly for the homeless, migrants and unaccompanied minors.

- **For the elderly in vulnerable situations:** The city council put in place a financial allocation of EUR 150 000 (*Urrats bat gehiago* in Basque) to support the elderly in vulnerable situations.
- **For families and children:** The city council developed measures directed at families and children to guarantee care and strengthen existing programmes that address situations of lack of protection and intra-family conflicts (EUR 360 000). Measures included access to economic resources for female victims of gender violence and their dependents (EUR 50 000) and strengthening existing programmes for female victims of gender violence.

Economic and employment recovery

- **Tax incentives and aid:** Bilbao City Council introduced reductions and bonuses in taxes and fees and postponement of tax debts of companies provided they be paid during the 2020 financial year. Aid provisions included **services for the recovery and improvement of business competitiveness** (EUR 580 000) and **direct financial aid** for businesses to adjust to health protocols (EUR 500 000).
- **Vouchers to promote consumption:** EUR 2.65 million from a different budget line were allocated to vouchers to promote local consumption, actions to promote tourism in the city (EUR 450 000) and technical and economic aid to Bilbao associations, and economic agents for their promotion (EUR 350 000).
- **Employment plans:** The city council put in place 2020/21 youth employment plans and general employment plans (EUR 2 million) to promote job access.

Cultural sector measures

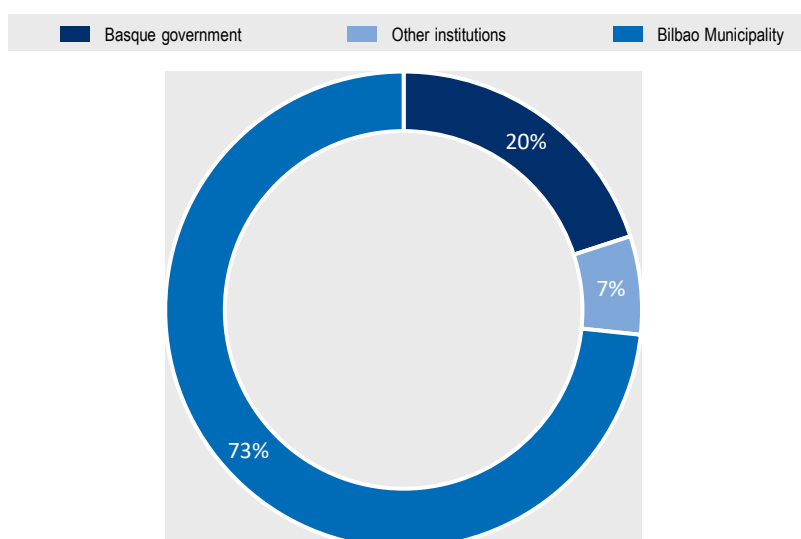
- **Bonus and promotion activities:** Culture Bonus (EUR 500 000), promotion of activities in the public space related to cultural and creative industries (EUR 300 000) and support to the audio-visual sector through the creation of a promotional fund for Bilbao (EUR 100 000) and creation of the “Artists against the coronavirus” project (EUR 100 000).

Source: Bilbao City Council (2020^[6]), *Bilbao Aurrera Plan*, <https://www.bilbao.eus/cs/Satellite?c=Page&cid=1279212055237&language=es&pageid=1279212055237>.

Bilbao City Council demonstrated great commitment to tackling the COVID-19 crisis and supporting citizens by approving and financing the Bilbao Aurrera Plan. The EUR 15 million budget, including social measures and strategic investments to revitalise the local economy, was almost entirely financed by Bilbao City Council. Of the total EUR 15 million, the municipality financed 73% (EUR 11 million), the Basque government 20% (EUR 3 million) and 7% (EUR 1 million) by other institutions (Figure 2.1). This investment illustrates the capacity of Bilbao City Council to rethink priorities and reprioritise expenditures.

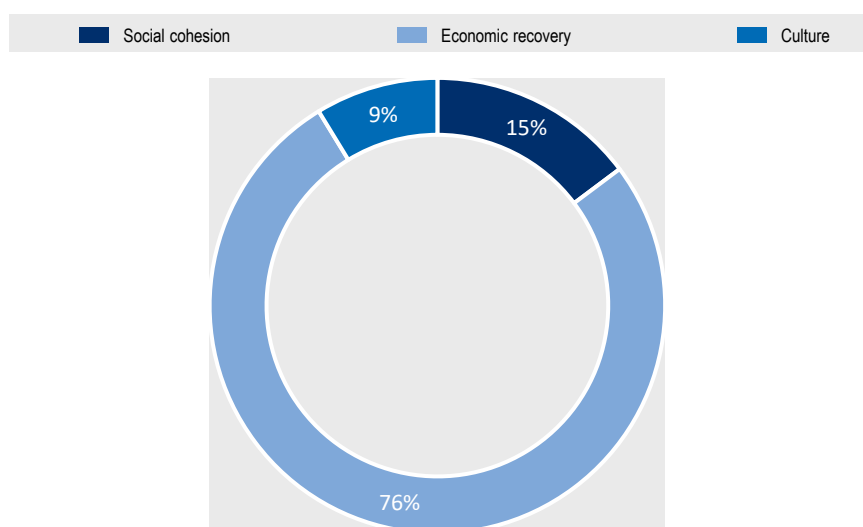
From the total budget of EUR 15 million, the Aurrera Plan planned to put in place more than 57 exceptional measures during 2020 to address 3 specific areas: social cohesion, economic and employment recovery, and culture. The budget devoted 15% (EUR 2.2 million) to social cohesion; 76% (more than EUR 11.4 million) to economic recovery and employment activation and 9% (around EUR 1.3 million) to the culture sector (Figure 2.2). As the pandemic has had a great impact on the hospitality sector, Bilbao City Council dedicated an additional EUR 3.2 million to support of this sector. The Bilbao Aurrera Plan was designed to be flexible and adapt to the evolving needs of the municipality without losing sight of Bilbao’s strategic investments and long-term priorities. This is why strengthening collaboration with other institutions and cities was key in the outline of the plan. The city council acknowledged that only by working collaboratively and aligning available public resources with the priorities set out in the Bilbao Aurrera Plan would the municipality be able to recover and thrive.

Figure 2.1. Funding sources of Bilbao Aurrera Plan, 2020



Note: The Bilbao Aurrera Plan directs EUR 15 million to COVID-19 recovery.

Figure 2.2. Bilbao's Aurrera Plan's distribution according to priority areas, 2020



Note: The Bilbao Aurrera Plan directs EUR 15 million to COVID-19 recovery.

Municipal budgets serve as an important resource for recovery but they are limited

To boost the social response to the COVID-19 crisis and drive economic recovery, many municipalities in Spain have approved larger budgets for 2021 than in previous years. For instance, Barcelona City Council has approved a budget of EUR 3.253 billion and Madrid EUR 5 billion. The municipal budget in Madrid represents 8% more than in 2020. To continue working towards Bilbao's recovery, on 1 January 2021, the city council approved a budget of EUR 585.5 million for 2021. This is the largest budget in the history of Bilbao Municipality and represents an increase of EUR 9.2 million (1.6%) compared to 2020. The objective of the 2021 budget was to respond to the negative effects of the pandemic by supporting the most affected economic sectors and vulnerable populations, protecting the health of citizens and the economy. Bilbao

City Council has put well-being, public services and employment at the centre of municipal policies and aims to continue developing strategic projects for the municipality. The new budget increase targets neighbourhood actions to the sum of EUR 39.5 million (EUR 1.8 million more than 2020) and increases municipal public investment to EUR 84.1 million (EUR 1.4 million more than in 2020) to develop nearly 40 projects proposed by the city council and another 11 proposed by citizens.

Looking at cities with a similar profile to Bilbao, Malaga City Council mobilised more than EUR 53 million within the municipality's plan to fight the pandemic with social reinforcement actions and economic reactivation. In terms of sources of funding, most cities financed their extraordinary budgets from the municipal budget. This implies that local governments in Spain had to work within their means and capacity to adapt and respond to the negative effects of the health crisis. The pandemic has amplified many of the existing financial challenges faced by subnational governments, including constraints around rigid budgets and spending rules, the instability of local tax revenues and limited access to financial markets (UCLG/Metropolis/LSE Cities, 2021^[7]). To respond to the pandemic, many subnational governments have had to cut some budget items to reprioritise expenditures.

Yet larger annual budgets alone cannot drive economic recovery. In addition to the budgets for 2021, many municipalities have developed recovery plans and strategies for 2021. At the end of January 2021, Bilbao City Council approved the launch of Bilbao Aurrera 2021, the second edition of the crisis management plan aimed at alleviating the social and economic effects of the pandemic in the municipality. The plan, which was developed with the contributions and agreement of all of the political parties, has a budget of another EUR 15 million and includes 43 measures (Box 2.3). In Bilbao, there has been no explicit shift from COVID-19 response to recovery. The new Bilbao Aurrera Plan is not an explicit recovery strategy but rather a set of measures to continue responding to the negative effects triggered by the pandemic. Bilbao's strategy reflects the needs identified by the municipality to continue responding to the crisis and developing crisis management strategies. To move from response to recovery, the city council has to design a comprehensive recovery plan that provides a vision of what Bilbao should look like living with COVID-19.

Bilbao City Council has given greater emphasis to the social cohesion budgets to recover from the COVID-19 crisis. Specifically, the city council has dedicated a greater budget to housing. This is particularly important as access to quality housing appears as the first basic defence against COVID-19. In terms of the distribution of the 2021 plan, the budget has been recalibrated to adapt to the needs of the population. Thus, 28% of the total budget (EUR 4.2 million) will be allocated to social cohesion, i.e. EUR 2 million more than in 2020, 65% (EUR 9.8 million) will be allocated to economic and employment recovery and 7% (EUR 1 million) will be devoted to culture. As in the previous plan, social cohesion measures will address situations of absence of income (EUR 425 000), elderly people in vulnerable situations (EUR 1.6 million), people in a situation of exclusion (over EUR 1 million) and family and childhood measures (over EUR 700 000). The economic and employment measures include tax incentives for companies most affected by mobility restrictions, reactivation services, an extraordinary employment plan and aid to businesses, the self-employed, micro enterprises and small- and medium-sized enterprises (SMEs) and entrepreneurs. To support the cultural sector, the Bilbao Aurrera Plan puts into place culture bonuses, a set of creative and cultural projects and subsidies to the cultural associations of Bilbao.

Box 2.3. The Bilbao Aurrera 2021 plan: Extending the city's COVID-19 response

Following the same approach as the past Bilbao Aurrera Plan, the new Bilbao Aurrera 2021 plan had EUR 15 million and 43 measures to be implemented in the first half of 2021. The objective of this plan is to support the sectors most affected by the COVID-19 pandemic. The new plan aims to put people at the centre of COVID-19 response, increase digitalisation in Bilbao and within the municipality

and promote collaboration with other institutions and cities. As the 2020 response plan, the new Bilbao Aurrera plan will focus on social cohesion, economic and employment recovery, and culture:

Social cohesion

- **Absence of income:** The objective is to support people who do not have income or who have lesser income due to the coronavirus situation but who do not meet the requirements of the Social Emergency Aid (AES in Spanish). These people will receive aid to help them meet their basic needs (EUR 425 000).
- **Elderly people in a situation of vulnerability:** The financial allocation *Urrats bat gehiago* will be increased to support the elderly in vulnerable situations from (EUR 150 000 to EUR 325 000). To guarantee housing for the elderly, Bilbao will dedicate EUR 1.6 million, a larger amount than in 2020 (EUR 560 000).
- **People in exclusion:** Bilbao City Council will continue dedicating EUR 1 million to the special fund to house the homeless. Additionally, this fund will also support the hospitality sector (hotels) because of the decrease in bookings.
- **Family and childhood:** The council will devote EUR 526 000 to guaranteeing housing and providing care for families at risk of eviction. Finally, it will also make more resources available for female victims of gender violence (from EUR 50 000 in 2020 to EUR 80 000 in 2021).

Economic and employment recovery

- **Tax incentives and aid:** Bilbao City Council will extend reductions and bonuses in taxes and fees (granting of licences and permits and waste collection taxes).
- **Advisory services:** The city council provides information on grants and subsidies and recommendations on how to manage this crisis. Moreover, an intermediation service has been created to reach agreements about the payment of the rent of commercial premises.
- **Training:** To support businesses and SMEs relaunch their activity, the council is providing digital training services and marketing tools. This measure, developed in 2020, is now reinforced with mentoring actions aimed at digitising small businesses (EUR 200 000).
- **Tourism:** The council will increase digital promotion of the tourism sector and promotion in local markets and reverse promotion with tour operators and prescribers (EUR 225 000).
- **Employment plans:** City council young employment plans 2020/21 and general employment plans (EUR 2 million) are developed to promote employment.

Cultural sector measures

- **Bonus and promotion activities:** These include a culture bonus (EUR 400 000), promotion of activities in the cultural and creative sector (EUR 500 000) and support to the audio-visual sector through the creation of a promotional fund for Bilbao (EUR 50 000) and aid to cultural associations in Bilbao (EUR 885 000).

Source: Bilbao City Council (2020^[6]), *Bilbao Aurrera Plan*, <https://www.bilbao.eus/cs/Satellite?c=Page&cid=1279212055237&language=es&pageid=1279212055237>.

Many city recovery plans aim to create healthy, sustainable, inclusive and prosperous cities by investing in housing, digitalisation and the green economy. Paris's 15-minute city strategy aims to create a polycentric city that is healthy, sustainable, inclusive and prosperous. Amsterdam's recovery strategy is based on a circular economy. In Spain, Madrid City Council approved the City Pacts (Madrid City Council, 2020^[8]; Madrid City Council, 2020^[9]; Council, 2020^[10]), (Echagüe and Semprúm, 2020^[11]) i.e. 352

measures for recovery until the end of 2021 that aim to strengthen municipal investment, employment and culture reactivation plan, and social aid and housing. In total, around EUR 500 million, approximately 10% of the 2021 budget, will focus on compliance with the City Pacts. In addition, Madrid City Council has approved a Special COVID-19 Aid Plan (2020^[9]) of EUR 7.5 million to avoid the closure of private cultural structures. It has also signed an employment plan with unions and employers for EUR 2 000 million. This employment plan (El País, 2020^[12]) aims to finance the measures of the City Pacts and will be used to increase municipal public investment, the budget of the Madrid Employment Agency and the development plan of the southern and eastern districts of Madrid.

Moreover, not all municipal recovery plans have been designed in the same way. For example, between May and June 2020, Malaga City Council, in collaboration with the consulting firm KPMG, organised fora with experts, businesses, banks and public institutions to design a reactivation plan (KPMG, 2020^[13]) for the municipality. In total, the forum gathered more than 1 000 proposals around health, tourism, social cohesion, innovation, the construction sector, trade and industry that have served to shape the Reactivation Plan. The Reactivation Plan aims to transform the productive fabric of Malaga in the medium and long terms and puts a special focus on making Malaga a sustainable city through projects such as a circular economy project with the University of Malaga. Moreover, the recovery plan for 2021-23 has been aligned with the Recovery, Transformation and Resilience Plan of the National Government and the lines of action of the European Commission to allow Malaga to access funding from Next Generation EU funds. For instance, Malaga has requested EUR 1 931 million from the European plan against COVID-19 to finance 67 municipal projects around renewable energy, the energy efficiency of public buildings and sustainable transport. In the same way, Bristol, United Kingdom, used the collaborative processes of the One City Approach to develop Bristol's Economic Recovery and Renewal Strategy (Bristol City Council, 2020^[14]). The One City Economy Board, which has been working on a strategic approach to reducing poverty and inequality, increasing resilience and environmental sustainability and enhancing the economic and social well-being of every community in Bristol, was the group in charge of developing Bristol's Economic Recovery and Renewal Strategy. The strategy was developed using evidence, workshops, webinars and engaging the business sector. It was elaborated through a One City Board consultation and launched in October 2020.

Many local governments have not yet been able to measure the effectiveness of the 2020 recovery packages to respond to the social and economic consequences of the health crisis. In the short term, these packages focused on strengthening care for the most vulnerable and stalling a drastic downturn with subsidies for the self-employed and commercial tenants. In the long term, most cities aim to gradually revive the economy to pre-COVID levels and develop new strategies for the least competitive sectors and drive growth. Bilbao City Council has not yet published a full report evaluating the effectiveness of the Bilbao Aurrera Plan, although there is a commitment of Bilbao City Council to do so. This type of assessment can be useful to determine whether measures have to evolve or if they are adequate and should therefore be replicated. For example, in terms of economic monitoring, Barcelona created a separate entity to manage all areas related to the economy and manage partnerships (Box 2.4). The Centre of Coordination of the Economic Response has a budget of EUR 30 million and a 4-stage strategy that includes a reinvention and relaunch of a growth phase. The creation of this centre allowed the municipality to monitor progress and oversee the state of the centre's measures to tackle the economic crisis caused by the pandemic. In Barcelona as well, the creation of the Economic Response Coordination Centre (CECORE) allowed the city council to adapt its measures according to national rules and the needs of the population. Every few months, CECORE initiated a new set of measures geared at reducing the impact of the economic crisis, promoting employment and supporting vulnerable populations and local businesses. The centre has been particularly innovative in economic reactivation. Many of the economic development tools that Barcelona put in place were quite novel for municipalities in Spain, such as the agency Barcelona & Partners, to attract international investment, the creation of BCrédits to provide microloans and "*Barcelona accelera*" to attract investment from venture capital funds.

Box 2.4. Sixty priority measures to respond to the economic crisis in Barcelona

Created at the start of the pandemic, the Economic Response Coordination Centre (CECORE) completed, as of December 2020, 52% of the 60 measures designed to tackle the economic crisis triggered by the COVID-19 pandemic. CECORE implemented part of its 4-stage strategy thanks to a EUR 30 million budget to tackle 5 areas:

- **Subsidies, aid and funding:** Barcelona City Council developed funding and credit to provide support for small businesses, the social and solidarity economy, the visitor economy and markets. Part of the aid was destined to help local companies go digital. For instance, **BCrèdits** was created to provide microloans of EUR 12 500, the programme *Impulsem el que fas* provided aid for neighbourhood projects and “*Barcelona accelera*” was launched to attract investment from venture capital funds. Almost EUR 290 000 were awarded in direct aid for rents and over EUR 115 000 to help companies go digital. Through the “**Create a job, Barcelona!**” scheme, the city council allocated EUR 1.5 million to hiring unemployed people in Barcelona. Companies were paid EUR 5 000 for each new employee hired under a full-time contract for a minimum of 6 months.
- **Economic development tools:** New tools for Barcelona’s economic development were developed, such as the **agency Barcelona & Partners** to attract international investment, a **plan for the digital transformation of municipal markets** and the Bonus Cultura scheme to subsidise purchases in bookshops, cinemas, theatres, etc.
- **Training and advice:** The Rethinking programme offered advice and training to almost 530 companies and self-employed people to tackle the crisis and prepare for future shocks.
- **Marketing and communications:** Media campaigns and events were developed to promote Barcelona’s economic fabric. Events included the BizBarcelona, the Employment Fair, Barcelona Expat Week and the website Barcelona Safe City.
- **Administrative changes:** The city council cut the average time frame for payment of providers to 20 days. It also made more flexible the criteria for permits for terraces in public spaces and cut by 75% the tax on terraces until the end of 2020.

Source: Barcelona City Council (2020^[15]), *Barcelona Never Stops*, <https://www.barcelona.cat/reactivacioeconomica/en#recuperem-l-activitat>.

Social impacts of the COVID-19 crisis on Bilbao

Since the start of the pandemic, there has been an increase in the number of households facing difficulties to cover basic living costs. In Spain, Caritas, a confederation of the social organisations of the Catholic Church in Spain, reported a surge in requests for help since the country entered national lockdown on 14 March 2020, mainly for food, medicine or assistance in covering basic living costs. The number of requests for help increased by 77% since the crisis began, especially requests over the phone, through social networks and on the web. According to the association, 26% of those seeking help were doing so for the first time. This may be explained by the abrupt halt of activity in many sectors. The Spanish Red Cross spent EUR 11 million on helping more than 1.3 million people during the first 2 months of the pandemic, by directly assisting vulnerable people such as the homeless, unemployed, disabled people and victims of domestic violence. Moreover, 3 out of every 10 households have had no income during the crisis and severe poverty (less than EUR 370 for 1 person and less than EUR 776 for 2 adults and 2 minors) has increased by 30%.

COVID-19 impacts on elderly populations

A quarter of Bilbao's population (24%) is over 65 years of age. Nursing centres were one of the main sites of transmission in Spain. In the country, 16 937 deaths have been recorded in nursing homes during the coronavirus crisis' first wave, representing around 39% of the 42 542 fatalities recorded (Costa-Font, Martin Jimenez and Viola, 2021^[16]). Although nursing centres are not under the jurisdiction of municipalities, it was crucial to ensure the safety and well-being of the elderly. As a first response, Bilbao City Council made around 27 000 calls to people over 65 years old to learn about their state of health and situation (notably, loneliness and level of autonomy) and verify if they needed any services from the municipality.

COVID-19 impacts on young people

Young people have seen their mobility, social relations and independence considerably limited during the pandemic. The lack of social connection and movement has had a great impact on the mental health and social development of our younger generations. For young adults, the pandemic has limited their capacity to integrate into the labour market and has reduced their capacity to live independently.

COVID-19 impacts on women

The COVID-19 pandemic has proved to worsen the situation of women and girls throughout the world. For instance, in the first 2 weeks of April 2020 alone, there was a 47% increase in calls to Spain's domestic violence helpline. In contrast, the city of Bilbao has noted that violence against women remained stable during the pandemic and increased after coming out of lockdown. Moreover, women reported being more worried about the COVID-19 pandemic than men in the 2020 opinion survey (Bilbao City Council, 2020^[2]) conducted in Bilbao. Health services reported an increase in the number of calls and cases of psychological distress because of the pandemic. In addition to health, the increasing digitalisation of services has triggered a new set of challenges to digital service access, which is particularly visible among women. Bilbao's Equal Opportunities Department observed that the digital divide from March to November 2020 decreased for young women but increased for women older than 65 years old (Council, 2021^[17]).

COVID-19 impact on people with disabilities

The health crisis has had a profound impact on people with disabilities. Almost 9% of the Spanish population, i.e. 3.8 million people, have some type of disability, according to the National Institute of Statistics (INE, 2000^[18]). The COVID-19 pandemic has added additional pressure on those with existing physical health conditions and created insecurity in terms of the continuity of healthcare for people with disabilities in countries all over the world. In Spain, more than 400 people with disabilities in the residential centres of Plena Inclusión, which brings together 935 associations in Spain, have died from COVID-19 in 2021 (Tododisca, 2021^[19]). According to the Spanish Confederation of People with Physical and Organic Disabilities (COFEMFE), since the start of the pandemic, 73% of people with disabilities have seen their medical appointments delayed, 56% have seen their health worsen, 40% have had their treatments interrupted, 20% have been refused social healthcare and 37% have experienced a setback in their rights (Tododisca, 2021^[19]). Online education has deepened the educational gap for children with learning disabilities, who were deprived of educational support during the pandemic. Further data are needed to better understand the impact of the COVID-19 pandemic on persons with disabilities in Bilbao.

COVID-19 impact on the migrant population

Migrant populations have suffered disproportionately from the consequences of the pandemic and have seen an increase in social stigmatisation. Almost 14% of people living in Bilbao are of foreign heritage. In the municipality, migrant communities have experienced an increase in housing insecurity, poverty and

unemployment during the pandemic. In particular, it has brought to light the catastrophic consequences of isolation, the digital gap and poor-quality housing in migrant communities.

Bilbao's response to the social crisis brought on by COVID-19

Response measures regarding inequality

Bilbao City Council focused on addressing structural inequality by putting in place inclusive measures, especially to support vulnerable households. From the beginning of the crisis, the Social Affairs Department readjusted its internal mechanisms to develop a rapid response to the pandemic and serve residents' needs. The municipal budget dedicated to social actions was of EUR 3 million from the Basque government and EUR 1 million from other institutions. With this budget, Bilbao's Social Affairs Department improved the quality of social services to mitigate the consequences of the health crisis. The social cohesion measures of the Bilbao Aurrera Plan aimed to support the people most affected by the COVID-19, such as people with no income, the elderly in vulnerable situations, people at risk of social exclusion, and families and children.

During the pandemic, the objective of the Equal Opportunities Department was to prevent and solve the negative effects of the COVID-19 crisis on women. To support women, health services reinforced telephone assistance and increased their coverage to inform women that their services were still operational. Moreover, the city council developed measures directed at families and children (EUR 360 000) to guarantee care, and strengthen and adapt existing programmes to address situations of lack of protection and intra-family conflicts aggravated by confinement and requiring intervention. Measures included access to economic resources for female victims of gender violence and their dependents (EUR 50 000) and strengthening existing programmes for female victims of gender violence.

The Equality Opportunities Department's objective for 2021 was to maintain effective co-ordination with administrations and improve prevention with clear and concrete messages that take into consideration the diversity of women. To better respond to health concerns linked to gender, the municipality has signed a memorandum of understanding with universities to study the Municipal Health Plan from a gender perspective and include gender indicators in future health plans. The city council also wants to work with companies to obtain data on how local companies use teleworking measures.

Response measures for information access for everyone

In Bilbao, maintaining effective communication with citizens was one of the main difficulties of the pandemic. Following the example of the Auzokide Plan (Bilbao City Council, 2020^[20]), Bilbao's district councils have played a key role in ensuring communication with citizens. In this regard, Bilbao's decentralised model of participation has allowed to better connect citizens with the municipality. During the first months of the pandemic, the city council worked on ensuring face-to-face services and developing an e-administration to allow citizens to upload documents, census registration and birth registrations. Bilbao City Council also installed new Wi-Fi points to facilitate work from home and improved technology support to ensure the development of municipal activities. At the same time, open government initiatives, a transparency portal and open data were used to improve citizen engagement. Yet Bilbao has to continue modernising services available to citizens to ensure that all citizens can access municipal services.

Response measures for increased civic engagement and solidarity measures

Civic engagement and solidarity have proven to be key in ensuring safety and well-being. Bilbao has a long tradition of civic engagement, which dates back to the 1980s. Bilbao has been working on increasing citizen participation by developing a Civic Engagement Department Strategic Plan for 2019-23. For

instance, to better adapt to the needs of residents, Bilbao City Council surveyed residents on their views and perceptions regarding the scale of the pandemic and the response actions of the city council. Moreover, programmes, such as the Auzokide Plan (Bilbao City Council, 2020^[20]) that decentralises part of the budget to implement projects proposed by neighbours and associations, have turned into crucial tools to promote social and urban cohesion in the context of the pandemic. The Auzokide Plan is an investment of EUR 48 million over 4 years, which represents approximately EUR 1.5 million per district to implement projects. As part of the COVID-19 recovery, it will be vital to align such existing programmes to the needs of residents. Therefore, district councils, made up of residents and political groups with municipal representation, could play an important role in adapting civic participation initiatives and projects to the new normal.

The Bilbao Balioen Hiria project started as a co-creation and citizen participation process and offers a space for analysis, dialogue and collaboration between institutions, businesses, schools and citizens to promote this framework of shared values in Bilbao. This predates the pandemic; however, the social infrastructure created through this process became a tool for citizen engagement. During the pandemic, it was used to raise public awareness. The Charter of Values allowed the city council to mobilise citizens to care for isolated elderly residents for instance. In another instance, it served as an important feedback tool. The city council surveyed residents and businesses involved in the Bilbao Charter of Values to better understand citizens' perceptions of the actions of the municipality during the crisis. Results showed that almost 80% of participants affirmed the city council was responding to the crisis according to the charter's values. International examples such as Paris's Resilience Strategy or Bristol's participatory Economic Recovery and Renewal Strategy demonstrate the importance of building a common language with citizens and co-creating strategies and actions with citizens. Although there is little data on the reach and impact of the Bilbao Charter of Values in the city, this charter starts to provide a frame to promote social and urban cohesion during the crisis and beyond the pandemic.

Response measures: Care for the elderly

Bilbao City Council sees supporting the elderly in Bilbao as an imperative and a way of promoting the silver economy in the city. Moreover, the council put in place a financial allocation of EUR 150 000 (*Urrats bat gehiago* in Basque) to support the elderly in vulnerable situations. Currently, the city council is planning to create a community housing fund of EUR 560 000 for those who need alternative accommodation and to prevent isolation and dependency. In collaboration with a research group from the University of the Basque Country, the city council is working on developing the Mugi Adin programme to address the vulnerability of the elderly population and help them recover an active lifestyle in a safe and close environment. The programme, which will be carried out by local businesses and entrepreneurs, aims to promote entrepreneurship in Bilbao in the silver economy. The Mugi Adin programme, which is part of the Bilbao Aurrera 2020 strategy, promoted a working group of public institutions, universities and the private sector to create synergies and new business opportunities in the field of the silver economy (EuropaPress, 2021^[21]).

Response measures: Youth policies

Cities across the OECD area have improved a range of strategies targeted at youth (Box 2.5). The Aurrera Plan included an employment plan for young people with a budget of EUR 2.2 million. Currently, there is little data on the specific lines of action related to this budget. To understand the goals and concerns of young people in Bilbao better, in January 2021, Bilbao City Council started a participatory process that includes young people in the creation of municipal youth programmes. More than 40 participants 15 to 30 years old joined a series of online meetings to discuss the future of sustainability, housing, entrepreneurship, learning, culture, leisure and sport, and volunteering in Bilbao, among other topics. The results of this participatory process will be included in the Bilbao Hiri Gaztea 2021-2023 strategy, which

aims to make Bilbao an attractive city for young people. Most participants aged 19-25 stressed their fear of not being able to emancipate and raised concerns about the environment and climate change. Preliminary results of this discussion forum highlighted the municipality's need to continue working towards sustainability and gender equality, whilst improving access to housing and innovation hubs for young people.

In June 2021, Bilbao launched a new pilot project to house young entrepreneurs in a space that combines accommodation and shared workspaces. This co-living initiative supported by Bilbao City Council aims to provide temporary housing for young people in science, technology, engineering and mathematics (STEM) and art sectors who are completing university education and those carrying out research projects in Bilbao.

Box 2.5. Selected examples of city responses to the impact of COVID-19 on youth

Young people have been particularly impacted by the COVID-19 crisis. Some cities have put in place specific programmes to support children, teenagers and young adults, especially on education and access to employment.

- **Rotterdam** (Netherlands) put in place a budget of EUR 2.4 million to support home-schooling. The programme allowed 6 000 children from disadvantaged families and areas to enrol in extra classes during the summer to prevent them from falling behind.
- **Paris** (France) provided families paying the lowest canteen rates with an aid of EUR 50-150 per month and an extra EUR 50 for the second and third child to ensure that all families in Paris could have access to food. This scheme benefitted more than 52 000 children in Paris. Moreover, Paris City Council allowed children of healthcare and emergency responders to continue attending school in person to ease childcare.
- **Vienna** (Austria) invested EUR 17 million to support 16 000 young people without employment. The package includes vocational training and support to start a career in health and information technology (IT).

Source: OECD (2020^[22]), "Cities policy responses", <https://www.oecd.org/coronavirus/policy-responses/cities-policy-responses-fd1053ff/>.

Response measures for vulnerable populations

Bilbao City Council has put in place several initiatives to meet the needs of migrant populations and promote their integration. These initiatives focus on communication, reinforcing a sense of belonging, working with social initiatives (i.e. solidarity networks) and designing long-term flexible and agile policies. For instance, the local board on immigration, created in 2011, shared and adapted information to prevent COVID-19. The city council also co-ordinated with the Muslim community of Bilbao through mediators to raise awareness of the challenges of COVID-19 during Eid and developed COVID-19 training to prevent the spread of the virus.

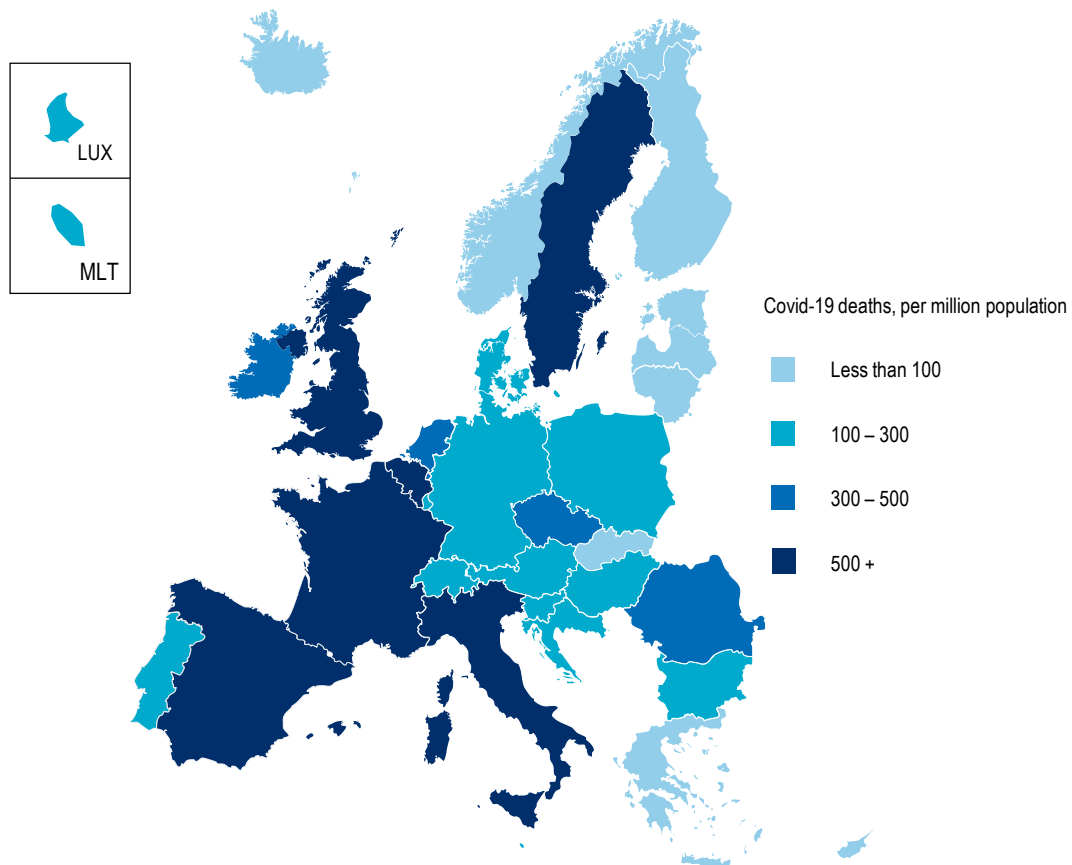
During the worst months of the crisis, the city of Bilbao increased the coverage of its anti-rumour strategy to promote critical thinking and raise awareness of the negative effects of stereotypes and prejudices. The city council has a Municipal Plan for Citizenship and Diversity that all municipal departments must follow to improve language diversity, guarantee access to municipal resources for foreigners, deconstruct stereotypes and fight discrimination. This strategy applies to all sectors where the municipality has competencies: education, neighbourhoods, public services, culture, leisure and public space. The aim is to prevent discrimination and create an intercultural society that promotes values of equality,

non-discrimination and a sense of belonging. Moreover, Bilbao City Council participates in intercultural city networks to measure progress and learn from comparisons with other cities.

Health, urban development and environmental impacts

In Spain, the first diagnosed COVID-19 case was reported on 1 February 2020, followed by a rapid increase in the second half of March 2020. The number of new daily cases and deaths peaked in early April. Spain recorded over 950 excess deaths per million people between March and June. Spain had one of the highest excess death rates in Europe as of October 2020 (Figure 2.3.). With more than 370 deaths from March to August 2020, Bilbao was one of the most affected cities by the first wave of the pandemic, along with other European cities such as Barcelona, Brussels, Madrid and Milan (El publico, 2020^[23]). Thus, Bilbao's immediate goals included creating places where people could safely play, exercise or walk to increase people's well-being.

Figure 2.3. Reported COVID-19 deaths per million population as of October 2020



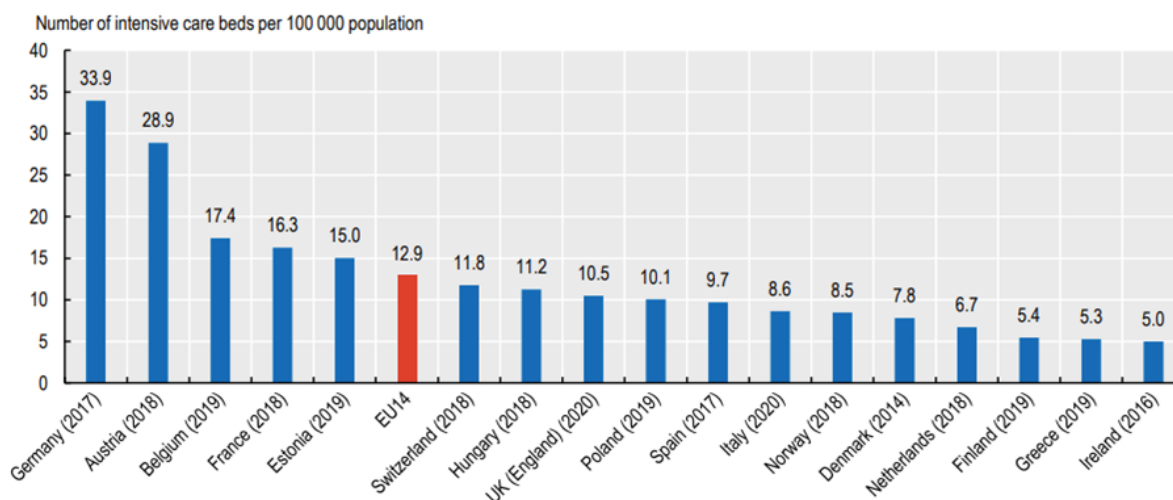
Note: Data comparability is limited due to different reporting practices.

Source: OECD/EUROPEAN UNION (2020^[24]), "How RESILIENT HAVE EUROPEAN HEALTH SYSTEMS BEEN TO THE COVID-19 CRISIS?", <https://doi.org/10.1787/85e4b6a1-en>.

Although life expectancy in Spain is the highest in Europe (83.4 years), the capacity of the health system was lower than the OECD average going into the crisis. Spain had fewer intensive care beds at the start of the crisis but the number had more than doubled at the peak of the crisis during the first wave in 2020 (Figure 2.4.). In Biscay, there were 118 medical staff per 100 beds occupied and 217 nursing staff per

100 beds occupied in 2018. All of this translated into around 3 hospital beds available per 1 000 inhabitants in Biscay. During the pandemic, this number was insufficient to cope with the rising medical needs of the population. Moreover, many elderly people in Spain live with chronic diseases and disabilities.

Figure 2.4. Intensive care unit beds pre-COVID-19 crisis



Source: (OECD/European Union, 2020^[25]), "How resilient have European health systems been to the COVID-19 crisis?", in *Health at a Glance: Europe 2020: State of Health in the EU Cycle*, OECD Publishing, Paris, <https://doi.org/10.1787/85e4b6a1-en>.

Resident satisfaction in the management of the COVID-19 crisis in 2020 varied by age group and neighbourhoods across the city. The practice of checking in periodically with residents can offer valuable insights into how policies are experienced by the constituents they are intended for. It can help improve the city administration's efficiency and builds evidence on what works or works less well and for whom. In Bilbao, according to a municipal survey (Bilbao City Council, 2020^[2]), 54% of respondents affirmed that Bilbao City Council had managed the COVID-19 crisis well. The most positive age groups were citizens over the age of 64, citizens between 55 and 64 years old and 18-24 years old. At the neighbourhood level, residents from Basurto/Zorroza, Deusto and Rekalde were the most satisfied with the city council's management. Citizens from some of the neighbourhoods with the lowest family income in Bilbao (Begoña, Ibaiondo and Otxarkoaga/Txurdinaga) were the most dissatisfied. In this case, it would be important to revisit and follow up with the constituents and neighbourhoods that were satisfied with their experience overall, to identify the practices to keep and the needs or gaps felt by those that were less satisfied and pinpoint the practices to improve.

Neighbourhoods with concentrated poverty and access limitations also appeared more dissatisfied with the city's response to the crisis. This may point to a different set of response requirements needed for low-income households and communities than those that were provided citywide. Similar to many cities across the world, the impact of COVID-19 was disproportionately felt in low-income neighbourhoods and households because of over-crowding in homes, isolation and limited service provision in these areas. In Bilbao, there are a series of inequalities in terms of housing and accessibility between neighbourhoods. These inequalities are sometimes linked to the neighbourhoods where the average income per person is lower (Bilbao Observatorio, 2021^[26]). For instance, the neighbourhoods of Bilbao la Vieja, Otxarkoaga and San Francisco were reported as the neighbourhoods that need more attention in a recent survey (Bilbao City Council, 2020^[2]). Residents from Otxarkoaga were the most dissatisfied with the city council's crisis management according to a municipal survey. This is especially visible in old buildings and in areas where the topography of Bilbao creates accessibility concerns.

Response measures: Focus on accessibility

To respond to COVID-19 and adapt to the needs of the population, Bilbao City Council used its Sustainable Urban Mobility Plan as a guide and mobility data – entrance, exits, number of travellers, occupancy of parking spaces, public transportation ridership. Using this data, the council acted fast to change the entire mobility flow of the municipality in one week to reduce capacity and reinforce services. The Bilbao Mobility Department also changed how the municipality managed parking areas to expand delivery and loading areas of essential goods and restrict private vehicle use during the first months of the pandemic.

Data analysis was a key tool to continue accelerating Bilbao’s sustainable urban mobility plan. The municipality focused on health and safety by prioritising pedestrians and non-motorised vehicles. To do so, more space and longer traffic light time were allocated to pedestrians. Moreover, the city council recommended taking routes and schedules that were compliant with social distancing. As in other cities across Europe, the use of bikes increased in Bilbao. On the second day after movement restrictions eased in 2020, Bilbao registered 64 000 bike passes from both public and private bike services. Bilbao’s bike share service also registered an increase in bike use per day and had to double its fleet. This has been a goal of the Bilbao Sustainable Urban Mobility Plan, which had increased the number of bike lanes and implemented bike share electrical services. These measures have been widely approved by Bilbao citizens. In a municipal survey conducted in May 2020 (Bilbao City Council, 2020^[2]), 80% of respondents affirmed temporarily making roads pedestrian-friendly was a very good idea and 76% thought that reorganising pedestrian traffic to ensure a safe distance was a very good idea. However, only 39% of respondents thought that removing parking spaces to broaden pavements was a good idea.

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3

Harnessing digitalisation and SDGs for long-term resiliency

This chapter assesses the city's efforts to become a smart city and mobilise the United Nations (UN) Sustainable Development Goals (SDGs) for long-term planning and resiliency. First, it assesses Bilbao's smart city plans and Digital Transformation Agenda, in particular, how it has been incorporated into the city's development processes and whether the city is optimising its agenda for long-term resiliency. In addition, this chapter explores how Bilbao City Council has integrated the SDGs into the city's management frameworks including the Municipal Mandate Plan (2019-2023) and Charter of Values, and if they are aligned to deliver the city's long-term goals.

Introduction

The City Council of Bilbao has made strides in engaging in long-term planning to prepare for the future, transforming a selection of city plans and approaches to converge around a 2030 benchmark. This chapter will unpack and assess two 2030 priorities that have been established by the city.

- A first priority is Bilbao's smart city strategy. This strategy is rooted in the recognition that digital and technological advancements will affect many aspects of urban development, requiring preparation to seize opportunities such as greater economic growth, efficiency in service delivery, expanded market reach and access for small- and medium-sized enterprises (SMEs) and entrepreneurs as well as possible gains in talent, and better resident outcomes. At the same time, the city needs to address the challenges related to digitalisation and technological progress, which may exacerbate exclusion and isolation, poverty, digital dependency and cyber vulnerability, increased natural resource use and pollution. The city's strategy is outlined in its Digital Transformation Agenda 2030 Box 3.1.
- A second priority is the Sustainable Development Goals (SDGs), which the city has adopted within its Municipal Mandate Plan (2019-23) and Charter of Values for local use and guidance. The SDGs offer a clear and stable framework to guide governments in shaping a transformative recovery from COVID-19. They can be a powerful tool to design response and long-recovery strategies, as they offer a framework by which local and place-based priorities can be identified. They can also help foster co-ordination across levels of government as well as prioritise investments and resources to recover from the pandemic. Finally, the SDGs offer governments an opportunity to engage with all of society – including the private sector and civil society.

With both priorities, the city seeks to build long-term resiliency that will allow it to sustain growth and economic health, achieve social cohesion and progress, recuperate quickly from disruptions, become an attractive and vibrant place for people and businesses, and, most importantly, achieve a better future for residents. The first part of this chapter will review and assess the city's smart city and digital transformation agendas. The second half will review how the city has made efforts to mainstream the SDGs throughout municipal plans to reach desired end values.

Bilbao's smart city approach

Bilbao is turning to technology and smart city solutions to build a more liveable environment, boost economic growth and employment, improve service delivery and create a more inclusive society. Developments in digital technology provide an opportunity for city government, citizens, businesses and non-governmental organisations (NGOs) to change the way the city is managed and the way people exercise their right to the city. However, as the OECD has found, the rapid diffusion of new technologies is not a guarantee that all citizens will automatically benefit from them (OECD, 2020^[1]). It is important that smart city strategies are designed, implemented and monitored as a tool to improve or enhance well-being.

Bilbao's Digital Transformation Agenda 2030 is at the centre of the city's strategy to leverage technology to boost economic development and promote social cohesion (Box 3.1). Bilbao's smart city agenda includes a wide array of actions and initiatives that range from the build-out of Zorrotzaurre Island (new neighbourhood and future technology hub of Bilbao) to employment training programmes to attract and generate talent, as well as actions to expand public Internet access (Figure 3.1). While it is too early to say whether those actions have had a positive on the city's growth or inclusion aspects, Bilbao's goal is to leverage these efforts to transform itself into a smart city where technology is used to: develop, attract and retain talent; foster entrepreneurship; foster innovation and transfer of knowledge; and spur economic activity to compete in a global context.

Figure 3.1. Selected smart city initiatives and actions in Bilbao

Fields of smart city	Selected smart city initiatives and actions in Bilbao
Innovation, entrepreneurship and the generation of economic activity	<ul style="list-style-type: none"> • Intelligent Innovation and Specialisation Strategy (iBilbao 2020). • Innovative Urban District of Zorrotzaurre (island of knowledge). • Development of the Advanced Services Centre for Industry 4.0 and the Digital Economy AS Fabrik. • Development of the Old Town as a commercial, cultural and coexistence space. • Promotion of digital innovation in tourism to make Bilbao an intelligent tourist destination (BIOTIP).
Knowledge and talent	<ul style="list-style-type: none"> • Employment plans and training programmes. • Bilbao University and Knowledge City – new training centres. • Promotion of the “educating cities” project.
Digital society and economy	<ul style="list-style-type: none"> • Bilbao TIK – Tech Company of Bilbao City Council. • Extension of free Internet connection via Wi-Fi to leisure areas and facilities in the neighbourhoods. • Consolidation and standardisation of e-government. • Update of the transparency portal.

Source: Elaborated based on the projects listed in Bilbao City Council (2019^[2]), *Municipal Mandate Plan 2019-2023*, https://www.bilbao.eus/cs/Satellite?c=Page&cid=1279123253052&language=es&pageid=1279123253052&pagename=Bilbaonet%2FPage%2FBIO_contenidoFinal (accessed on 2 February 2021), and the presentations given to the OECD team by local officials during the fact-finding mission.

Box 3.1. Bilbao’s Digital Transformation Agenda 2030

The agenda has two main objectives:

- Reinforce the digital economy to create jobs and wealth through the provision of new digital public and private services with particular emphasis on mobility, trade and the elderly.
 - Digitalise the different ecosystems of the city that have a high impact on social development and quality of life and can create new business opportunities.
 - Provide small businesses with advanced management and personalised sales tools.
 - Strengthen advanced digital services and cybersecurity.
- Digitalise 100% of public services and move towards a system of personalised public services.
 - Implement a data-driven government strategy.
 - Adopt solutions based on sensors and real-time analysis and control systems to implement advanced data analytics to provide advanced services.

The agenda includes four strategic lines:

1. **New smart services for small businesses** – to strengthen small businesses by improving the value offered, taking advantage of the opportunities that global digitalisation and new advanced services for small businesses can provide throughout the entire value chain.
2. **New modes of sustainable urban mobility** – to take sustainable mobility even further by taking advantage of all of the opportunities digitalisation has to offer.
3. **Smart living** – to deepen, progressively, the digitalisation of public services that have a high impact on social development and quality of life, in particular of the elderly.

4. **Advanced digital services of the municipal administration** (e.g. remote healthcare, automated transport services, 5G connectivity) – to modernise municipal processes through a strategy of data management, automation and advanced analytics.

Source: Author's elaboration from interviews with the Bilbao local team (2020).

Bilbao strives to be a collaborative, “opportunity-creating” smart city. It works with a wide number of stakeholders to encourage them to actively develop innovations leveraging existing physical and social infrastructure in specific areas of the city. The urban regeneration project in the Zorrotzaurre Island neighbourhood is currently Bilbao's flagship project where the city's digital and technological strategy intersects with the spatial, economic and sustainable development plans. The project aims to revitalise the neighbourhood that has been in continuous social and industrial decline since the 1980s and convert it into a connected and sustainable area with affordable housing and a zero-emissions industrial area.

Carving out physical space to spur a smart Bilbao

The Innovative Urban District Project, in Zorrotzaurre Island, is one of the flagship projects of Bilbao City Council for urban regeneration and economic activity. It is part of the land reorganisation strategy approved in November 2012. The project consists in building an urban technology park where people can work and live. It will have spaces accommodating companies with a high technological component and a high degree of creativity and innovation in strategic sectors such as advanced services for industry, digital economy and creative and cultural industries. The work will be carried out with the support of a wide number of stakeholders from the business sector (Zorrotzaurre Management Commission, 2012^[3]).

As part of the urban technology park, the city government leads the AS Fabrik Bilbao project to improve the competitiveness of local companies through training in technological services 4.0 (data analytics) and thereby contribute to the digital transformation of the industrial sector. The aim will be to position Bilbao, and the urban technology park, as a node for knowledge and the generation of new economic activity. Stakeholders participating in the project come from areas such as aerospace, manufacturing, research and software development.

The Zorrotzaurre Island project holds the potential to test smart solutions in a real-life context to understand their effects on residents and public infrastructure. Bilbao's extensive experience with urban regeneration projects and the possibility to dedicate public space to technology development and innovation, in addition to accommodating residents, provides the city with an opportunity to create a living laboratory to test projects before scaling up. Feedback could come from a range of stakeholders, including civic organisations, residents and businesses, given the intended neighbourhood mix. The project could also prompt co-creation of tailored solutions to citizens' needs. However, local authorities need to ensure that residents in Zorrotzaurre Island are representative of the entire population. An important way forward is therefore to ensure that housing in the area has a strong affordability component and to prioritise the resident income mix on the island.

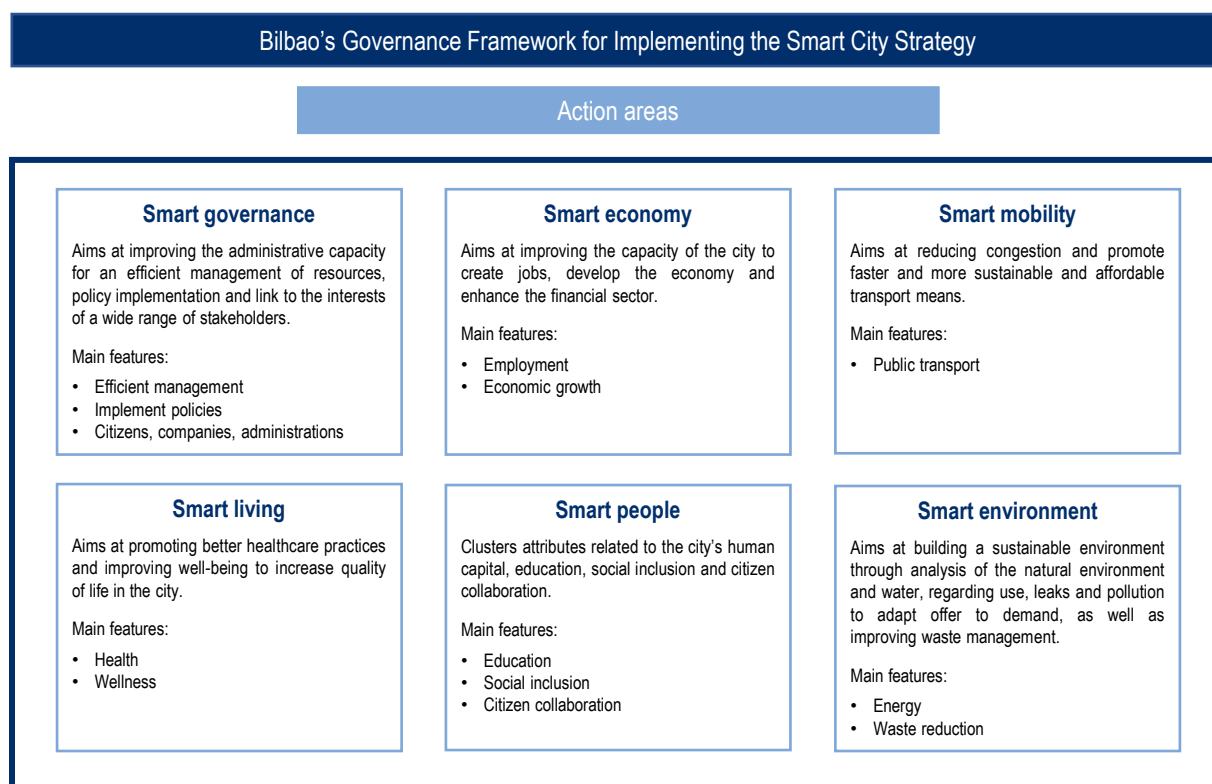
An assessment of Bilbao's digital transformation

Bilbao has made progress in becoming a smart city but institutional and capacity obstacles remain. A key challenge is to develop a culture of continuous innovation and take full advantage of emerging technologies to benefit citizens and businesses and enhance quality of life. Ongoing inequality issues such as the digital access gap, high unemployment especially among youth and the fact that many SMEs lag behind the digital transition may prevent people and certain enterprises from benefitting from the advantages of digitalisation. For example, although there is a high level of Internet access in Bilbao, digital literacy, i.e. the skills to understand and benefit from the new technologies, is particularly problematic among the elderly

and women. In light of COVID-19 and the acceleration of digitalisation of workplaces and education, both digital access and literacy are becoming a requisite. Without intervention to contain and reduce the digital divide, this could exacerbate poverty and social exclusion, depriving some citizens of the resources for wealth generation and well-being.

Most of Bilbao's smart city-related initiatives or actions are in their early stages of design. Currently, Bilbao has a number of initiatives that contribute to the shift towards a smart city. In particular, the Digital Transformation Agenda and Governance Framework for Implementing the Smart City Strategy offers an overarching vision, goals and actions, and provides an inclusive approach Box 3.1) (Box 3.2) and Figure 3.2). The governance framework includes six cross-disciplinary action areas focused on governance, economy, mobility, living, people and environment, where technology and digitalisation are to be applied to improve life in the city. The actions focus on the internal operations, service provision, quality of life dimensions, sustainability and human development. To drive inclusive growth, it would be important that investments in smart city strategy enhance access to services and places, an opportunity for economic and social inclusion, and that the benefits are equally distributed throughout neighbourhoods and communities at every income level, while ensuring challenges do not result in a disparate impact on certain populations, causing greater social and economic divides. Although this progress is welcome and contributes to the digital transformation, Bilbao is at the beginning phase of end-to-end smart city solutions (i.e. including both hardware and software solutions, without the need for a third party); its different smart city initiatives are still not mature enough to be assessed and pilots are in the proof of concept phase. The urban technology park of Zorrotzaurre Island has been in the making for almost a decade. However, other smart city initiatives are less advanced. Most of the priority actions listed in the Municipal Mandate Plan 2019-2023 are in their design phase.

Figure 3.2. Areas of action for the implementation of the Bilbao smart city strategy



Source: Based on the presentation Bilbao Smart City Strategy 2019-2025 provided by the city of Bilbao.

Bilbao's Digital Transformation Agenda could benefit from a collaboration model that breaks down silos. Although the proposed agenda includes a governance model, its implementation requires knowledge sharing and co-operation among actors from different sectors, as neither local authorities nor urban planners can run the strategy on their own. Bilbao needs to enhance collaboration across academic institutions, industry, public authorities and local communities. This collaboration could build on existing forms of collaboration that currently exist across actors in the city's ecosystem. For example, actors from academia, the private sector, government institutions and citizens work together on specific projects such as the urban technology park and the implementation of the smart specialisation strategy.

Bilbao city government has set a governance model to facilitate the progressive implementation of the Digital Transformation Agenda but it needs to avoid the agenda becoming a silo itself. The Strategic Office for the Digital Transformation and the Operative Management Group include members from different areas of the administration, creating a broader representation. However, the Municipal Mandate Plans, Zorrotzaure neighbourhood regeneration plans and local application of the SDGs, not to mention the city's COVID-19 recovery plans are implemented in parallel with each other on different timelines and at different stages. Such strategies were born out of different plans and processes. Without effective integration to align and connect the various programmes, the items on the Digital Transformation Agenda may be disconnected and develop on a different track. Bilbao needs to ensure that this agenda does not become a separate issue outside of ongoing urban development, regeneration and economic development plans and strategies.

Current initiatives could benefit from defining explicit outcomes to measure progress and a timeline for their delivery. For example, the smart specialisation strategy (iBilbao2020), which is the most consolidated initiative in the city, presents a diagnosis of the city's main weaknesses, strengths, challenges and opportunities. It includes a list of priority spheres and sectors but there is no specificity on the outcomes expected to be achieved or parameters against which performance evaluation could be made.

The development of open, city-wide databases and platforms is limited. This is a crucial part of smart city development as such tools can help stimulate innovation by enabling citizens and businesses to leverage data for creating smart city solutions. The elaboration of the Digital Transformation Agenda already identified strategic technologies for new urban solutions such as: advanced analytical and artificial intelligence systems; sensorisation, creating an Internet of Things (IoT) platform integrated with other systems, real-time control systems, 5G communications and advanced image analysis devices and systems. The implementation and development of these technologies in Bilbao will require solid, reliable and safe technological infrastructure, data capability and regulatory frameworks that ensure safe use in urban solutions and sustainability over time to improve levels of quality of life.

The link between smart city actions and initiatives for sustainability and inclusive growth objectives could be further reinforced. The draft of the Digital Transformation Agenda 2030 referenced for this report and the smart specialisation strategy do not make reference to explicit measures to protect the environment, tackle climate change or advance inclusive economic growth. Indeed, some actions will make an indirect contribution to environmental goals such as the focus on urban mobility and the promotion of public transport. Moreover, although the development of eco-technologies is a priority area of the smart specialisation strategy, the business fabric and the companies involved in renewable energies are budding. This is important because a smart city is not just a city with high technological development levels but it should also be an environment-friendly city that incorporates sustainability criteria in all relevant aspects of the economy, mobility, quality of life and built environment. The Bilbao Smart Strategy 2019-2025 includes "smart environment" as one of its six axes, which refers to energy, water and waste management but not to a strategy to mitigate climate change. It does aim to protect the environment for the future but it lacks linkages to an overarching strategy for environmental protection and climate change mitigation. Furthermore, a key feature of a smart city is that it also anticipates potential gaps in goods and services and offers alternatives to increase accessibility and promote inclusion. While the governance framework includes a strategy for "smart people" focused on human development, which includes social inclusion, it

is not expressly linked to its “smart economy” action area and economic inclusion, where there can be a meaningful impact on inclusive growth.

Bilbao lacks a capability assessment to determine if it can implement the digitalisation priority actions set in the Municipal Mandate Plan. Indeed, the plan sets an ambitious agenda with 100 priority actions to be conducted between 2019 and 2023, including the Digital Transformation Agenda. The implementation of such an agenda would certainly require public funds and qualified and experienced human resources. The strategic planning documents available contain a diagnostic of the city’s installed capacity but are not explicit about how this can be harnessed or leveraged to make the digital transformation a reality. Bilbao should assess the quality of its connectivity, data collection and storage, cybersecurity, technology, culture and appetite to support city management, enhance sustainability and improve well-being. City leadership is attuned to the strengths and weaknesses of the digital ecosystem but it is less clear what is needed to achieve the smart city vision, including the way to measure and monitor effectiveness.

There is therefore an opportunity to set performance measures for Bilbao’s smart city-related initiatives. Bilbao, like any other city, assesses its performance on multiple fronts. However, Bilbao may need to establish a baseline against priority areas where a smart city initiative will most likely contribute. Building performance measures needs a clear, agreed-upon understanding of the administration’s smart city definition, objectives and approaches. With this foundation, goals in the short-, medium- and long-term can be set, indicators established, quantifiable targets defined and performance measured.

Bilbao would benefit from the development of a roadmap to help direct the implementation of its different smart city initiatives for long-term planning. Given the comprehensive approach and the municipality’s smart city plans and the breadth of topical areas, building a roadmap should address how Bilbao will move towards becoming a smart city connecting the different initiatives or projects. A roadmap would also help the city plan and prioritise not only actions but also enabling factors such as funding, staffing, partnerships and other resources. In the event of unexpected circumstances, the ability to adjust the roadmap to fit the new context and available opportunities are valuable.

The role of the SDGs in Bilbao’s long-term resiliency

An assessment of municipal activities on the 2030 Agenda

In 2018, Bilbao City Council decided to start working on the SDGs and conducted an analysis of its political activities linked to the 2030 Agenda. Between November 2018 and January 2019, the city council held 17 meetings with the different municipal directorates to analyse the link between its Municipal Mandate Plan and 7 cross-cutting municipal strategies¹ with the 169 SDG targets in order to provide a guideline for the municipality’s future work on the 2030 Agenda. The Municipal Mandate Plan is the city government’s strategic roadmap for the current legislative period. It is the main institutional framework of the local government, covers all political areas of the city council’s responsibilities and serves as a guideline for the city administration. The plan for the 2015-19 term consisted of 10 strategic axes, 41 strategic objectives and 129 strategic lines of actions that were evaluated as part of the city council’s assessment that was undertaken in collaboration with the United Nations Educational, Scientific and Cultural Organization (UNESCO) Basque Country Centre. The starting point of the meetings with the different directorates of the city council was the observation of a lack of knowledge about and awareness of the SDGs across the different departments, as well as a lack of monitoring mechanisms for the 2030 Agenda.

The alignment of the Municipal Mandate Plan with the SDGs

Bilbao’s current Municipal Mandate Plan 2019-2023 is aligned with the 2030 Agenda and the SDGs. In 2018, Bilbao City Council decided to start working on the SDGs and conducted an analysis of its political activities linked to the 2030 Agenda. The current Municipal Mandate Plan for 2019-2023 is a political

commitment to achieving a sustainable and increasingly cohesive Bilbao. It is the main institutional framework of the local government, covers all political areas of the city council's responsibilities and serves as a guideline for the city administration. The plan for the 2015-19 term consisted of 10 major city projects and 100 actions and priorities.

The analysis showed that the work of the city council contributes to all SDGs that are part of its political mandate. Building on the previous analysis of its 2015-2019 Municipal Mandate Plan, the city of Bilbao decided to conduct a follow-up assessment of the alignment of its updated Municipal Mandate Plan 2019-2023 with the 2030 Agenda. The aim of the analysis was to point out to what extent the programmes, plans and actions of the city government outlined in its mandate plan contribute to the UN SDGs. The process involved each of the different departments of the city council and focused on the 10 strategic lines of action and the 100 more concrete priority actions.² There is a particular focus on SDG 11: “to make cities and human settlement inclusive, safe, resilient and sustainable”. The reflection concluded that all ten strategic lines of action are aligned with the SDGs, in particular with SDGs 3 and 11 to which seven of the ten lines of action contribute (Figure 3.3). Connecting SDGs to already existing plans and structures helps mainstream and work toward a whole of administration approach to achieving stated end values.

Figure 3.3. Alignment of the Bilbao Municipal Mandate Plan 2019-2023 with the SDGs

LINE OF ACTION	OBJETIVOS DE DESARROLLO SOSTENIBLE																		
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
1. Economic activity and employment			●		●			●	●	●	●	●					●	●	
2. Social Policies	●	●	●	●	●	●				●	●						●	●	
3. Transport, mobility and accessibility			●				●		●		●		●					●	
4. Youth, values, education and training			●	●				●										●	
5. Culture and sports			●	●				●			●								
6. Coexistence and security					●					●	●							●	
7. Sustainability and urban transformation			●			●	●		●	●	●	●	●	●	●			●	
8. Neighbourhoods development			●				●		●	●	●							●	●
9. Bilbao Basque-speaking				●															
10. Transparency, participation, rigour and good management									●	●								●	

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Source: Bilbao City Council (2019^[2]), *Municipal Mandate Plan 2019-2023*, https://www.bilbao.eus/cs/Satellite?c=Page&cid=1279123253052&language=es&pageid=1279123253052&pagename=Bilbaonet%2FPage%2FBIO_contenidoFinal (accessed on 2 February 2021).

The different Municipal Mandate Plans and their link to the SDGs helped to increase the interest of the city council's different departments in the SDGs. They contributed to identifying the policies and management tools of the different departments that can advance the work on the SDGs in Bilbao. They were also an opportunity for the city council to internally display its commitment to the SDGs and develop a cross-cutting vision for its future municipal work. Other conclusions that were derived from the analysis were the need for training opportunities for municipal staff active in departments working on SDG-related topics, the development of SDG indicators and a review of the municipal mandate plan's compliance with SDG

indicators. Furthermore, the assessment of the city council and the UNESCO Basque Country Centre proposed to elaborate an SDG implementation plan for the municipality as well as future follow-up evaluations of the municipal activities on the SDGs (City of Bilbao, 2019^[4]).

In addition to taking stock of the current state of the 2030 Agenda implementation in Bilbao, the investigation of the Municipal Mandate Plan's alignment with the SDGs aimed at:

- Raising awareness and disseminating the 2030 Agenda among all municipal policy areas (considering that all directors of the city council participated in the analysis).
- Increasing the visibility of the competencies of the different departments of the city administration in order to make progress on the achievements of the SDGs.
- Raising awareness and creating a stronger interest in municipal management staff to include 2030 Agenda in their management tools.

The Municipal Mandate Plan 2015-2019 covered all SDGs except for SDGs 14 and 15, which are not part of the city council's political mandate. The critical dimension of prosperity was identified as the focus of the Municipal Mandate Plan, specifically SDG 8 Decent work and economic growth, SDG 9 Industry, innovation and infrastructure, SDG 10 Reducing inequalities, and SDG 11 Sustainable cities and communities, in addition to SDG 4 Quality education and SDG 16 Peace, justice and strong institutions. The SDGs that underpin the six different municipal strategic plans were notably SDGs 5 (Gender equality), 10, 11 and 16.

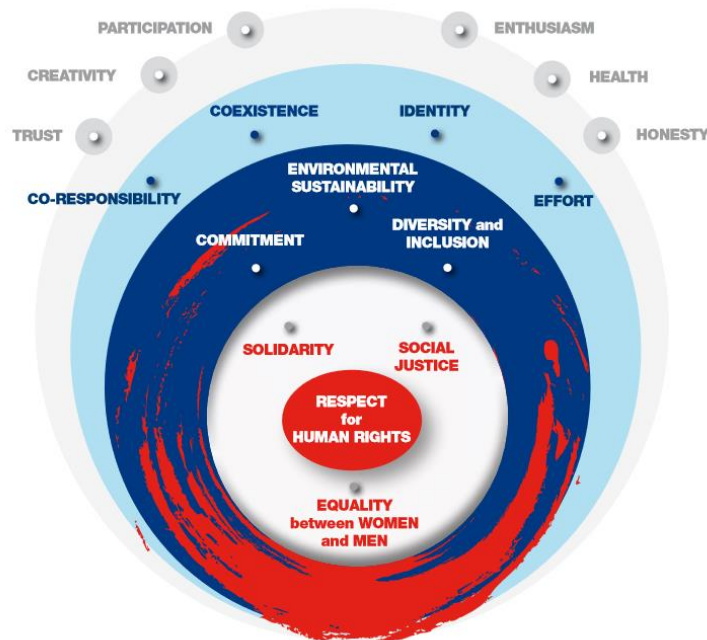
The interlinkages between the actions pointed out in Bilbao's Municipal Mandate Plan and the SDGs are publicly available and can be accessed through an Open Government Portal.³ As of April 2021, Bilbao City Council is preparing the evaluation of the first two years of the current mandate plan in order to assess its achievements and adjust policies and actions in the mandate, if necessary. The analysis allowed Bilbao City Council to spread knowledge about the 2030 Agenda across all municipal government departments and shall serve as a tool to better align sectoral plans with the SDGs in the future (Platforma, 2019^[5]). In its "First 100 days' action plan", the city council for instance committed to the implementation of the SDGs and the 2030 Agenda through the development of a cross-cutting strategy (Bilbao City Council, 2019^[6]). The usage of open data portals to illustrate interlinkages between the actions in the Municipal Mandate Plan and the SDGs can be seen as good practice to improve transparency and raise awareness of the SDGs among local stakeholders. The same applies to the development of a cross-cutting strategy for the 2030 Agenda that spans different sectoral departments in order to analyse possible synergies and trade-offs across relevant policy areas in Bilbao. Assessing the actual results of the approach would require a full evaluation against a set of indicators.

A participatory approach to quality of life and well-being – The Bilbao Charter of Values

Together with its citizens, the city of Bilbao has developed the Bilbao Charter of Values – a value framework for an intercultural and open society. In 2018, Bilbao City Council approved the Bilbao Charter of Values, which consists of 17 collective values that serve as the basis for quality of life and well-being of citizens (Figure 3.4). Ten of the values included in the Bilbao Charter of Values stem from an initial "Decalogue of Values", drawn up because of a survey conducted among citizens, while the remaining seven result from an extensive participatory process, including debates and discussions with the local population. The main value of the charter, which is the building block for all other values, is the respect for human rights. It is at the core of the charter and accompanied by three values that Bilbao's citizens identified as essential and crucial: social justice, equality between men and women, and solidarity. Other values of the charter include diversity/inclusion, commitment to contribute to the common good and environmental sustainability. Four additional values emerged during dialogues with the local population: coexistence (living alongside other individuals with respect and tolerance), identity, effort and co-responsibility. Finally, the charter

features the values of trust participation, creativity, as well as honesty, enthusiasm and health that were added to the charter through the participatory process.

Figure 3.4. Bilbao Charter of Values



Source: City of Bilbao (2019^[7]), *Bilbao Charter of Values*, https://www.bilbao.eus/alcaldia/bilbao_charter_values.pdf (accessed on 1 March 2021).

Strengthening the link of the Bilbao Charter of Values to the SDGs would allow to further contribute to and monitor progress on sustainable development and inclusive growth in the city. The Bilbao Charter of Values contains a Value Development Plan, which proposes a number of actions to be implemented in the coming years to integrate the 17 values included in the Bilbao Charter of Values into the daily life of citizens. One of the actions suggested is to connect the 17 values of the charter more directly with the 17 SDGs, which could allow for monitoring progress made toward achieving sustainable development and inclusive growth objectives and redefining actions and policy priorities. In order to do so, the city of Bilbao has launched the Municipal Projects with Values initiative to identify and monitor actions that are linked to the charter and that have an impact on at least 1 of the 17 SDGs. Furthermore, a City of Values Commission has been created as a framework for the consultation, follow-up and evaluation of the charter and the associated Development Plan. The Municipal Project with Values is a useful approach to connect the 17 values of the charter more directly with the 17 SDGs. The city could try to map the policies and actions that are derived from the charter and link them to individual SDGs (e.g. policy x tries to achieve value y and at the same time contributes to SDGs 1, 2 and 5 for example). This could allow them to see how the charter (and its values) are contributing to the SDGs. The city could also consider the use of indicator frameworks to assess their progress on the SDGs and analyse the relationship between their progress and policies implemented as part of the charter.

Collaboration with the Basque government, an active agent and collaborator for SDGs

The city of Bilbao is collaborating with the Basque Country, which is very active on the SDGs. Bilbao has taken part in consultations of the Basque Country External Action Department's Inter-institutional

Committee composed of the Basque government, provincial councils, three capital cities (Bilbao, San Sebastián and Vitoria) and the Association of Basque Municipalities (Eudel), to shape the Basque Country's work on the 2030 Agenda. Building on the consultations with the Inter-institutional Committee, the Basque Autonomous Community has developed the Euskadi-Basque Country 2030 Agenda. The agenda is an integrated and transversal strategy to align the administration's governmental programme and related sectoral policies to the SDGs. The document has linked the SDGs to the territorial characteristics of the Basque Country and aims to provide a common language to enhance co-ordination in public action among sectoral departments in the Basque government. An annual monitoring report documents government programme commitments and the projects in relation to SDG targets and measures the achievements through indicators.

The Basque Country is also co-ordinating the implementation of the SDGs across levels of government and non-state actors through collaborations and consultations with the External Action Department's Inter-institutional Committee. Going further, the new government of the Basque Country is currently in the process of creating a multi-agent forum for social transition and the 2030 Agenda in the Basque Country. Its main responsibility will be the analysis and co-ordination of policies and strategies on the 2030 Agenda developed by different levels of government in the Basque Country. The city of Bilbao will be participating in the new forum as one of its members. A challenge in the Basque multi-level governance framework is that the mandate plans in the various municipalities of the Basque Country are not yet aligned with each other, nor necessarily aligned with the Euskadi-Basque Country 2030 Agenda, which can lead to duplication of work or missed opportunities to combine resources and efforts and achieve greater impact. The establishment of the multi-level agency forum and its collaboration between different public institutions, civil society and academia could provide an opportunity to address this issue.

The extensive work on the 2030 Agenda undertaken by the Basque government could lead to opportunities for better co-ordination between the region and city governments. This is particularly relevant against the backdrop of Bilbao's objective to foster vertical integration through multi-stakeholder co-operation at all levels of government. While Bilbao's SDG strategies and policies fall under the responsibility of the mayor's office, the city is nevertheless working under the governance of the Basque Country. Consequently, collaboration with the Basque government is of great importance to the city. The SDGs' common framework could help co-ordination across the two levels of government, for instance in prioritising investments and resources to recover from the pandemic. In this context, Bilbao and its surrounding municipalities could develop a functional urban area (FUA) approach for policy action based on where people live and work to tailor strategies and public service delivery to the diversity of urban scales. The work of the Basque Country could also provide inspiration for the development of a post-COVID-19 long-term city strategy that considers the lessons learned from the pandemic as well as progress toward the SDGs. Beyond that, the work of the Basque Country and the city of Bilbao on data and indicators has the potential for harmonisation and mutual learning opportunities. Beyond the collaboration with the Basque Country, the city of Bilbao participates in several city networks and governance schemes for the 2030 Agenda (Box 3.2), which can contribute to further awareness-raising and deepening its SDG-related practices and expertise.

Box 3.2. Bilbao's involvement in city networks and governance schemes for the 2030 Agenda

Bilbao is an active member of several city networks and fora working on topics of sustainable development. The city is a member of the Council of European Municipalities and Regions (CEMR). Bilbao organised the first CEMR conference on "Equality, diversity and inclusion" in 2018 that brought together elected representatives, civil society, academia and CEMR associations to discuss how to make equality, diversity and inclusion flourish at the local level and move the 2030 Agenda, the SDGs and the European Charter for Equality of Women and Men in Local Life forward. As a member of United

Cities and Local Governments (UCLG), the city of Bilbao hosted the first edition of the Sustainable Urban Mobility Congress in 2019, a foreshadowing of the future of mobility and its impact on the achievement of the SDGs in the cities of the 21st century.

The city of Bilbao is also serving as continental vice-chair and steering committee member of the Global Social Economy Forum (GSEF), an international association of local governments and civil society networks engaged in the promotion of the social economy as a means to achieve an inclusive and sustainable local development (GSEF, 2021^[8]). The GSEF 2018 Bilbao Declaration, signed by the participants of the Bilbao 2018 Global Social Economy Forum, acknowledges the importance of localising the 17 SDGs for the successful implementation of the 2030 Agenda and the role of the social and solidarity economy as an important contributory factor.

The city of Bilbao is furthermore a member of Udalsarea 21, the Basque Network of Municipalities for Sustainability. Udalsarea 21 is a co-operation and co-ordination forum that advances the local sustainability agendas of Basque municipalities and drives the implementation of their actions with multiple technical resources and expertise. It has been active in analysing the contributions of its municipalities to the 2030 Agenda, identifying benchmark targets for municipalities and developing guidelines. As part of its work, Udalsarea 21 collaborates with different public institutions of the Basque government and provincial councils (Ihobe, 2021^[9]).

Source: Information provided by the city of Bilbao; Ihobe (2021^[9]), *Udalsarea21, Basque Network of Municipalities for Sustainability*, <https://www.ihobe.eus/local-sustainability>; GSEF (2021^[8]), *GSEF at a Glance*, <https://www.gsef-net.org/en/gsef-about> (accessed on 3 March 2021).

Awareness-raising strategies on the 2030 Agenda in Bilbao

In terms of awareness-raising activities, the city of Bilbao has started to integrate the SDGs into courses of the Municipal Training Plan for employees of the city administration. In 2020 and 2021, the city set up an “Introduction to the 2030 Agenda and the SDGs” to train municipal technical staff on the 2030 Agenda. In particular, it provides staff with knowledge on strategies for the implementation of the SDGs at the municipal level. Moreover, Bilbao City Council is collaborating with various civil society organisations to disseminate information about the 2030 Agenda among its residents, with a particular focus on youth and the educational sector. Projects on the SDGs where the city council is involved include exhibitions, fora, conferences and school competitions. The city has for instance supported UNESCO Etxea – the UNESCO Basque Country Centre – in the production of 17 short videos to disseminate information about the 2030 Agenda and the 17 SDGs and familiarise its residents with them. Through the yearly Bilbao Gazte Balioak Martxan award, Bilbao City Council promotes the engagement of youth in innovative and social projects, which contribute to improving the social environment of the city and enhance the role of young people in the development of a society based on the Charter of Values (Figure 3.4). In its second edition in 2019, all participating projects had to be linked to the SDGs and contribute to the 2030 Agenda (City of Bilbao, 2019^[10]). Bilbao City Council has moreover taken part in seminars and summer schools of the University of the Basque Country to present its strategies on the 2030 Agenda implementation at the local level and familiarise youth with the topic (see below for more information on the role of universities for the 2030 Agenda implementation in Bilbao).

The role of universities in the 2030 Agenda implementation in Bilbao

Universities are a key player, fostering SDG application in Bilbao. As in other cities and regions, such as Southern Denmark, where schools, civil society and the University of Southern Denmark are developing various initiatives to capture young people’s interest in the SDGs, education for sustainable development (ESD) is also a prominent feature in Bilbao’s education system. Two important actors moving the

sustainability agenda in Bilbao forward are the University of Deusto and the University of the Basque Country (UPV/EHU). For the University of Deusto, located in Bilbao, achieving the SDGs is one of the main objectives of its Strategic Plan Deusto 2022. Among other things, the university hosts training sessions on the SDGs, analysing how they can be included in research projects in order to maximise their social impact. There is also an ongoing exchange on the SDGs between the University of Deusto and local political institutions in the Basque Country, including regular meetings with representatives of the city of Bilbao. In the Times Higher Education (THE) Impact Rankings 2020, which assess the socio-economic impact of further education institutions on the 17 SDGs, including the fields of training, research, transference and governance, the University of Deusto exhibits several good results. It ranks among the top 20 universities worldwide with respect to its contribution to just, peaceful and inclusive societies for sustainable development (SDG 16) – a topic on which the university has also hosted a THE forum in February 2020. That forum gathered various universities from around the world and analysed the role that universities can play in support of peace, justice and human rights. The University of Deusto is also among the top 25 universities worldwide in the category of decent work and economic growth (SDG 8).

The University of the Basque Country has developed the EHUagenda 2030 – a roadmap to align its work with the SDGs. UPV/EHU considers that universities play a major role in the 2030 Agenda, considering their responsibility related to training, research, relations with society and a model for higher education governance (UPV/EHU, 2019^[11]). In 2019, it has therefore presented its EHUagenda 2030, a blueprint to align its work on sustainability with the SDGs. Through the agenda, the university aims to:

- Link local efforts of students, teaching staff, researchers and technical and administrative staff in with the SDGs and use the agenda as a common interconnected task that will become part of all of the university's activities.
- Design and implement policies for teaching and learning, equality, inclusion and environmental management by means of a common integrated logic with targets that are recognisable and measurable in the medium and long run (2019-25 and 2025-30).
- Define a sustainable development indicator framework, in such a way as to allow transparent measurement of and communication of progress on the SDGs.
- Establish a policy of close-knit alliances with local actors to step up co-responsibility for the SDGs.

Through the EHUagenda 2030, UPV/EHU focuses its commitment to sustainability on a core objective centred around SDG 4 and three sectoral plans. The main objective is the achievement of SDG 4 as it represents the most comprehensive vision of teaching and learning. In addition, it entails SDG 8 focusing on employability and the contribution made to sustainable economic development by university education, SDG 16 covering all aspects of education for human rights as an essential component of curriculum logic, and SDG 17 on co-operation for development, commitment and social transfer in the area of higher education. It also includes the additional goal of fostering the Basque language and culture. This objective is complemented by three sectoral plans that affect university education processes (Figure 3.5) (Figure 3.5). The first sectoral plan of the EHUagenda 2030 focuses on the implementation of SDG 5: Gender equality. The second sectoral plan deals with SDG 10: Reduced Inequalities and the third, labelled as Campus Planet, is centred around health, energy, sustainable infrastructure, cities and climate action (SDGs 3, 7, 9, 11, 12 and 13). All of the plans contain specific goals and propose several actions that can contribute to the achievement of the envisaged goals. Despite being divided into four different sections, EHUagenda 2030 puts emphasis on the interaction between the various goals and their synergies and interdependence play an important role for the university.

UPV/EHU is the first Spanish university to have developed a methodology to monitor progress on the 2030 Agenda in the field of higher education. As a complement to the EHUagenda 2030, the sustainability office of UPV/EHU has launched a website that showcases all programmes and actions carried out by the university that contribute to the 2030 Agenda. It presents the university's specific contributions to 12 of the 17 SDGs as well as its commitment to language and cultural diversity labelled as SDG 17+1. As part of

the process, UPV/EHU has mapped the contribution of its different plans⁴ to the SDGs. The novelty of its initiative is that the university operationalises and measures the contributions and progress towards the 2030 Agenda through 58 indicators across 35 reference targets of the UN SDG indicator framework that are particularly relevant to the university (Figure 3.5).

Figure 3.5. SDGs and targets measured by the University of the Basque Country

SDGs and Targets concerning UPV/EHU			
<p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3 targets <</p> <p>3.4 3.5 3.C</p>	<p>10 REDUCED INEQUALITIES</p>	<p>2 targets <</p> <p>10.2 10.3</p>
<p>4 QUALITY EDUCATION</p>	<p>5 targets <</p> <p>4.3 4.4 4.5 4.7 4.a</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>2 targets <</p> <p>11.2 11.7</p>
<p>5 GENDER EQUALITY</p>	<p>5 targets <</p> <p>5.1 5.2 5.4 5.5 5.c</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>4 targets <</p> <p>12.3 12.4 12.5 12.7</p>
<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>2 targets <</p> <p>7.2 7.3</p>	<p>13 CLIMATE ACTION</p>	<p>1 target –</p> <p>13.3</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>3 targets <</p> <p>8.3 8.5 8.8</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p>3 targets <</p> <p>16.6 16.7 16.a</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>2 targets <</p> <p>9.4 9.5</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p>	<p>3 targets <</p> <p>17.2 17.6 17.17</p>

Source: UPV/EHU (2019_[11]), *UPV/EHU Panel of Sustainable Development Indicators*, <https://www.ehu.es/documents/4736101/11938005/EH-Uagenda2030-Panel-of-indicators.pdf/40e28e80-4e8b-421c-66e7-6ec589c573d1?t=1559661839000>.

The indicators were developed by a working group composed of representatives from different departments of the university using data available for the academic year 2017/18 as a starting point and reference. They range from people in the university community involved in initiatives to promote healthy lifestyles (SDG 3) and the percentage of energy used from renewable sources (SDG 7) to people in the university community using sustainable means of transport on a daily basis (walking, cycling and public transport) (SDG 11) or the number of students involved in development co-operation projects (SDG 16). Through its work on SDG indicators, UPV/EHU aims to showcase its vocation as an innovation benchmark, encourage other universities to start measuring their progress on sustainable development in a comparative manner and foster transparency and accountability regarding its own actions on the SDGs (UPV/EHU, 2019_[11]). Local universities have proven to be important allies in the localisation of SDGs, especially in establishing monitoring and evaluation criteria. In areas where capacity may lack in the local administration, a partnership with higher education institutions can offer opportunities to close gaps. However, it is important for the local administration to play an active role to be able to mainstream the practice and the results of the learning within the public sector.

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Notes

¹ Bilbao Environmental Strategy 2050, Bilbao Gazte Plan, Bilbao – a city friendly to the elderly, Bilbao child-friendly city, Master Plan for Cooperation 2016-2020, Equality Plan, Sustainable Urban Mobility Plan (2015-2030).

² The strategic lines of action are : i) Economic activity and employment; ii) Social policies; iii) Transport, mobility and accessibility; iv) Youth, values, education and training; v) Culture and sports; vi) Coexistence and security; vii) Sustainability and urban transformation; viii) Neighbourhoods development; ix) Bilbao Basque-speaking; and x) Transparency, participation, rigour and good management.

³See <https://kontumatea.irekia.euskadi.eus/bilbao/es/ods>.

⁴ Strategic Plan (2018-221), Research Plan (2019-2022), III. Master Plan for the Basque Language (2018-2022), I Pilot environmental and health plan (2019-2025), III. Inclusion Plan (2019-2022), III. Plan for equality between women and men (2019-2022).

4 Policy recommendations and ways forward: An action plan

This chapter provides policy recommendations and ways forward for the city to drive an inclusive, smart and sustainable recovery.

Leveraging COVID-19 recovery efforts to build an inclusive, smart, and sustainable Bilbao

The COVID-19 pandemic has highlighted how social, economic and structural inequalities weaken resilience and impede the recovery process and magnitude. The vulnerabilities and disruptions exposed by the crisis call for rethinking how to adapt recovery measures to prompt more inclusion, address social and economic fragmentation and segregation, and centre the future of city development around long-term sustainability. The following policy recommendations aim to provide guidance for the city administration to set up an inclusive, smart and sustainable recovery.

Encourage equal access to opportunities across neighbourhoods

- **Bring lifelong learning and vocational training opportunities to disadvantaged communities and neighbourhoods.** Developing partnerships with vocational and adult learning organisations will help expand training offers to meet disadvantaged communities where they are, as a way to lower barriers to education and training. This will also require identifying spaces in the neighbourhood such as community centres and schools that can be converted to adult learning facilities during off-hours.
- **Promote mixed neighbourhoods.** New neighbourhood projects such as Zorrotzaurre Island should systematise the provision of sustainable, affordable and energy-efficient housing for low-income residents, for example through inclusionary housing practices and innovative finance models such as land value capture. Avenues can be found for increased co-ordination with higher levels of government and stakeholders (e.g. joining up with regional housing plans, housing developers for-profit and non-profit, transport planners and agencies, etc.) around community development including affordable housing planning and provision to avoid building housing with little access to economic activity and jobs.

Use the momentum from Bilbao Aurrera Plan to reinforce access to more stable jobs

- **Foster strategies to support labour market entry and access** especially geared to youth who are economically vulnerable and at risk, through skills upgrading programmes and monitoring the effects of job automation. Working closely with businesses such as those best suited for the new Zorrotzaurre Island project can help better forecast labour market needs. Partnerships with adult education facilities, vocational training institutes and schools could also help develop adequate curricula together with job agencies such as Lanbide and the Basque Country to link learning to future jobs and skills projections.
- **Encourage good employment practices and fair wages and work contracts** by partnering with the chamber of commerce and local business community to determine their workforce challenges, set up recognition programmes and incentives for good employment practices and direct businesses towards training and resources such as guides and mentorship programmes. Embedding criteria and reviewing employment standards for city contractors, vendors and as part of the public procurement practice is recommended. A collaboration with the local chamber of commerce and civil society organisations would help develop strategies to charter new expectations and agreements in the business community on wages and benefits.
- **Expand opportunities for entrepreneurship** by examining barriers to entry for underrepresented entrepreneurs, such as applying for a legal statute, licenses, understanding tax requirements and the basics of being an employer. Entrepreneurs can be connected with mentors and mentorship opportunities, and training provided to potential entrepreneurs on finding resources from both public and private sector investors. Targeted support through partnerships with local law and business

schools helps entrepreneurs navigate the legal and administrative landscape, build business plans and gain competency and confidence about market prospects.

Channel public service delivery and resource distribution through Bilbao's smart city agenda and United Nations Sustainable Development Goal (SDG) strategy

- **Target the specific mobility needs and challenges of people with reduced mobility (such as the elderly)**, to provide a diversified range of options to access different parts of the city given the demanding topography. Exploring intelligent transport systems (ITS) using digital technologies could also help create a one-stop-shop service to facilitate access to different transport services (i.e. public transport, ride-sharing, bike-sharing, taxi, electric scooters, etc.) under one single service platform.
- **Locate the “digitally invisible” population and expand their digital access and skills** by working closely with community-based organisations and cultural associations to offer adequate training and infrastructure. This requires connecting with neighbourhood associations, care facilities, social prescribers or civil society organisations that work directly with populations already at risk of being left behind.
- **Actively involve residents in smart city initiatives**, for example by developing advisory committees comprised of a wide range of stakeholders including residents, non-governmental organisations (NGOs) and representatives of the local business community who can provide feedback on the city's digital transformation activities and insights into how to address effectively the needs of different population groups and firms.
- **Adopt a framework to monitor and assess whether smart city initiatives are achieving the desired impact**, by setting a baseline using the Digital Transformation Agenda, defining measurable targets and tracking the city's smart city outcomes over a defined timeline.
- **Use the SDG framework to identify and address areas for improvement and build long-term resilience**, by expanding efforts to monitor progress towards the SDGs, including data collection and publication on Municipal Mandate Plan projects and the Bilbao Charter of Values. Participation in the Basque government's new multi-level governance forum should be explored for its opportunity to exchange ideas and best practices for developing indicators and collecting data on the SDGs in the Basque country. In particular, data collection and publication could be linked to the socio-economic indicators and yearbooks that Bilbao City Council is releasing and updating regularly to provide a one-stop-shop for data on the city's development. The SDGs can be integrated into the municipal budgeting process, for example by considering how specific projects are contributing to achieving the SDGs as part of the criteria guiding the council's budgeting decisions. For participatory budgeting, this could also mean integrating citizen proposals for the SDGs as an additional evaluation criterion.
- **Strengthen the alignment of Bilbao's Charter of Values with the SDGs** to facilitate policy planning and improve resilience. Stronger alignment of the Charter of Values with the SDGs could be a way to link it to the elaboration and implementation of concrete policies. In particular, the Charter of Values, which takes into consideration the different SDGs and their relevance for the city, could feed into the Municipal Mandate Plan and lead to more coherent strategic planning. The SDGs could be a tool to improve co-ordination between different departments of the city administration, avoid duplications and create positive synergies. Clear responsibilities under a common set of values and a common policy framework can improve reactivity and adaptability in future crises and contribute to a higher level of resilience.

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