





## Contents

"

1!	Introduction .....	3!
2!	The Biscay tax autonomy capacity, the Biscay priority areas and the SDGs .....	4!...
3!	Principles of the Biscay Model .....	

# The Biscay Model: Executive summary

## 1! Introduction

Can taxation tools help advance the United Nations Sustainable Development Goals (SDGs)? In 2020, the UCL Institute for Innovation and Public Purpose (IIPU) undertook a partnership with the Biscay regional tax team to explore this question. This resulted in the development of a composite index tool, the Biscay Model, which enables authorities to measure corporate SDG performance in priority areas in order to link it to tax incentives. This work marks new thinking around the role of regional fiscal policy tools in providing directionality and shaping markets to be greener and fairer.

## 2! The Biscay tax autonomy capacity, the Biscay priority areas and the SDGs

The tax powers of the Biscay region enable it to do something revolutionary: to become the first local or regional authority to implement fiscal policies that are aligned with the SDGs. Through its work with IIPP, the Biscay region has become a 'living lab' for a new way of thinking about taxation and sustainability.



#### 4! The Biscay Model building blocks

The Biscay Model has been designed as a means of encouraging action; as designed, corporations opt into a reporting against the index, which produces a score that can be translated into a financial incentive. Indices like the Biscay Model have the advantage of allowing actions in a range of

Figure 1: The Biscay model selecting the contribution areas

An extended list of potential indicators was refined and narrowed





Table 3: Women in leadership; Contribution Area 4e; SDG5 Equality.

Assessment Proportion of directors and senior managers that are female.

Metric for medium and large entities  
Leadership gender percentage (medium and large)  
!" Number of women in the

and

Reporting	The entity discloses: !" <u>the resulting leadership gender percentage even if the figure is zero</u>
Definitions	<p>Board of directors</p> <p>The consultative, executive and collegiate body, made up of the minimum and maximum indicated in the Articles of Association failing this, by the General Meeting, but in no case may it be less than 3 directors or more than 12 (art. 242.2 TSC). The board of directors is the highest management group that leads a company (public or private limited company). Thus, it is made up of 1 managers selected by the general shareholders' meeting, acting in accordance with the provisions of the organisation's articles of association.</p> <p>Leadership gender percentage (medium and large)</p> <p>!" <u>Number of women in the board of directors and senior management personnel</u></p>

Medium entities	< ! 50 million	< 250
Large entities	> ! 50 million	> 250

Seniormanagementpersonnel

## 5! Calculating the index

The company's index score is the sum of CA points if they exceed a set level of total points in one year, companies

Weighting provides an excellent means for policymakers to continue to experiment with and adjust the index to encourage activities or disclosures; as time goes by, policy actors would also have the option to increase or decrease the overall threshold needed to receive a tax incentive. For example, this threshold may start quite low in order to encourage engagement by companies and then be increased as more companies participate and processes for reporting become more routinized.

!

6!

!%#

7! Appendix 1. Summary of contribution areas

Ref	CA	SDG	Measurement	Scoring method
4a	Wellbeing and health	3 - Health	# policies and actions	# of plans (3 periods)
4b	Conciliation in the work environment	3 - Health	# policies and actions	# of plans (3 periods)
4c	Quality employment	3 - Health	# internships or % recruitment	



%&'	()	*+,	-&./01&2&34	*561738#2&496:
5c	Use of rawmaterials	12 - SCP*	Material productivity ratio	% change from base year (3 periods)
5d	Circular economy	12 - SCP*	% waste diverted	% change from previous year (3 periods)
5e	Greenhouse gases	13 - Climate	GHG emissions	% changefrom base year (10 periods)
5f	Resilience in the face of climate change	13 - Climate	Plan	Yes/No
5g	Conservation of ecosystems	15 - Land use	Supplier screening Yes/No or % reached	Yes/No or Phased % reached then % changed from previous year
6a	Entrepreneurship	8 - Sustainable growth	% SDG investing or staff policy	% reached (3 periods) or Yes/No
6b	Innovation	8 - Sustainable growth	SDG R&D %	% reached (3 periods)
6c	Collaboration and strategic alliances	8 - Sustainable growth	# partnerships	# reached (3 periods)
6d	Talent	8 - Sustainable growth	# actions	# of actions (3 periods)
6e	Private financing	9 - Sustainable industrialisation		

%&'	()	*+,	-&./01&2&34	*561738#2&496:
6f	Financing by the financial sector	9 - Sustainable industrialisation	SDG invested %	% reached (3 periods)

6g Structuring of productive

[ucl.ac.uk/iipp](https://ucl.ac.uk/iipp)

[iipp@IIPP\\_UCL](mailto:iipp@IIPP_UCL)

UCL Institute for Innovation and Public Purpose  
11 Montague Street, London, WC1B 5BP

Enquiries:

For any queries or comments on the paper,  
please contact: [iipp-research@ucl.ac.uk](mailto:iipp-research@ucl.ac.uk)

