ANALYSIS OF THE ECONOMIC IMPACT OF CLIMATE CHANGE ON THE BASQUE COUNTRY

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On 27 June, we met with Ihobe to launch the project *KLIMATEK 2025: Analysis of the Economic Impact of Climate Change in the Basque Autonomous Community*. NAIDER is coordinating and leading the preparation of this study, which aims to estimate the economic impact of climate change and assess the benefits of planned adaptation. We are collaborating with **Tecnalia** and **Cambridge Econometrics**, two of the leading European entities in this area.

The project is divided into four phases.

The **first phase** will involve an in-depth analysis of the main **climate risks facing the Basque Country**, such as flooding, biodiversity loss and increased heat-related mortality, and the **associated economic costs** will be estimated.

The **second phase** will focus on **defining a portfolio of adaptation solutions** to strengthen the territory's resilience. High-potential measures (e.g. nature-based solutions and technological solutions) that are easily implemented and replicable will be selected. These measures will also be evaluated for the co-benefits they generate in environmental, economic and social terms.

The **third phase** will address a **comparative economic valuation of inaction versus climate adaptation**, using econometric models and advanced analytical tools. This will enable us to estimate the costs avoided, the benefits generated, and the **social return** on investment. This will provide solid criteria for prioritising the most effective actions.

The **fourth and final phase** will focus on quantifying the net benefit of climate adaptation by integrating the results from the previous phases. As part of this phase, an interactive, open-source tool will be developed to facilitate data management and updates, and to support public and private decision-making on adaptation.

The project will adopt a cross-cutting approach, involving **a process of contrast with a panel of international experts** to provide technical soundness and methodological validation for each phase.

The project aims to reinforce the economic evidence on the impacts of climate change and **guide political and economic action towards making Euskadi more resilient and prepared for the future**.