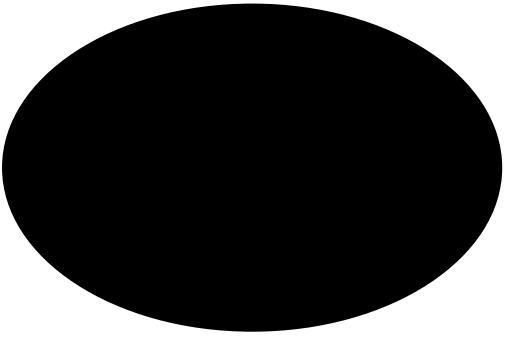


EUSKADI 2020-2030: TOWARDS A LOW CARBON ECONOMY

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The [International Energy Agency](#) forecasts that by 2020 the OPEC countries will reach the **ceiling of their oil production** . Non-cartel members have already done so. It was the journalist for the British newspaper The Guardian, [George Monbiot](#), who managed, in an incisive interview conducted in December 2008, that IEA Chief Economist [Fatih Birol](#) , pronounce clearly on this controversial and decisive issue.

The Agency had just analyzed in the field the actual production of the 800 largest oil wells in the world. The result had been shocking. Production is declining by an annual average of 6.7%, double what was believed up to 2007 based on the calculations made by the Agency's own theoretical models. A piece of information puts the message into perspective. Oil fields equivalent to Saudi Arabia's reserves would have to be discovered and developed every three years to keep pace with the unstoppable demand for crude from China and other major Asian economies.

A few weeks ago, the insurance company Lloyds and the Royal Institute of International Affairs (Chatham House) presented a report entitled "[Sustainable energy security: strategic risks and opportunities for companies](#)", convenient reading for business and policy makers. His first message: those companies that prepare and position themselves before the new energy reality will prosper. For those that do not, the risks can be catastrophic ("failure to do so could be catastrophic").

The necessary **modernization of the Basque economy** has one of its decisive challenges in the energy model. Our economy, our companies, our society depend overwhelmingly on oil and gas, even coal, since the Pasaia thermal power plant still uses this obsolete technology. It is a model that, in the absence of a notable transformation, will present in the 2020-2030 horizon a clear vulnerability to the disruptions and tensions that will accompany the aforementioned scenario foreseen by those responsible for the IEA.

The Basque Country, with its industrial and technological fabric, its human capital and its own framework of competencies, has the potential to be among the top ten European regions in terms of per capita income by 2030. For this, it is essential to carry out a profound modernization of our economy, strategically orienting it towards knowledge and innovation, making it more competitive in international markets and aligning it with the Green Economy.

The latter implies promoting a broad program of green modernization towards a low-carbon economy, guiding our industry and our companies towards eco-innovation, eco-design and efficient use of natural resources. It includes the substitution of raw materials for secondary ones, and an integral culture of recycling. Responsible actions in polluting emissions. Radical elimination of discharges into rivers. Priority in the use of existing industrial land, avoiding new industrialization of natural and rural land. Life cycle analysis. Corporate social responsibility.

One of the driving forces driving the move towards a low carbon economy is **climate change**. After the [failure of the Copenhagen summit](#) in December 2009 the possibility of reaching a binding global agreement in the short term has faded. The expectations that were generated around a more proactive position of the United States with President Obama have not been fulfilled. The North American Senate has given up taking forward the legal norm on energy and climate that had been approved by Congress. Paradoxically, this setback has occurred at the same time that that country experienced, with the sinking of BP's Deep Water Horizon platform, the greatest environmental disaster in its history.

The enormous difficulty of the States to reach an international agreement at a historical moment in which the evidence of anthropogenic alteration of the climate is overwhelming, means that the role of cities and regions has gained greater prominence. It is estimated that around 80% of the actions

that need to be carried out to mitigate emissions must be implemented by cities and regions.

The Basque Government has repeatedly expressed its desire for the Basque Country to play a responsible leadership role on climate change before the rest of the Spanish and European regions. The future [Basque law on climate change](#), the draft of which will go on public display in September after a process of comparison with institutions and social agents, will send a powerful signal in the right direction. If the proposal is approved by Parliament, the Basque Country will be the second European region after [Scotland](#) in having such a legal standard on climate change. In addition to the Law, the Government is preparing the Basque Plan to combat climate change 2011-2020, which will quantify the mitigation objectives in the different sectors of the economy.

But it is necessary to start looking further afield. The Basque Government, in response to the demands of the international scientific community and in coordination with the climate policy of the State as a whole, should start preparing the bases for a long-term scenario, 2050, of mitigation of greenhouse gas emissions of the order of 80-90% with respect to the reference year, 1990. In this direction, it would be convenient to carry out preliminary energy, economic and technological studies that present the possible itineraries of this transformation towards a very low-carbon Basque economy on the 2050 horizon.

The reduction of energy dependence and the reduction of the climate footprint are the two wheels of the same bicycle. When entities such as the International Energy Agency, world class companies such as Lloyds or the scientists of the Intergovernmental Panel of Experts on Climate Change (IPCC) warn of the serious risks that are perceived on the horizon, it is advisable that we take them very seriously and let us prepare adequately to convert, as far as possible, threats into opportunities.

Article originally published in [El País](#), in a series that analyzes the challenges for the future of the Basque Country, a series in which other articles have already been published:

- [Basque Country 2020-2030. Towards the knowledge and innovation economy](#)
- [Euskadi 2030. Guiding the way out of the crisis](#)
- [Euskadi 2020. Structuring forces of our future](#)

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