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**Climate forecasts  
enabled knowledge  
services**

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# Advances in economic assessment of flood risk

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# Euro-Mediterranean Centre on Climate Change

*research & innovation - policy & cooperation*

- Centre of competence for multidisciplinary research on climate change
- Copernicus Marine Environment Service, Mediterranean Monitoring and Forecasting Centre; Copernicus Seasonal forecast
- Focal point of the Intergovernmental panel on Climate Change (IPCC)
- European Topic Centre on Climate Change impacts, vulnerability and adaptation and on inland, coastal and marine waters of the European Environment Agency
- Coordinating entity for the Italian National Climate Adaptation Strategy and Plan





# Economic assessment of climate-related risks

## Serves multiple purposes

- Effectiveness and efficiency of reducing and financing disaster risk, and adapting to changing climate.
- Risk-sensitive development, social protection systems, economic cohesion and solidarity.
- Fosters climate (and also meteorological and hydrological) services, by exploiting the value embedded in the Copernicus Earth observation program.
- Micro- and macro-prudential regulation, economic policy coordination and internal security.

Better understanding of climate risks has economic and financial value, and hence market.

## Challenges

- Economic damage and losses caused by natural hazards in Europe are driven by small number of highly damaging events (70% of damage caused by 3% of events).
- Hazard interdependencies and correlated loss probabilities critical for designing robust insurance schemes.
- Expected sequence or chain of events, amplifiers, interdependencies and spill overs, speed of recovery and distribution of impacts important for understanding fiscal impacts
- Natural hazard risk relevant for governments' debt sustainability.

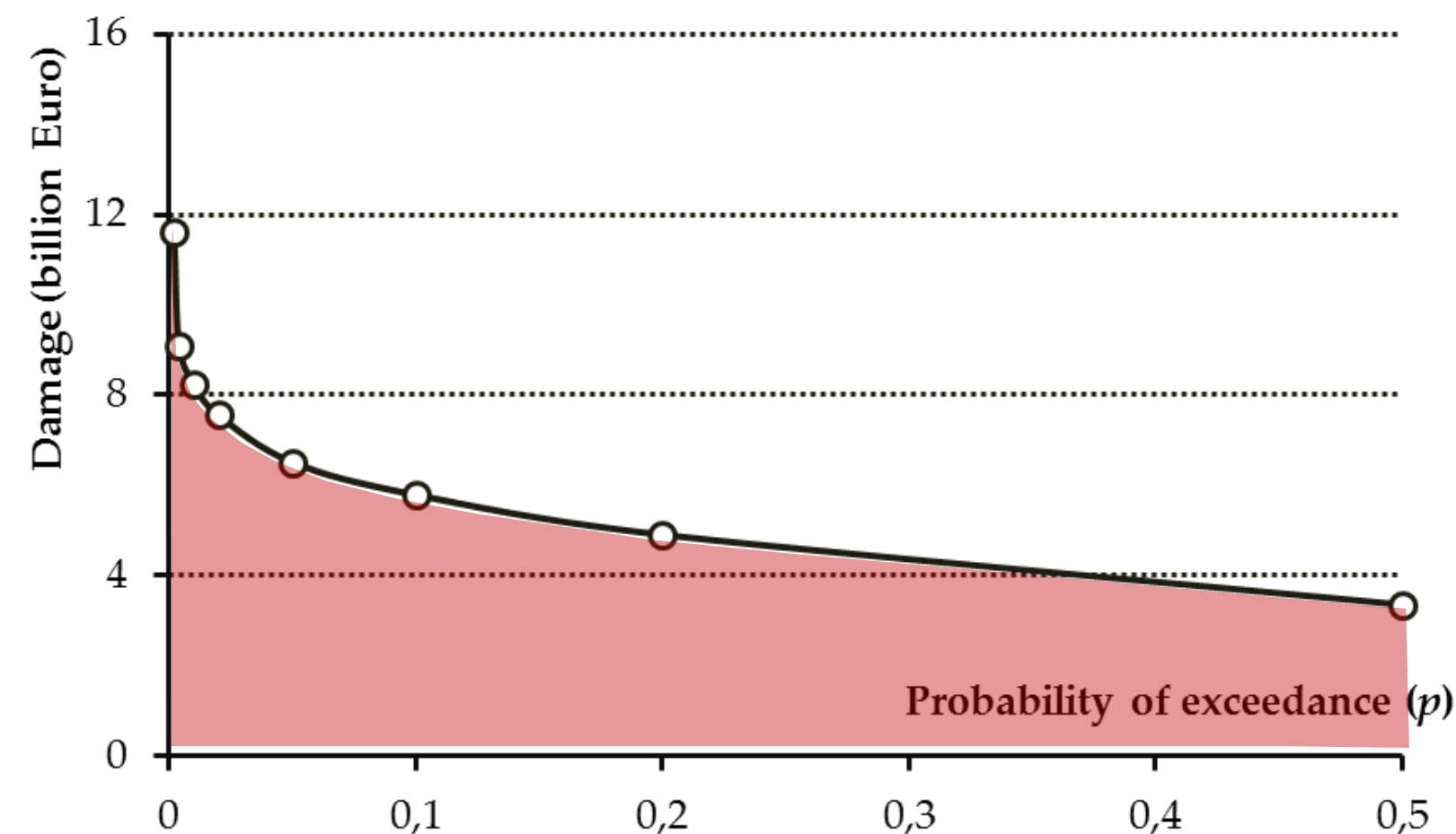
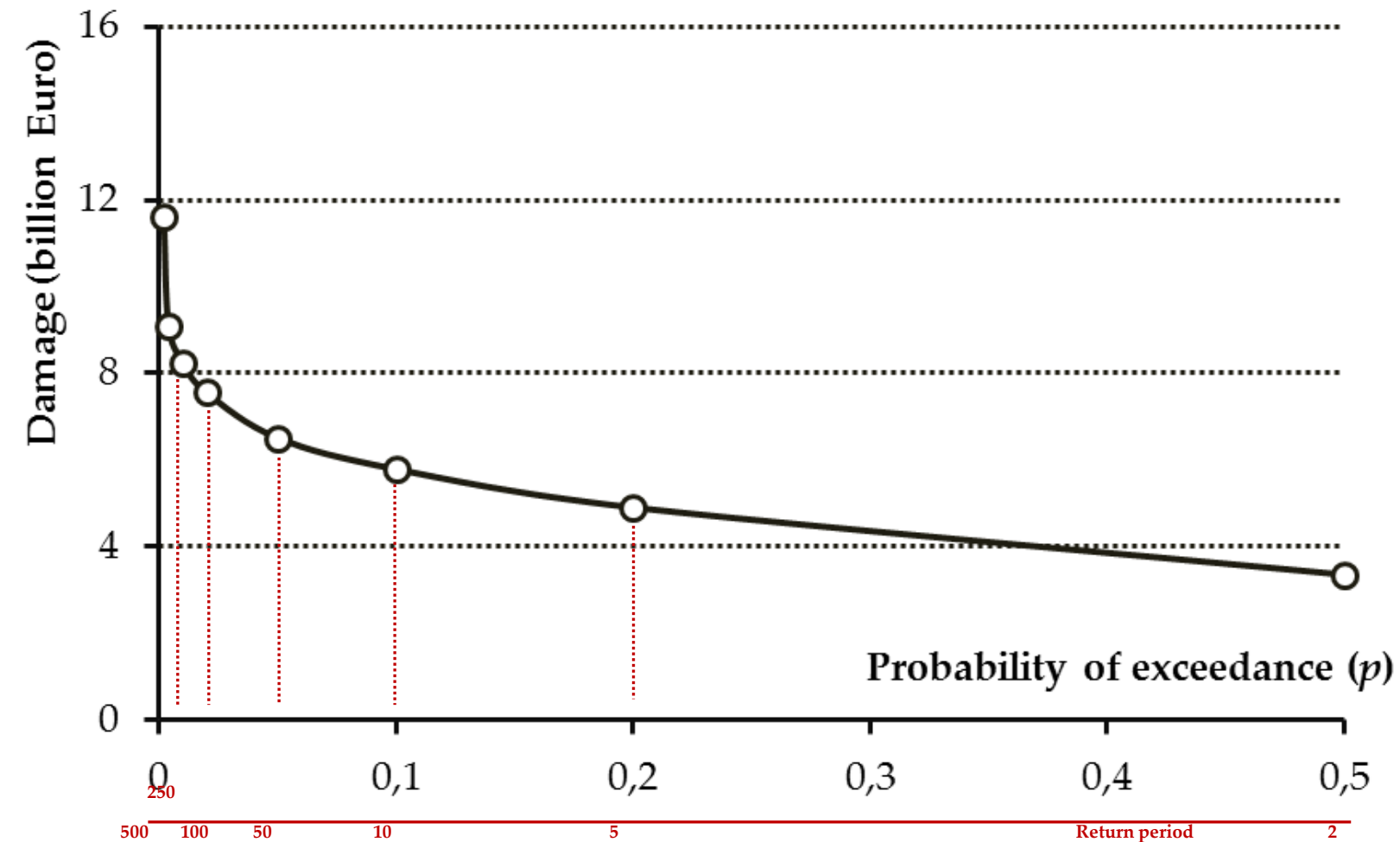


# Advancements of climate risk analysis

- **High performance computing** has enabled new generation of climate models that are better capable of simulating climate extremes. Robust estimates are possible also for longer period return values.
- **Multi-model ensembles** with high spatial resolution capable of exploring model uncertainty and better inform public policy choices.
- **Detection and attribution** more reliable when based consistent evidence from observations and numerical models capable of replicating the event.
- Near-term (multi-year to decadal) **predictions** reliability.
- Improved **modelling capability**, including multi-hazard assessment, empirical corroboration of damage models, impact propagation through networks, stress testing of critical infrastructure components. Improved availability of hazard data (e.g. flood hazard and risk prone areas)
- High resolution exposure data including population, gross added value, gross domestic/regional product, buildings, infrastructure, industrial facilities
- Better record of existing risk mitigation measures
- Working in partnerships

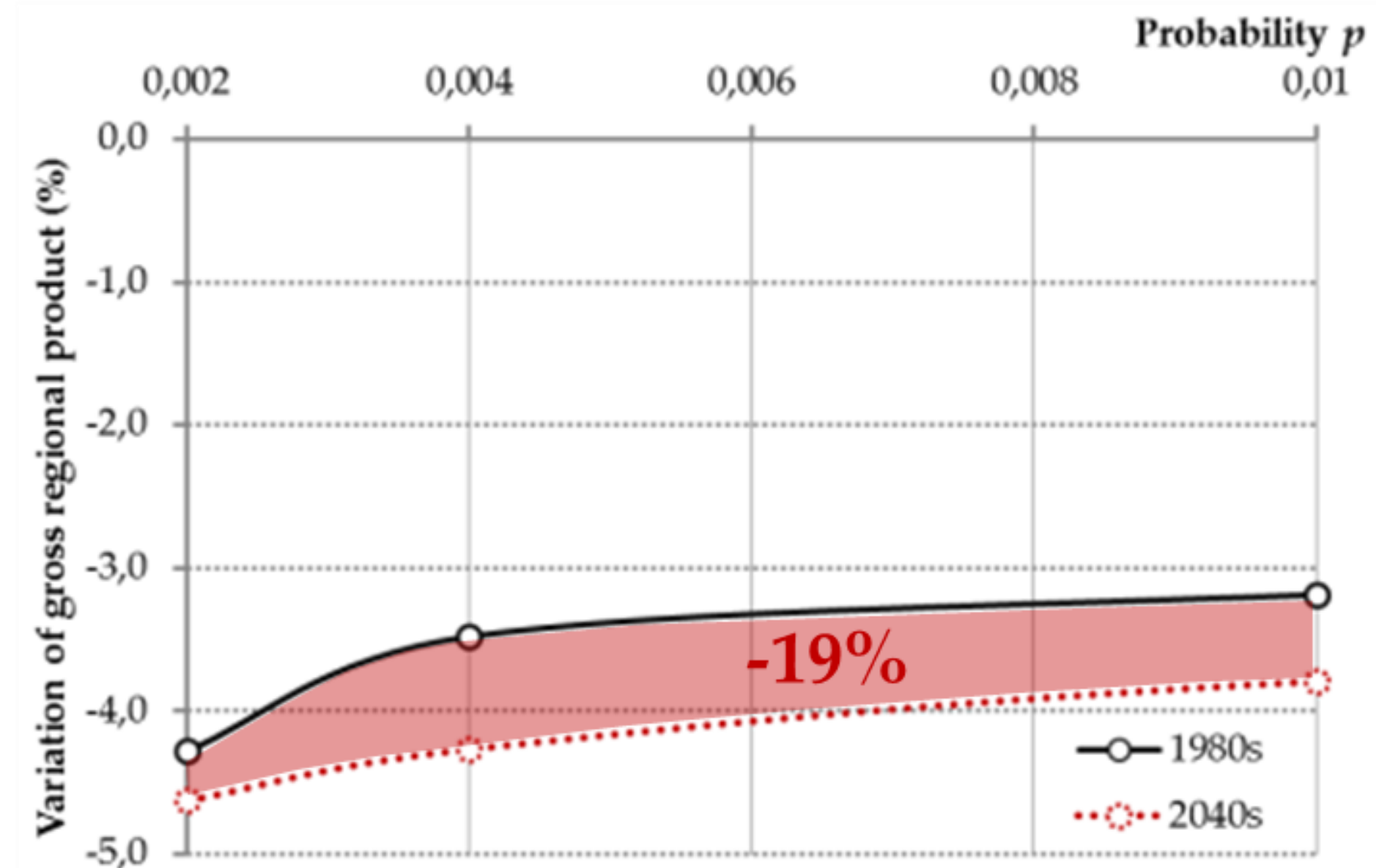
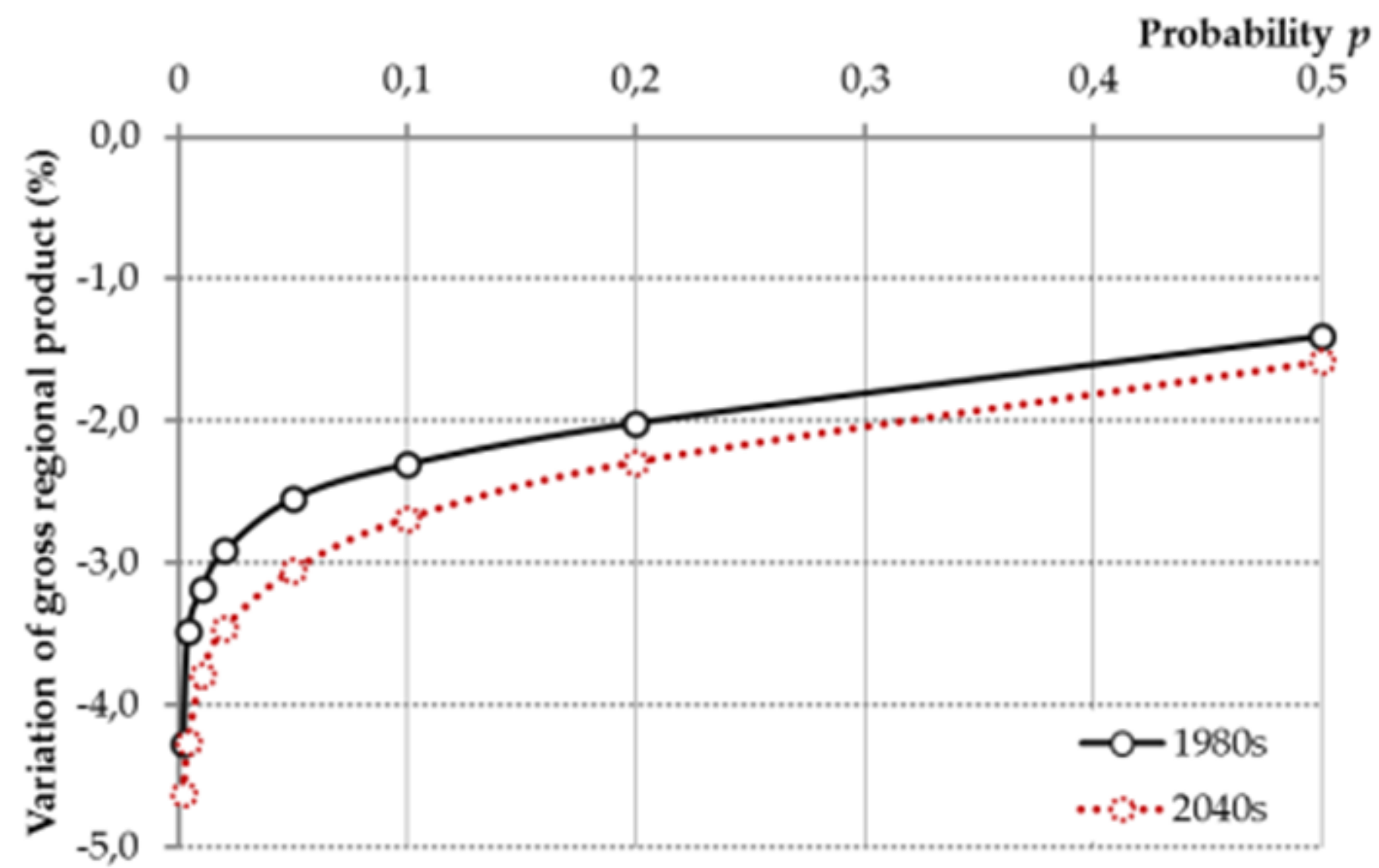
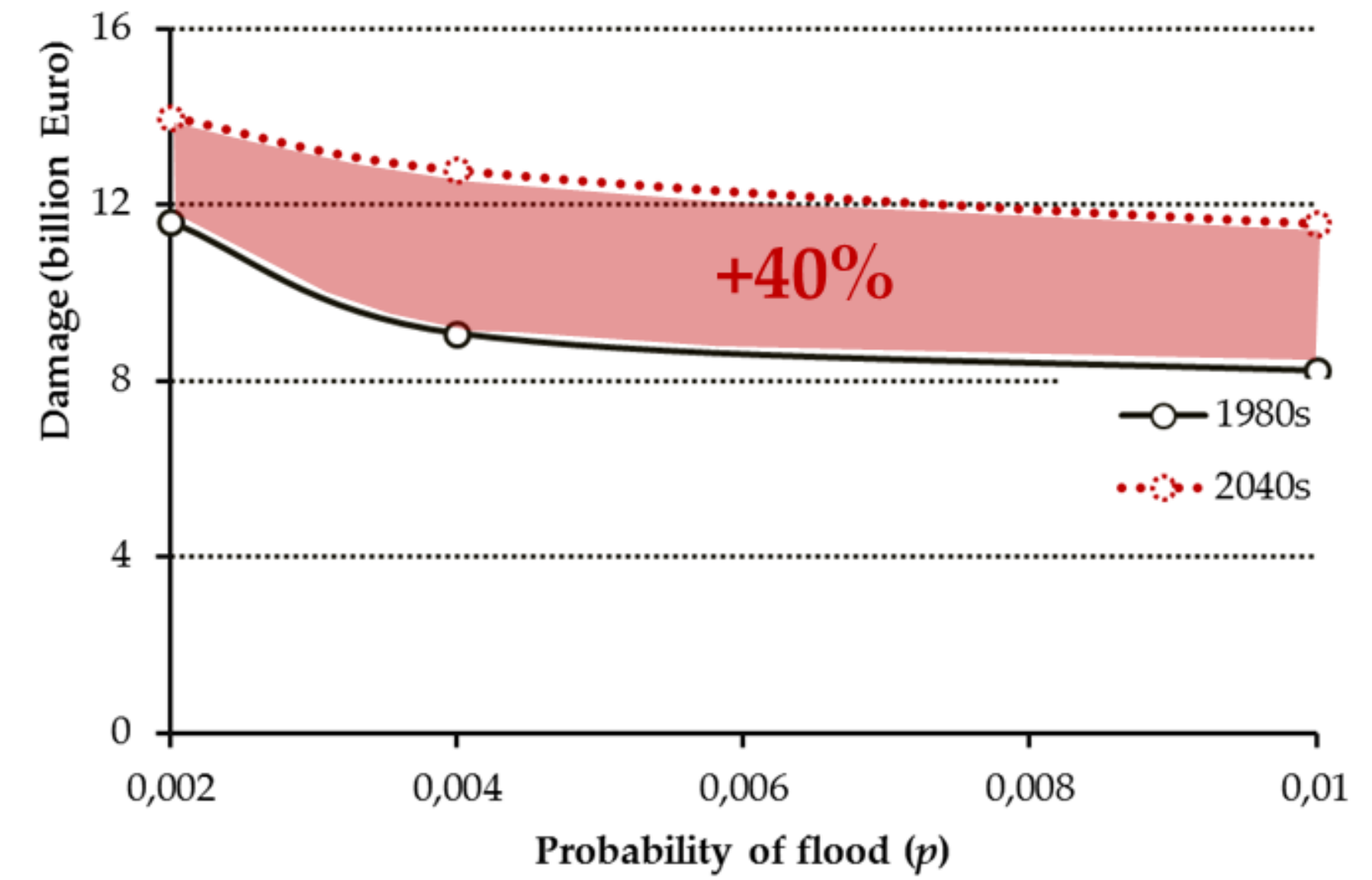
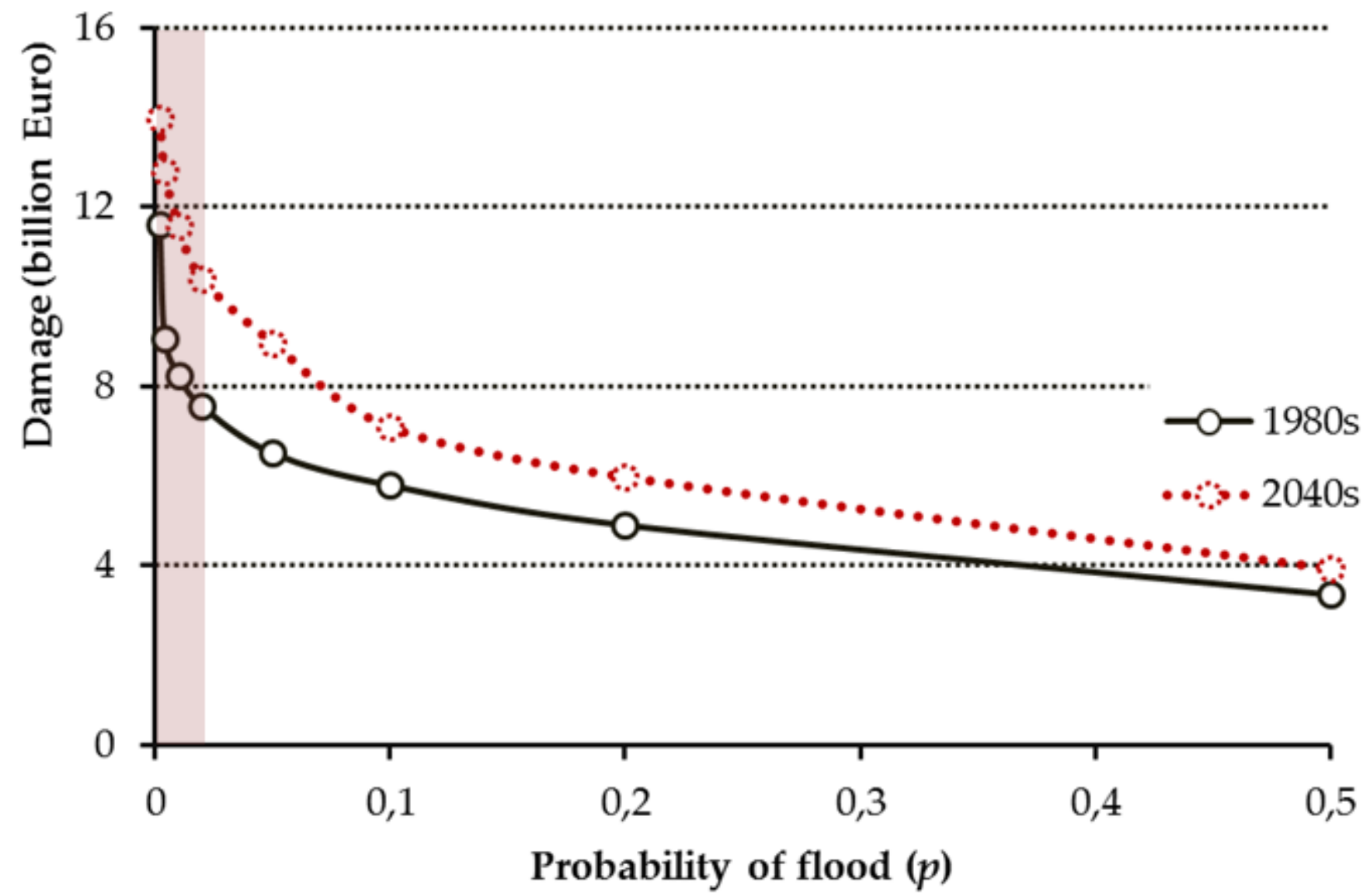


# Modelling economic losses



- Loss exceedance probability (EP) is probability of exceeding given damage/loss threshold in one year. E.g. loss 8 billion represents the 99 percentile of the annual damage/loss distribution. The probability of exceeding 8 billion in one year is 1%.
- Expected annual damage (EAD) and loss (EAL) is a mean value of a damage/loss exceedance probability (EP) distribution; the expected loss per year.





# Climate services

## **Climate innovation and piloted climate services produce action-oriented knowledge that rally transformational change**

- spurred by multilateral frameworks such as UN Sustainable Development Agenda, Sendai Framework for Disaster Risk Reduction, and UNFCCC Paris Agreement on Climate Change.

## **Climate services are knowledge-intensive business services**

- advanced technological and professional knowledge; both users and purveyors play a vital role in co-designing and co-producing the service solutions

## **Instead of a definition**

- Historic climate records, catalogues of extreme events, reanalyses, forecasts, projections and indices used in outlooks, early warnings, vulnerability and risk assessments, monitoring and reporting schemes, and financial protection instruments ....
- .... enable higher agricultural productivity, more efficient use and allocation of water, greater financial security and returns on investments, more reliable access to and production of renewable energy, and more effective protection of vulnerable communities and ecosystems.



# CLARA

**Main objective** » to develop a set of climate services building upon the Copernicus C3S seasonal forecasts and sectorial information systems, demonstrate their value and ensure their viability.

» H2020 innovation action (IA),  
06/2017 – 05/2020

» 10 partners from academy, business and public administration

- » Develop new and enhance existing climate services
- » Analyse and demonstrate the **economic and social value** unleashed by climate forecast enabled climate services and corroborate their direct and indirect benefits
- » Engage service developers, purveyors and end-users in **mutually beneficial collaboration and partnerships**
- » Contribute to advancing the European **innovation, competitiveness and market performance** for climate services



14 climate services from among the GFCS priorities

LOGO							
PARTNER	CMCC	ARPAE	ARPAE	GECOS	SMHI	UCO	GECOS
ACRONYM	FloodMage	PWA	WRI	IRRICLIME	Aqua	ROAT	SCHT
LOGO							
PARTNER	UCO	SMHI	ARPAE	TCDF	CMCC	SMHI	UCO
ACRONYM	SHAT	AirCloud	AQCLI	PPDP	Clime	Hydro Gwh	SEAP



Climate forecasts enabled knowledge services

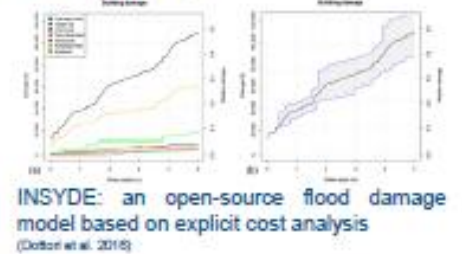
CLARA sets to develop fourteen climate services building upon the Copernicus seasonal forecasts, and demonstrate their marketability and value.

Italy is notoriously prone to flood hazard risk, as a result of its peninsular and mountainous conformation. Since 1980s, the average annual damage exceeded 1 billion Euro.



Damage and losses

Damage » economic value of impaired physical assets, assessed using an empirically validated **multivariate damage model (INSYDE)**.



INSYDE: an open-souroe flood damage model based on explicit cost analysis (Gottschal et al. 2019)

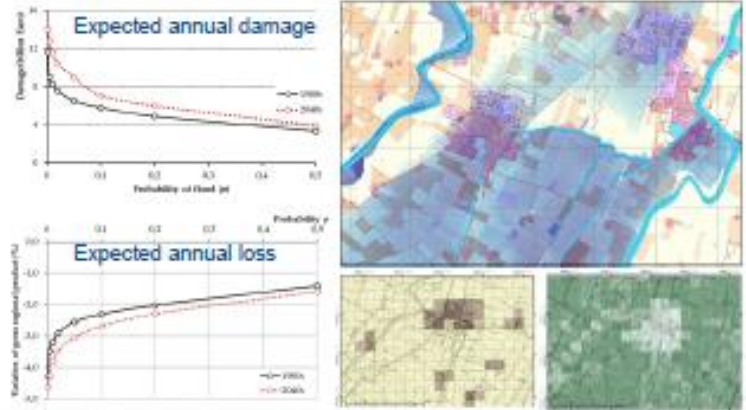
Loss » second-order impacts caused by business interruption and disruption of lifelines (e.g. transport, water and energy supply). Indirect losses are estimated using regionalized **computational general equilibrium (CGE)** model.



This service estimates financial and economic impacts of floods driven by environmental changes and post-disaster recovery pathways. The modular design uses high resolution assets mapping, climate risk and flood hazard modelling, statistical analysis, catastrophe loss modelling, and recursive dynamic general equilibrium modelling.



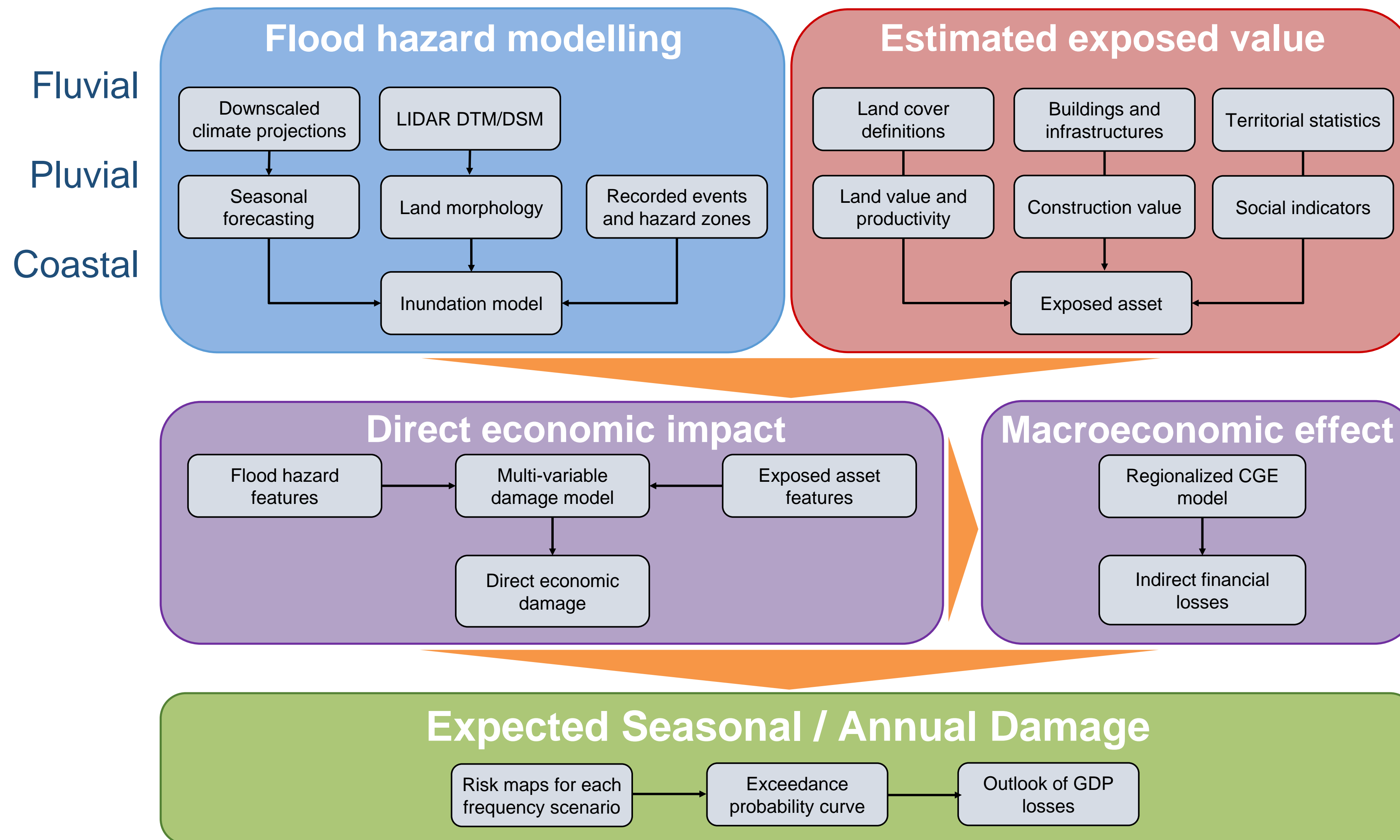
The services builds upon the knowledge gained from reconstruction of past flood events and their impacts. The scale of analysis varies from asset to city-wide, inter-regional, national and pan-European levels, and is complemented by coping/adaptive capacity analysis.



[www.clara-project.eu](http://www.clara-project.eu)  
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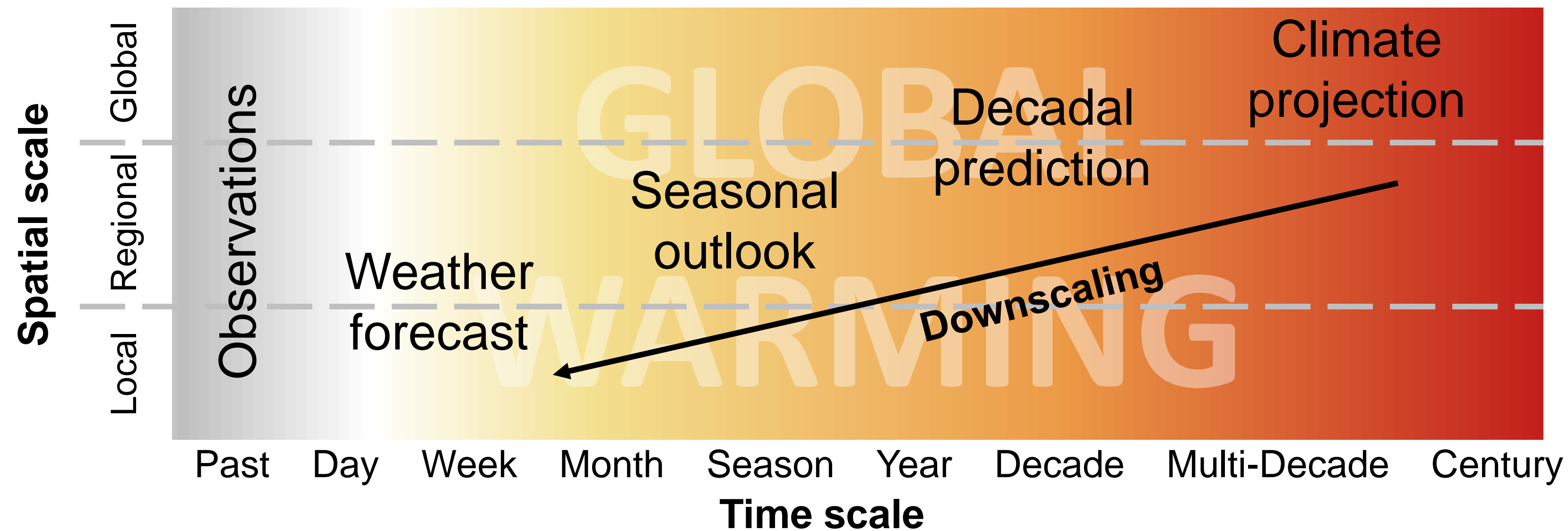
The CLARA project has received funding from the European Union's Horizon 2020 research and innovation programme under the Grant Agreement No 730482.

# Modelling framework





# Downscaling of climate simulation



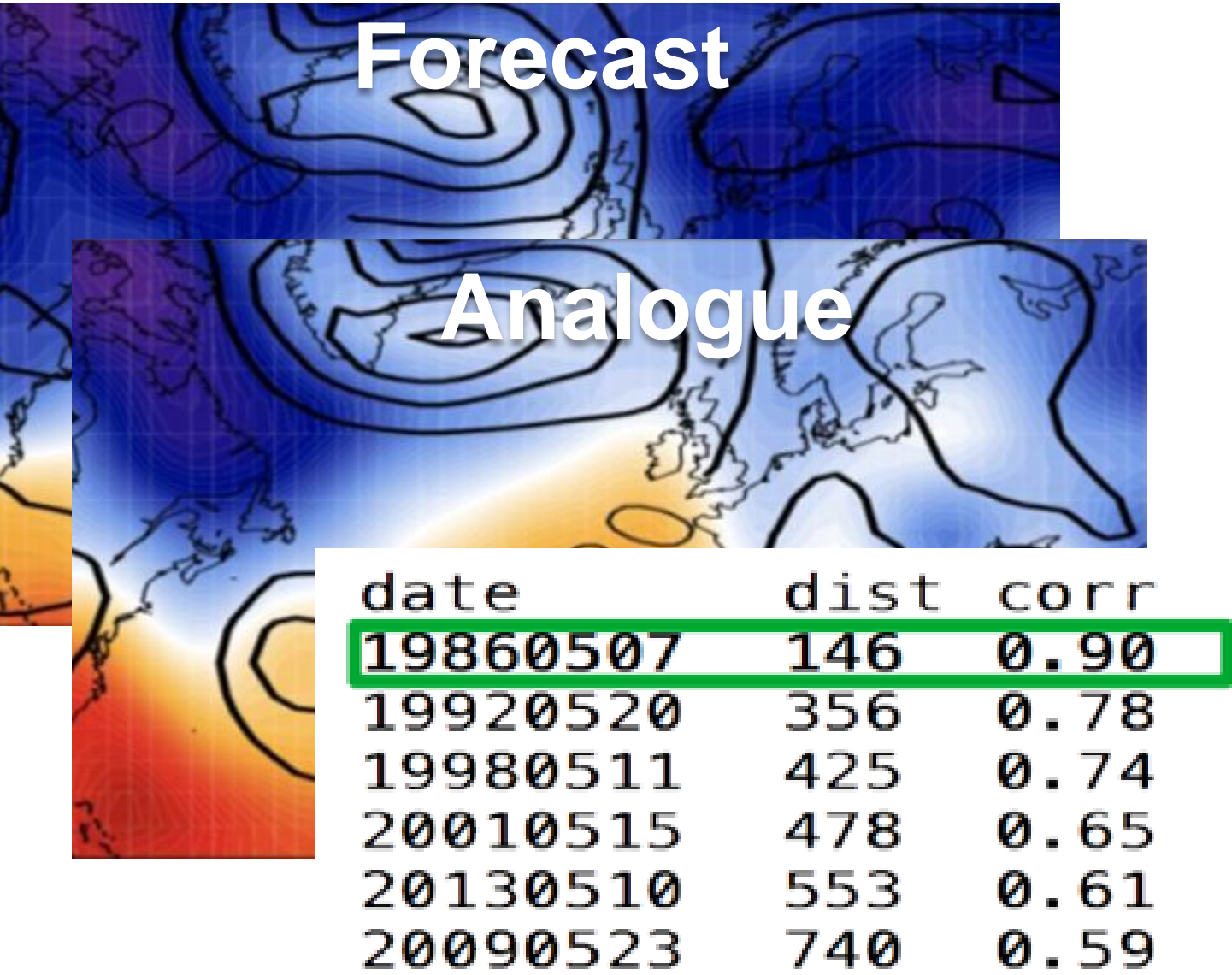
Pre-processing is required to turn global climate projections into user-relevant information.

**CS Tools** (EU *MEDSCOPE*) is a collection of methods for forecast calibration, bias correction, statistical and stochastic downscaling, optimal forecast combination and multivariate verification, as well as basic and advanced tools to obtain tailored products from the data offered by Copernicus Climate Change Service.

An updated version will be released by end of October with new functions, i.e. Downscaling using Analogs, Calibration, BestNAO selection, among others.

# Climate Service tools for downscaling

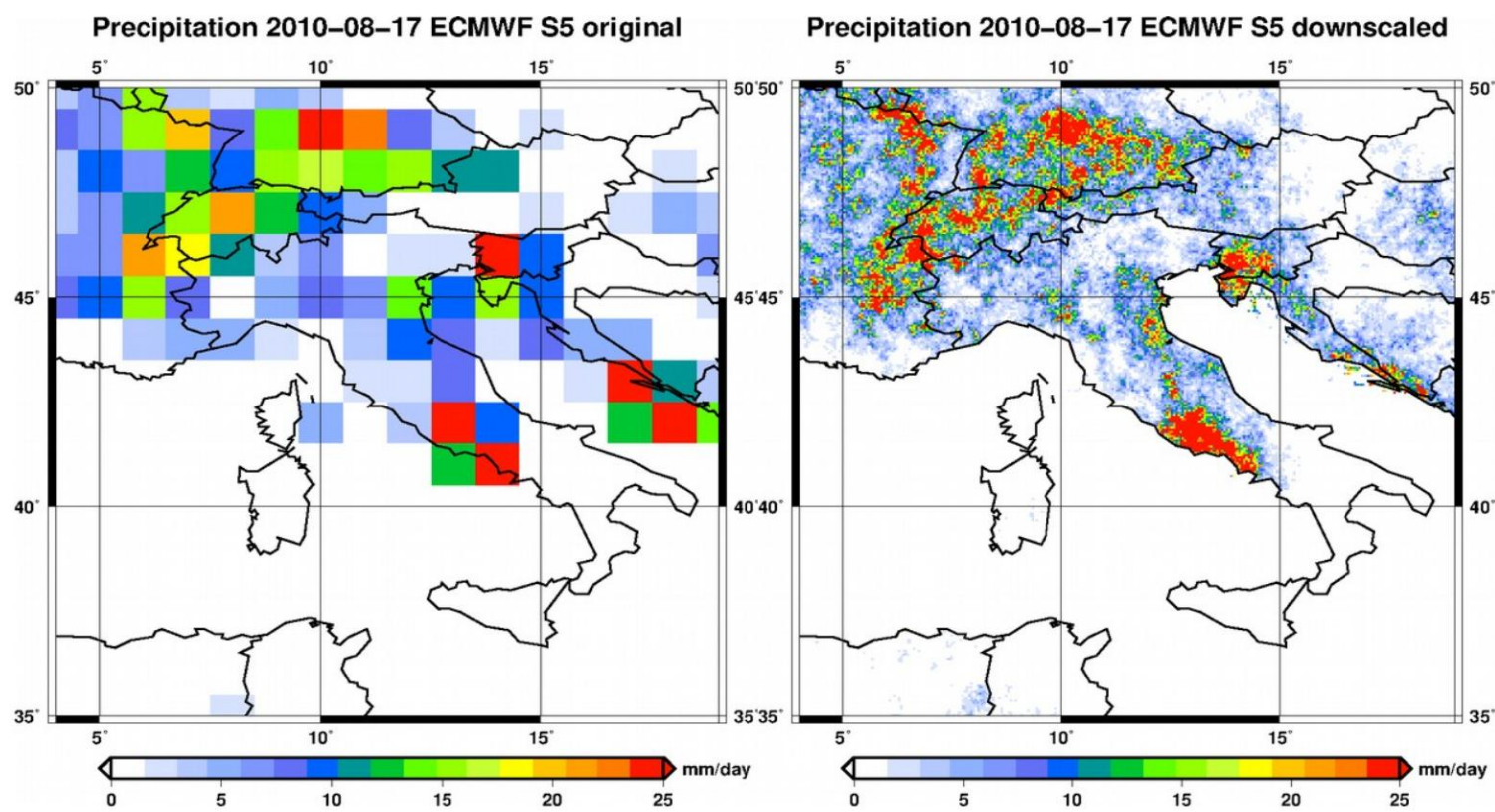
Analysis of *climate analogues* identifies days in the past that had similar climate indices compared to the period of forecast. It provides daily weather boundary conditions according to which the probability of extreme events can be estimated on a 5-10 km grid.



## OROGRAPHIC PRECIPITATION

*RainFARM* is a stochastic precipitation downscaling method at fine resolution (1 km) from large-scale spatio-temporal precipitation grids.

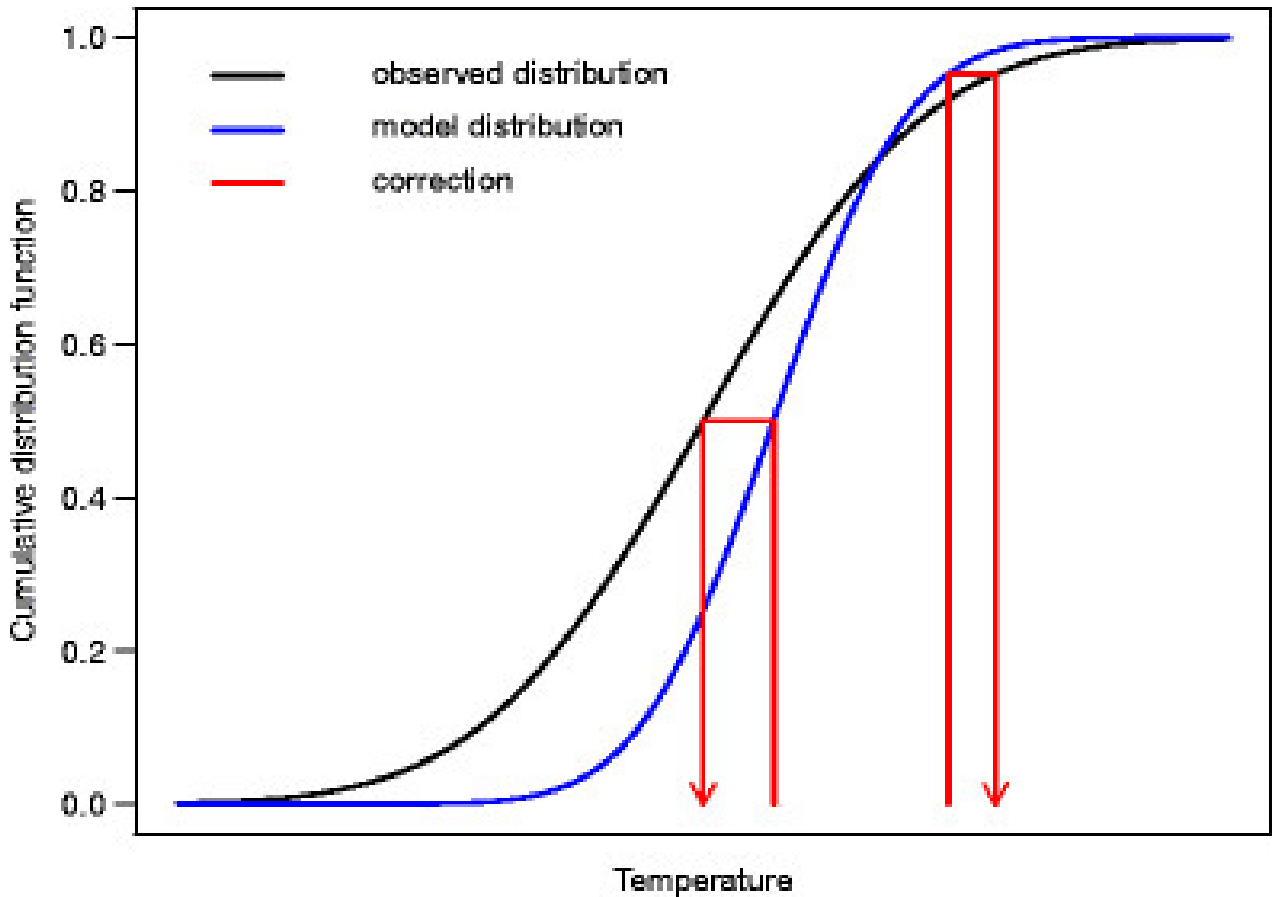
It distributes precipitation over complex orography using weights based on existing fine-scale precipitation climatology.



## BIAS CORRECTION

This function performs a *quantile mapping* based on a nonlinear approach. The function computes two dynamical properties (distance and persistence) of the underlying attractor (SLP/SST).

Those proxies are then used to classify the data in terciles. Once the data is classified, a quantile mapping approach is applied.





# Modelling approaches

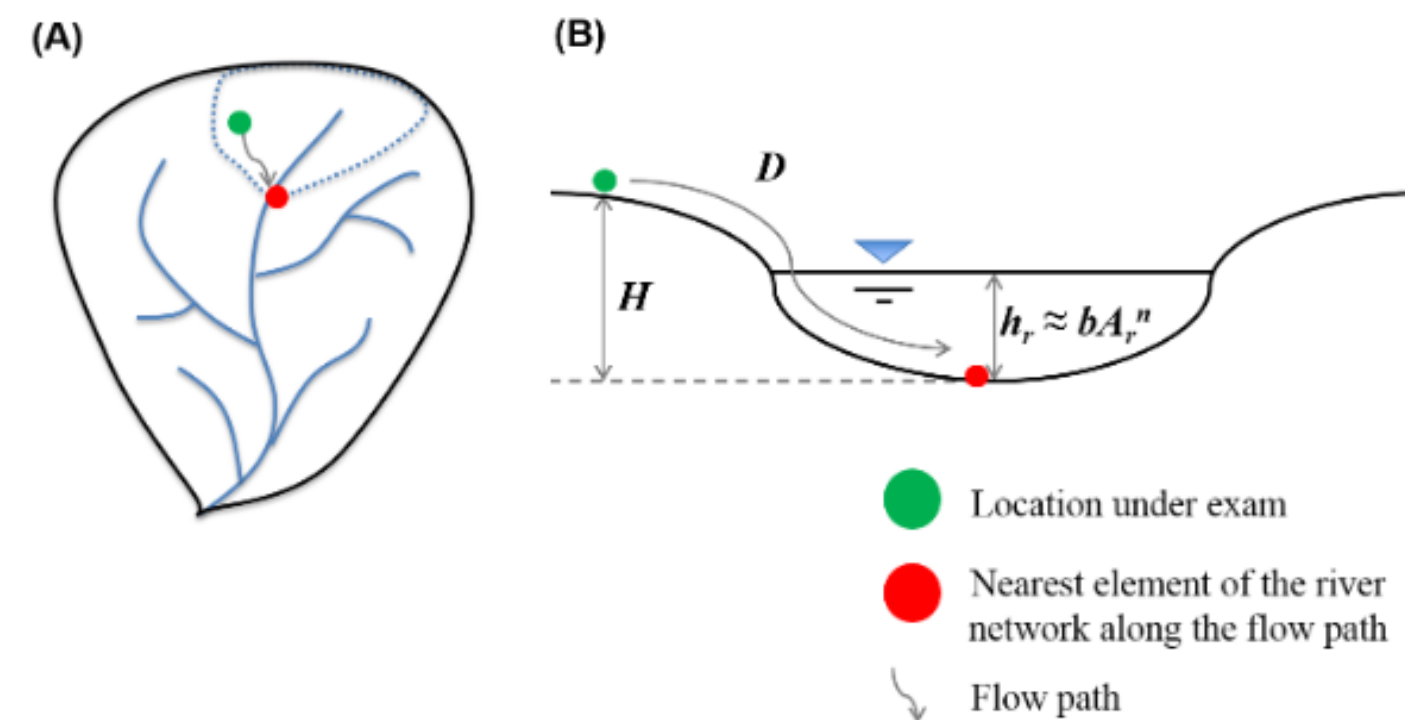
## FLUVIAL

### Static modelling:

**GFI-based approach** performs a linear binary classification of flood-prone and flood-free areas by combining the GFI with flood hazard information derived by existing inundation maps.

### Dynamic modelling:

Both **LISFLOOD-FP** and **ANUGA** are able to simulate the overflow of water from rivers and canals to the floodplain, generating a hazard map (water depth).

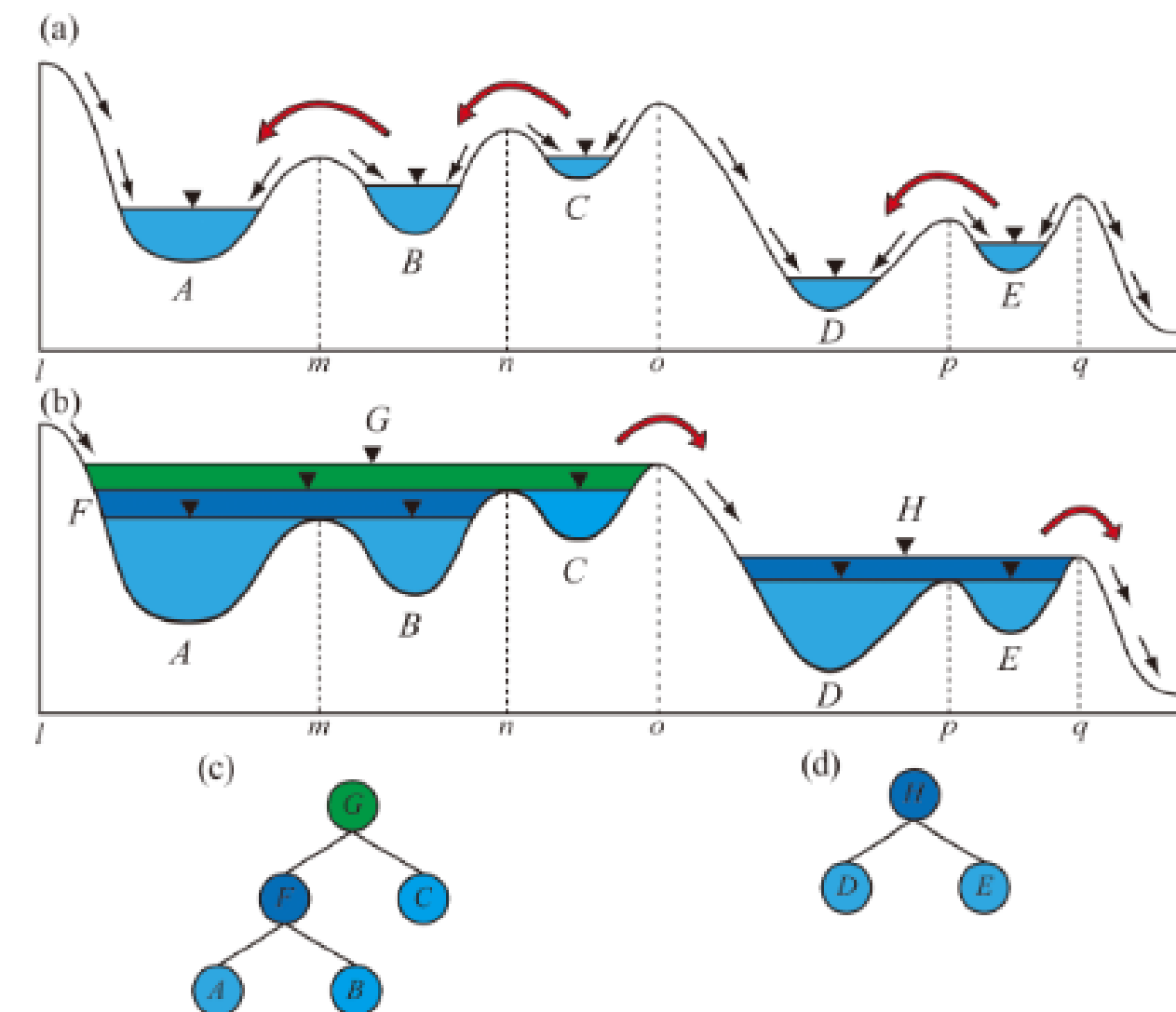


## PLUVIAL

### Static modelling:

**Fill&Spill** aims to identify pluvial-flooded areas on the basis of surface depressions in the DEM and their relative structure.

The volume of rainfall is accumulated in depressions (blue-spots) and, as they are filled, water starts to flow in depressions located at lower altitudes.



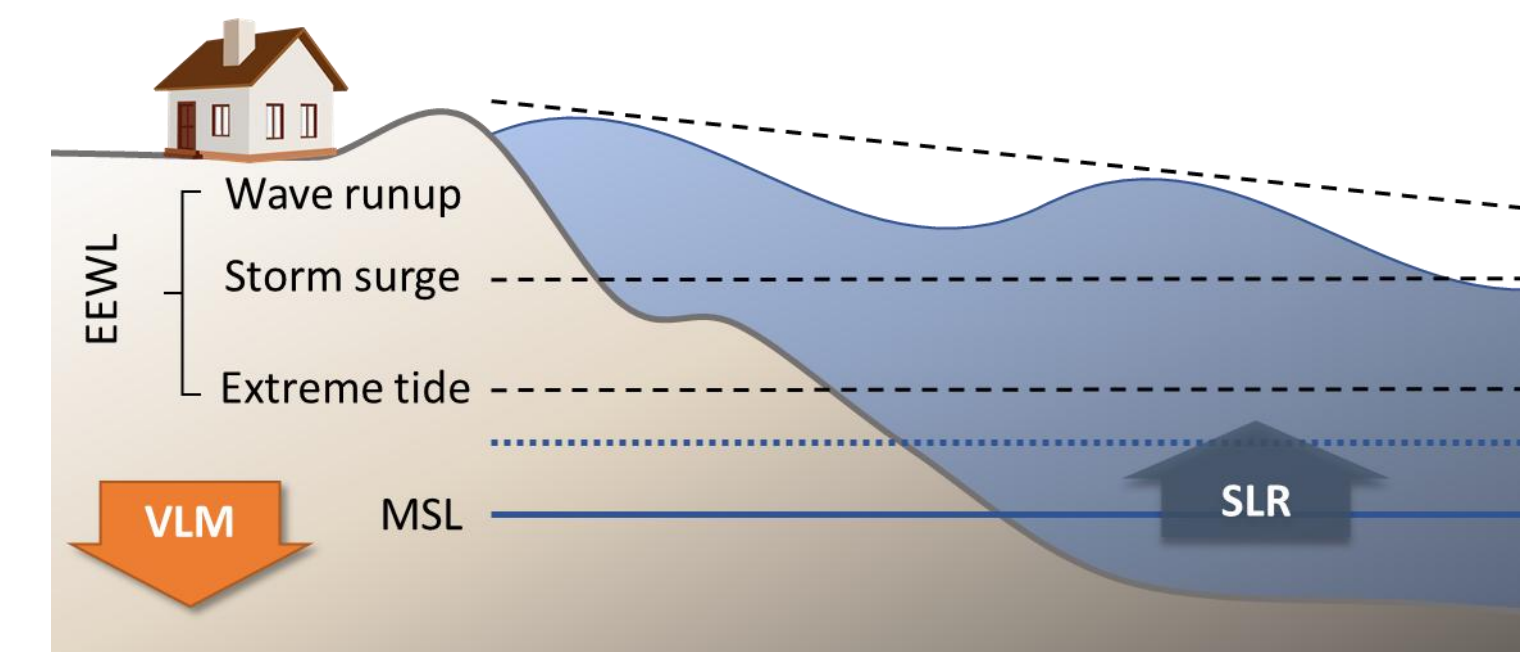
## COASTAL

### Static modelling:

**Region-growing** flood model aims to map the extent of a flood event through the spreading of water level using gravity and the DEM as main inputs.

### Dynamic modelling:

**ANUGA** is a 2D hydrodynamic model based on a finite-volume method for solving the shallow water wave equations. ANUGA is capable of simulating the extent, depth, duration, and velocity of a flood event.





# Pilot area: Rimini

24.06.2013

Flash flood in Rimini center



Compensation cost: 8 million Eur  
Two old people died

16.30-17.00: 92.6 mm	<i>Compare to:</i>
16.00-17.00: 123.6 mm	1971-2000 avg (JJA): 160 mm
16.00-20.00: 147.8 mm	1971-2000 avg (June): 56 mm

5-6.02.2015

Storm over Romagna coast



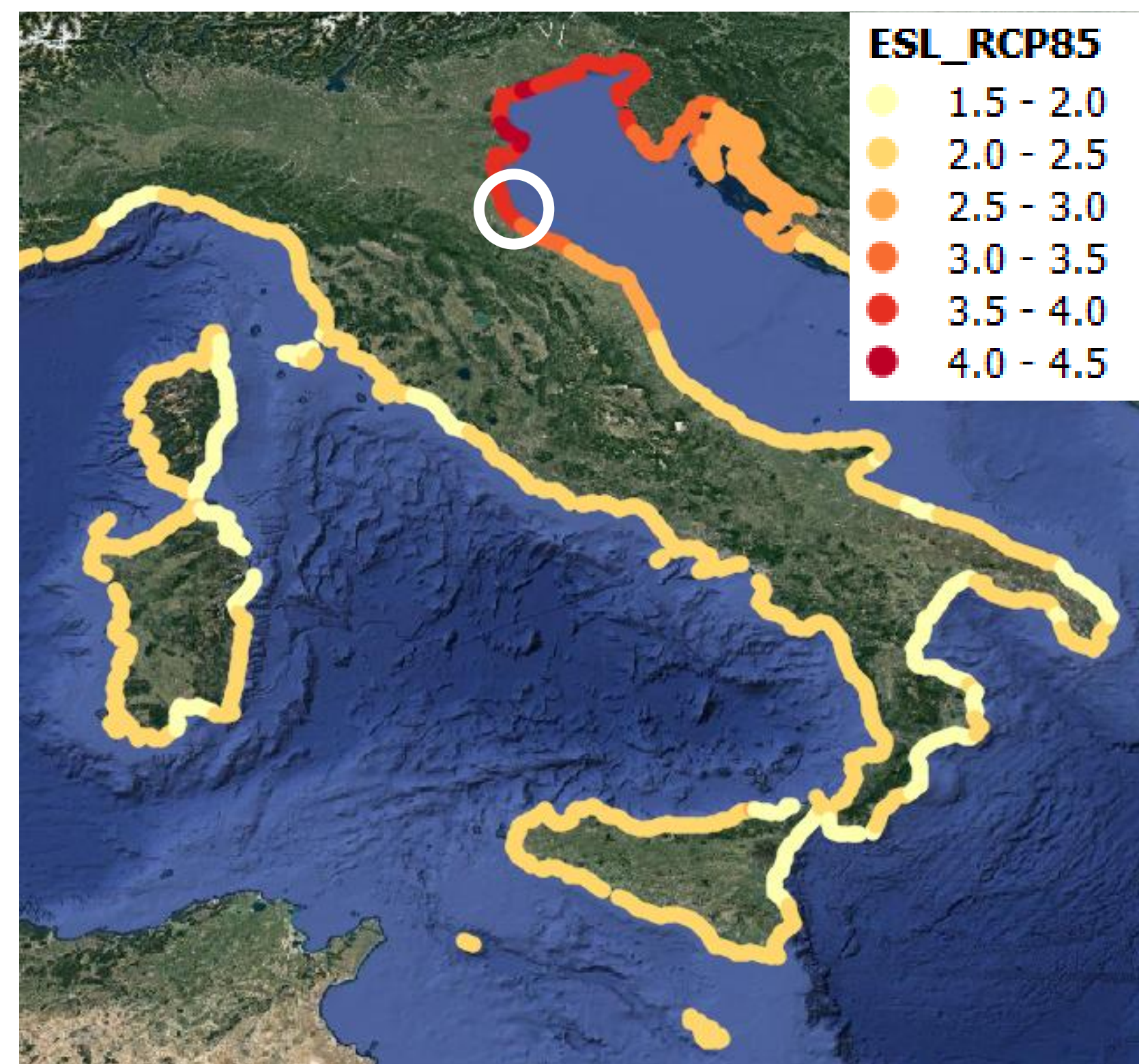
Sea level at 1.2 m  
Wind speed avg: 44 km/h; max: 86 km/h  
Record wave peak 4.66 m



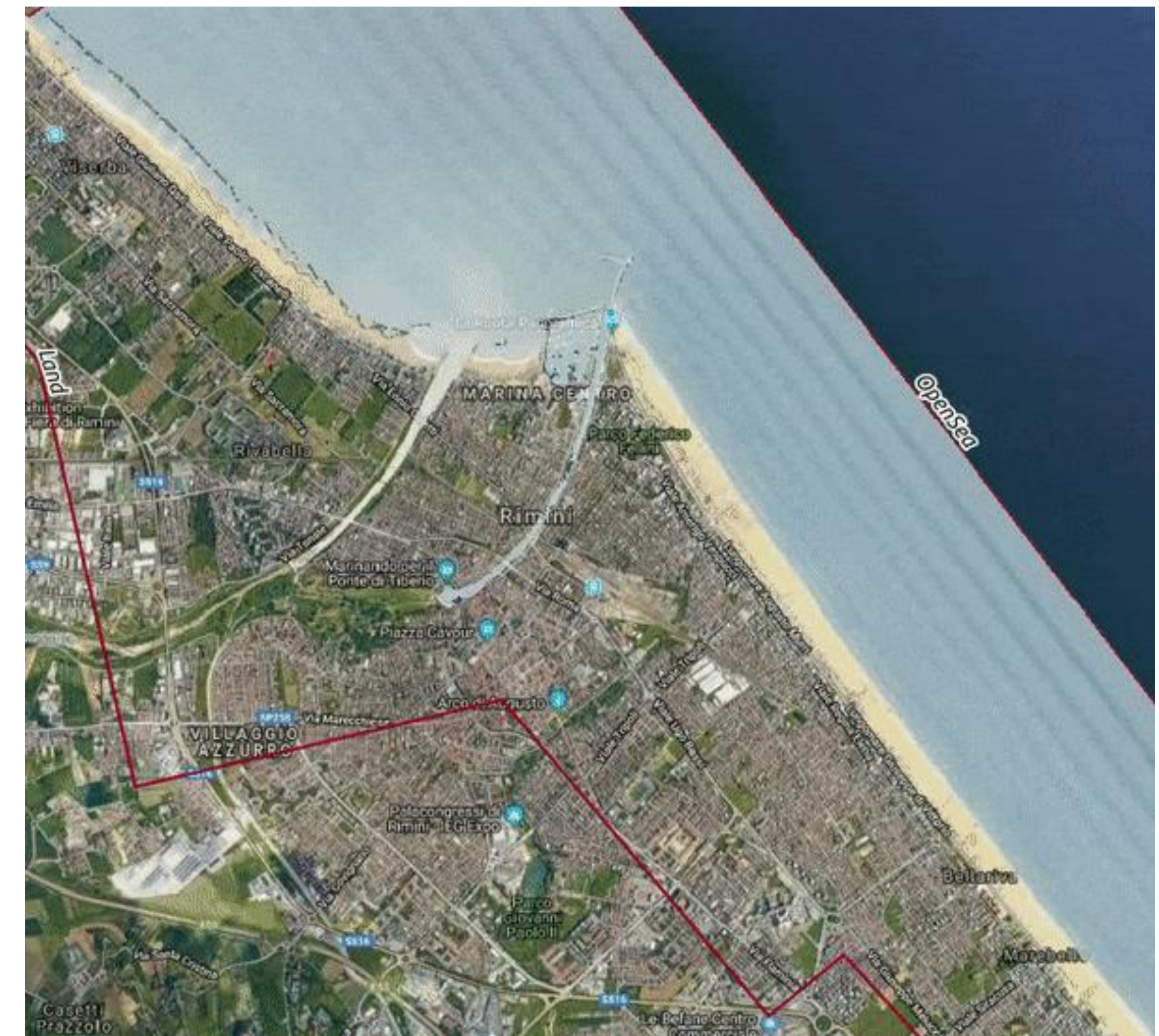
# Coastal inundation hazard

Coastal flood hazard is affected by wind and tides more than precipitation extremes; projections are based Extreme Sea Level from LISCOAST (JRC) and improved considering the Vertical Land Movement rate up to 2100.

LISCOAST Extreme Sea Level



ANUGA Hydrodynamic model





# Pluvial flood scenarios

A rainfall probability grid based on past records (ARPAE) is used to spatially distribute rainfall based on climate scenarios of extreme precipitation events.

Flash-floods are short-lived events (often less than 1 hour), causing the drainage system to easily overload.

The fill-&-spill model distributes water based on ground altimetry obtained from Lidar DEM (2x2m or 1x1m).

Without accounting for urban drainage, simulation of historical event seems to overestimate water depth.

We aim to refine the model accounting for drainage and absorption and to perform calibration over recorded data (2013).





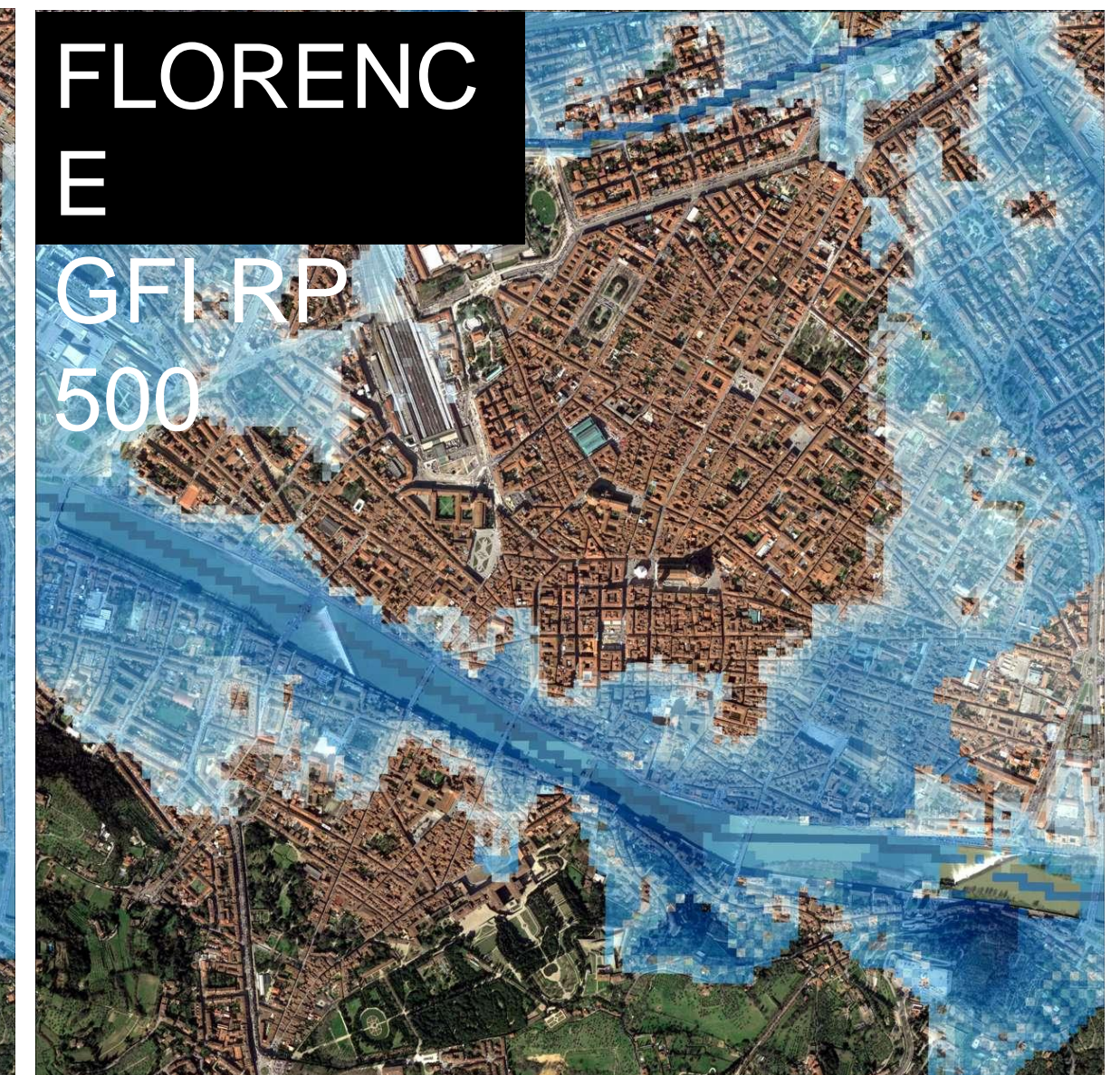
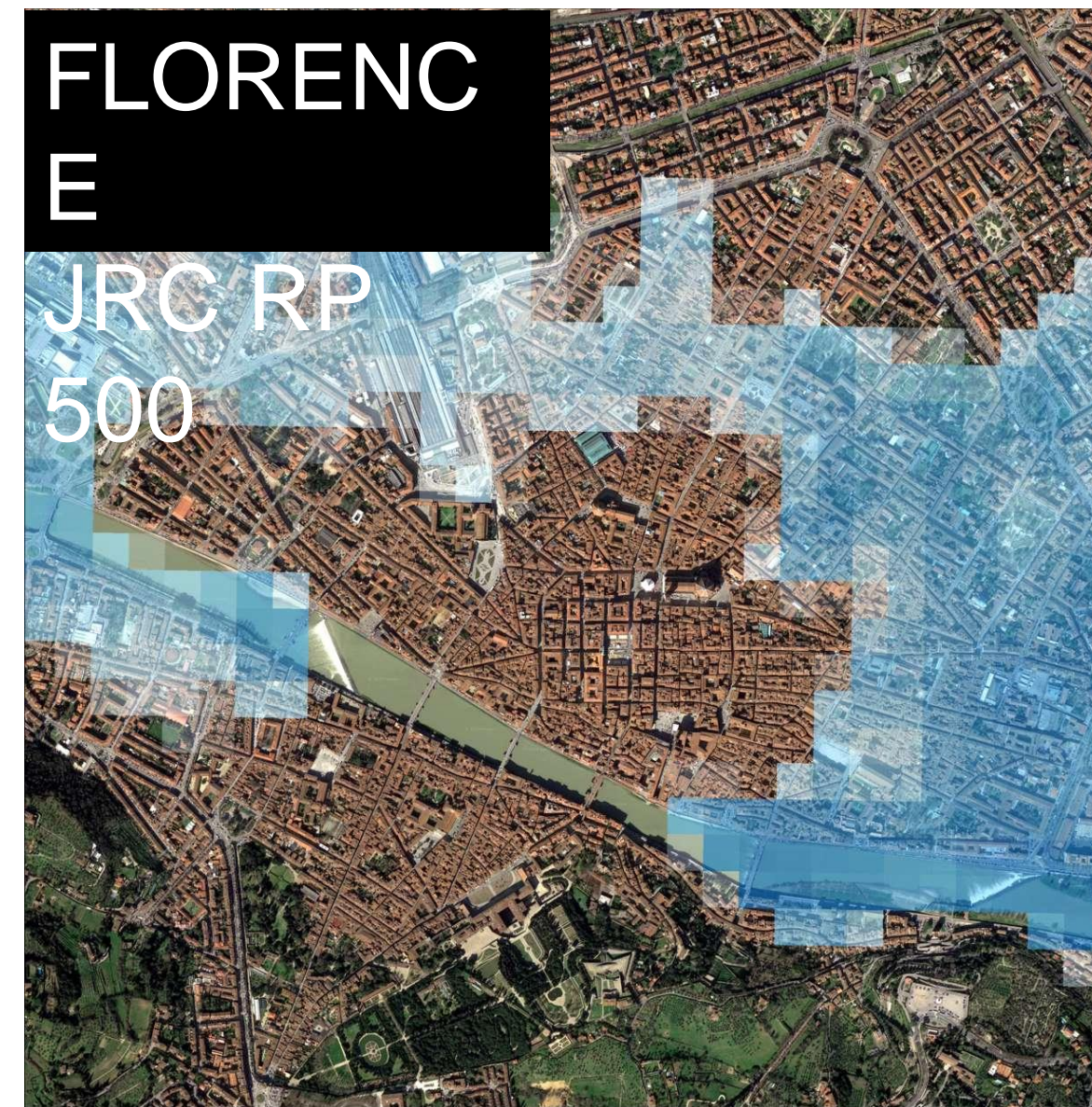
# River flood scenarios

River discharge forecasts from EFAS are modelled into flood probability scenarios.



An intensity/time threshold based on records is used to identify events that may trigger over-washing or breaching of embankments.

We tested fast DEM-based approach (Geomorphic Flood Index), which appear to perform well compared to hydraulic modelling (LISFLOOD-FP).

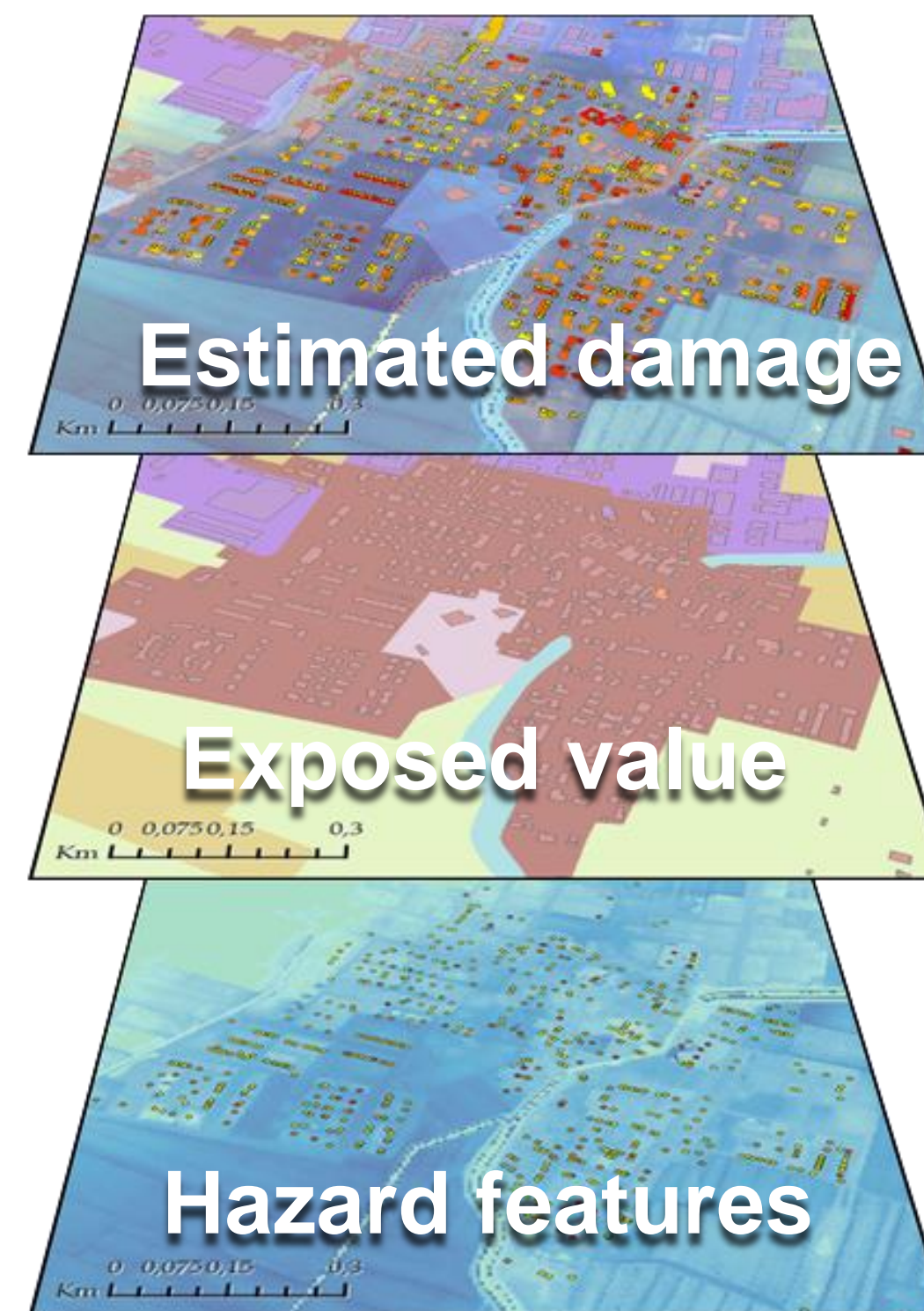
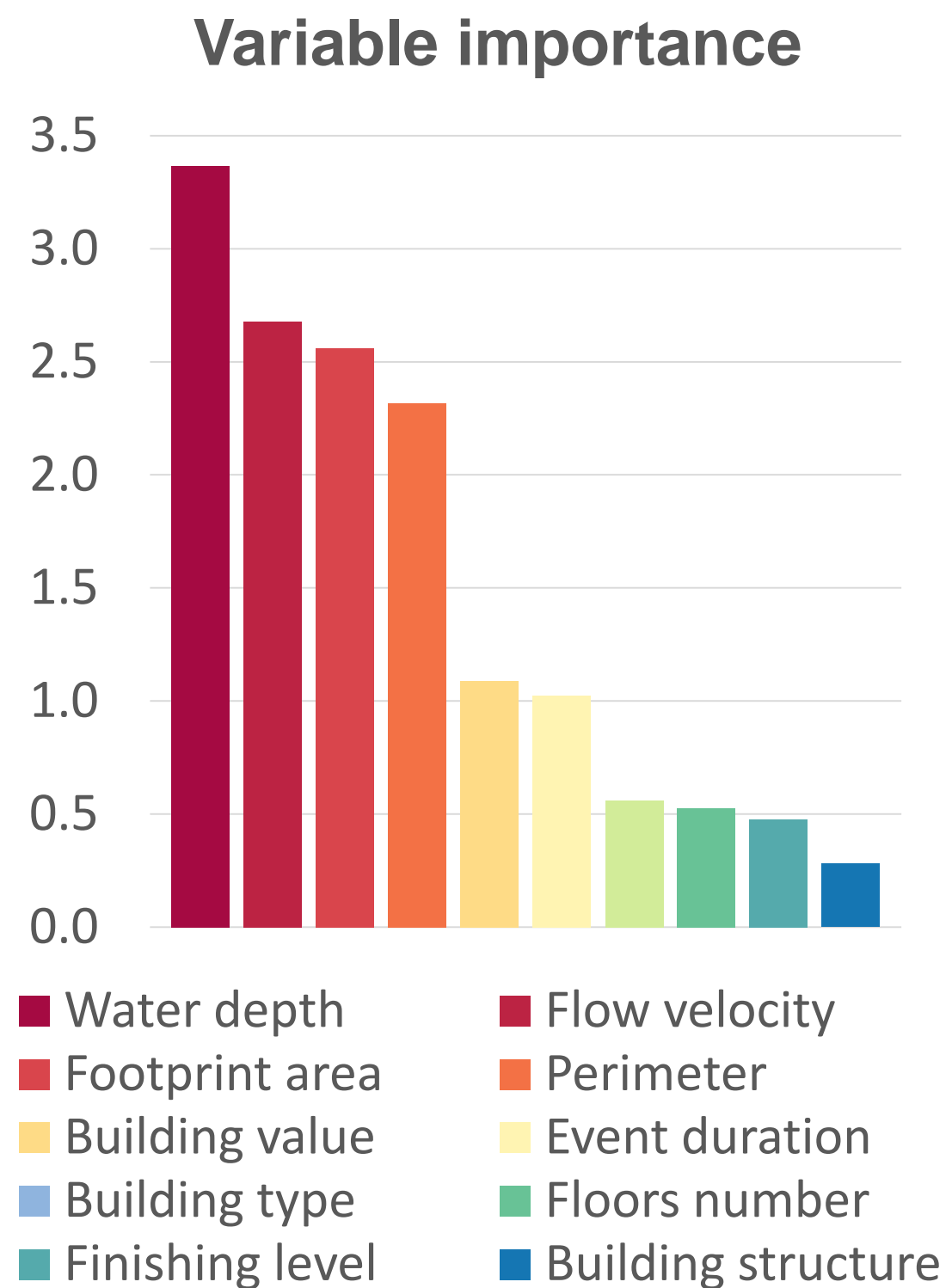




# Damage and loss model

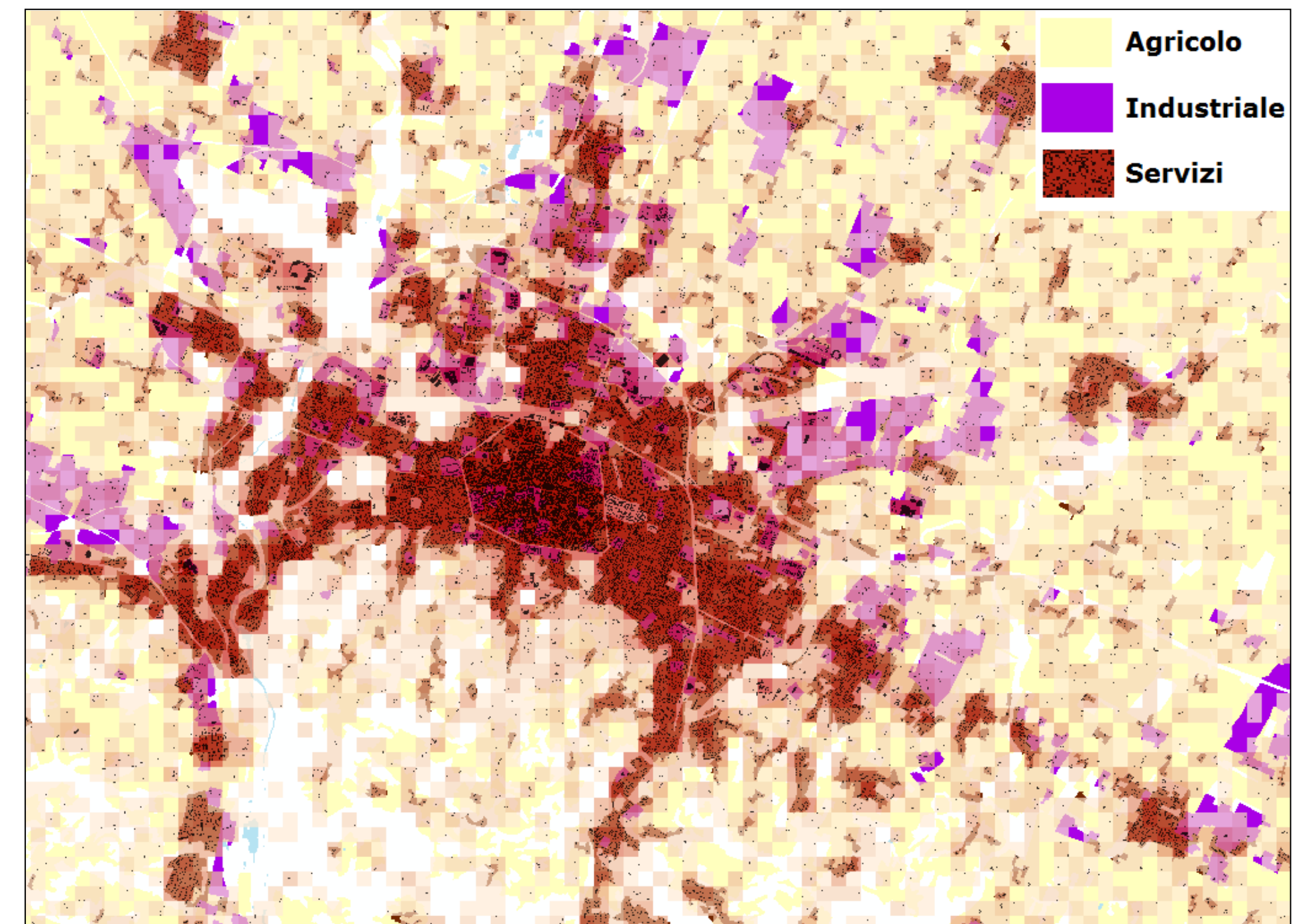
## DIRECT DAMAGE TO ASSET

Uni-variable and multi-variable damage models validated for Italy on empirical data are employed to estimate direct economic impact on the physical asset.



## REGIONAL GDP LOSSES

A regionalized version of macro-economic model (Computable General Equilibrium) estimates how the economic shock triggered by flood damage impacts labour and capital exchange with other Regions.





# MUF – THE MULTI-USER FORUM

The CLARA Multi-User Forum – MUF is a **platform** for **user engagement**, **co-generation** of climate services and **mutual learning** involving providers and users.

MUF promotes **workshops**, organised per taskforce, to facilitate the dialogue between providers and users.

**MUF-1**

**Co-generation**

03/2018

**MUF-3**

**Market**

09/2019

**MUF-2**

**Value added**

11/2018



**The Impact and Stakeholder Committee's** members (6) operate as 'users' engagement and impact champions' ensuring that Work Package leaders take into account and respond to MUF's recommendations.



# DERIVED CONCEPTS

Adaptive capacity is

- part of policy commitments, including the Global Adaptation Goal,
- driven by purpose and disciplinary lenses,
- approximated by composite indices or proxy measures,
  - sensitive to scale and unit of analysis
  - choice of underlying indicators and their processing (i.e. standardisation and aggregation)
- tool for assessing adaptation progress (Dilling et al, 2019, NCC)

Def

- the **ability** of systems, institutions, humans and other organisms to adjust to potential damage, to take advantage of opportunities, or to respond to consequences (IPCC, 2014)
- a vector of **resources** and assets that represent the asset base from which adaptation actions and investments can be made (Adger & Vincent, 2005).
- the **processes** through which people are able to use knowledge and experience and adjust behavior in response to external or internal processes to continue to exist within a current stability domain (Tebboth et al., 2019).
- ~ coping capacity (UNDRR, 2017) ability ..., using skills and resources, to manage risk. Requires awareness, resources and good management.





# Thank you for your attention!

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More information about the CLARA Project can be found here:  
<http://www.clara-project.eu/> #CLARA\_H2020, #Clara\_MUF @ClaraProject

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