# OPTIMAL CLIMATE ADAPTATION POLICIES UNDER UNCERTAINTY AND IRREVERSIBILITY FOR REDUCING THE RISK OF FLOODING

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#### **OUTLINE**

- Problem Definition
- Research Objectives
- Research Questions
- Methodological Design
- Schedule



#### PROBLEM DEFINITION

- Big economic losses from floods in Jakarta
- Flooding occurs due to the natural and human activities
  - High Precipitation, Sea level Rise
  - Population, Ground Water Extraction, Land Subsidence
- Adaptations hace been done by Private and

Public (Government)



# PROBLEM DEFINITION (CONT)

- Jakarta Government has a future plan for reducing floods, and it spends a huge budget
- Investment in Flood control programs face uncertainty and irreversibility
- There is limited information about the best policy from economic prespective
- Uncertainties and irreversibilities affect the best timing to adapt with future climate change
- Development planning in Northern part of Jakarta





#### RESEARCH OBJECTIVES



#### From an economics perspective

to study how water systems can be efficiently adapted to future climate change for reducing the risk of flooding inJakarta

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to advance the economic theory to deal with this problems.



#### RESEARCH QUESTIONS

1

 What is the value of economic losses due to climate changes in Jakarta in 30-40 years ahead?

**?** 

 What are the most prioritized policies in Jakarta from stakeholder perspective?

3

 Based on general assessment of adaptation options, what should be the priorities? (upstream, middlestream, or downstream)

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 What are the cost and benefit of alternative adaptations in the presence of uncertainty, and what is the most efficient adaptation?



#### METHODOLOGICAL DESIGN

What is the value of economic losses due to climate changes in Jakarta in 30-40 years ahead?

 Assessment of direct and indirect economic losses combined with geographical information analysis of population and asset exposure

RQ-2

What are the most prioritized policies in Jakarta from stakeholder perspective?

- Multi-Criteria Analysis (MCA)
- Workshop with stakeholders

## <u>METHODOLOGICAL DESIGN (CONT)</u>

RQ-3

Based on general assessment of adaptation options, what should be the priorities?

Modelling approach

RQ-4

What are the cost and benefit of alternative adaptations in the presence of uncertainty, and what is the most effective adaptation?

- Advanced Cost Benefit Analysis (CBA) under uncertainty
- Cost Effectiveness Analysis (CEA)

## **SCHEDULE**

Objectives	2012			2013			2012			2013		2014			
	1	2	3	1	2	3	1	2	3	1	2	3	1	2	3
valuing of economic															
losses															
prioritized policies															
General inventory															
assessment															
the most effective															
adaptation															

# Thank You

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