

Economic costs of human and climate changes impact on water resources: Application of IIASA global hydro- economic modeling framework

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Impacts World 2017

Half our planet's population are water insecure... uncertain futures



Absent or unreliable WSS



Food security and Irrigation

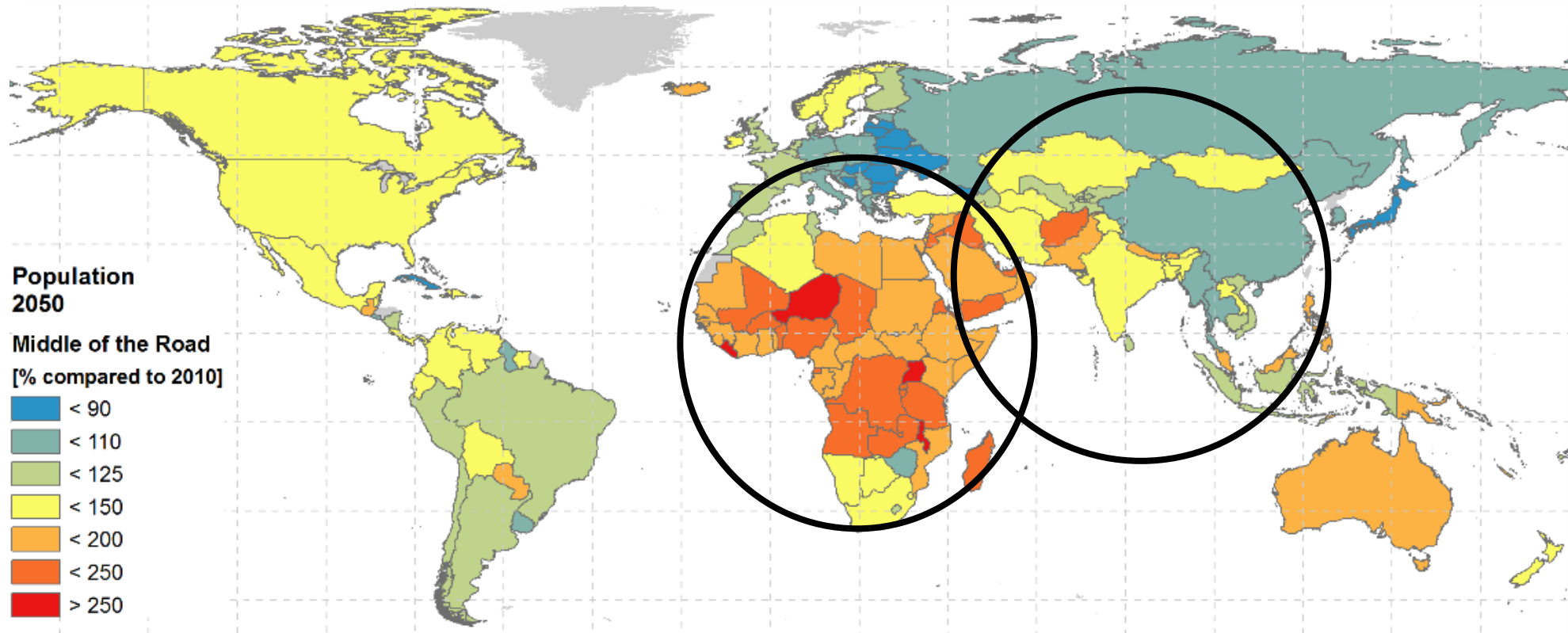


**The impacts of unmitigated variability
including floods & droughts**



Degraded water environments

Population and Development Continues



Middle of the Road scenario (SSP2)

33% more people by 2050 compared to 2010 globally
(6.8 billion to 9.1 billion)

Population in [billion]

GDP [1000 billion US\$/yr]

GDP per cap (PPP) in [1000US\$/cap/yr]

Africa

Pop: 1.0 to 2.0 2 times more

GDP: 2.8 to 19.2 7 times more

GDP pc: 2.7 to 9.5 3.5 times more

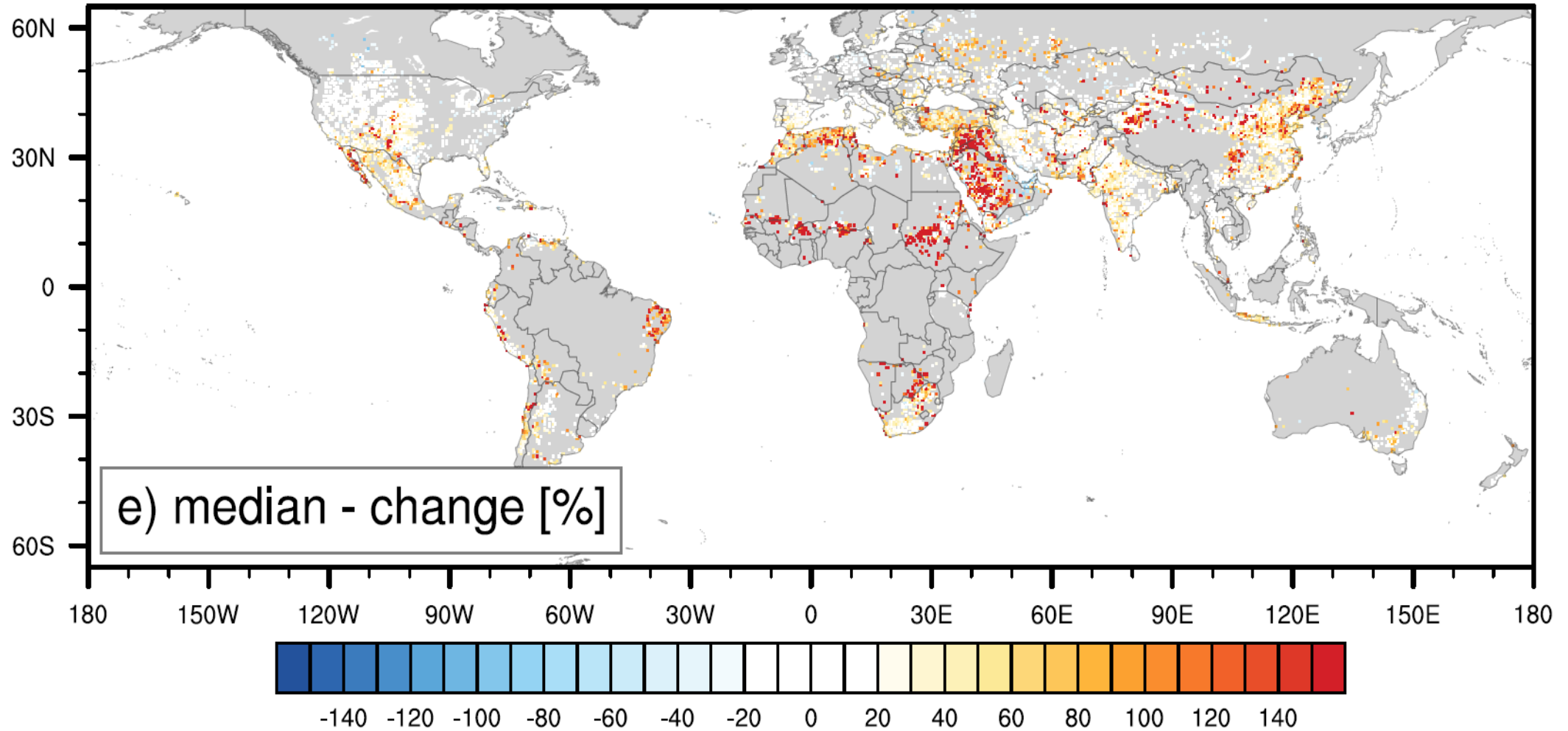
Asia

Pop: 4.1 to 5.1 1.3 times more

GDP: 26 to 123 5 times more

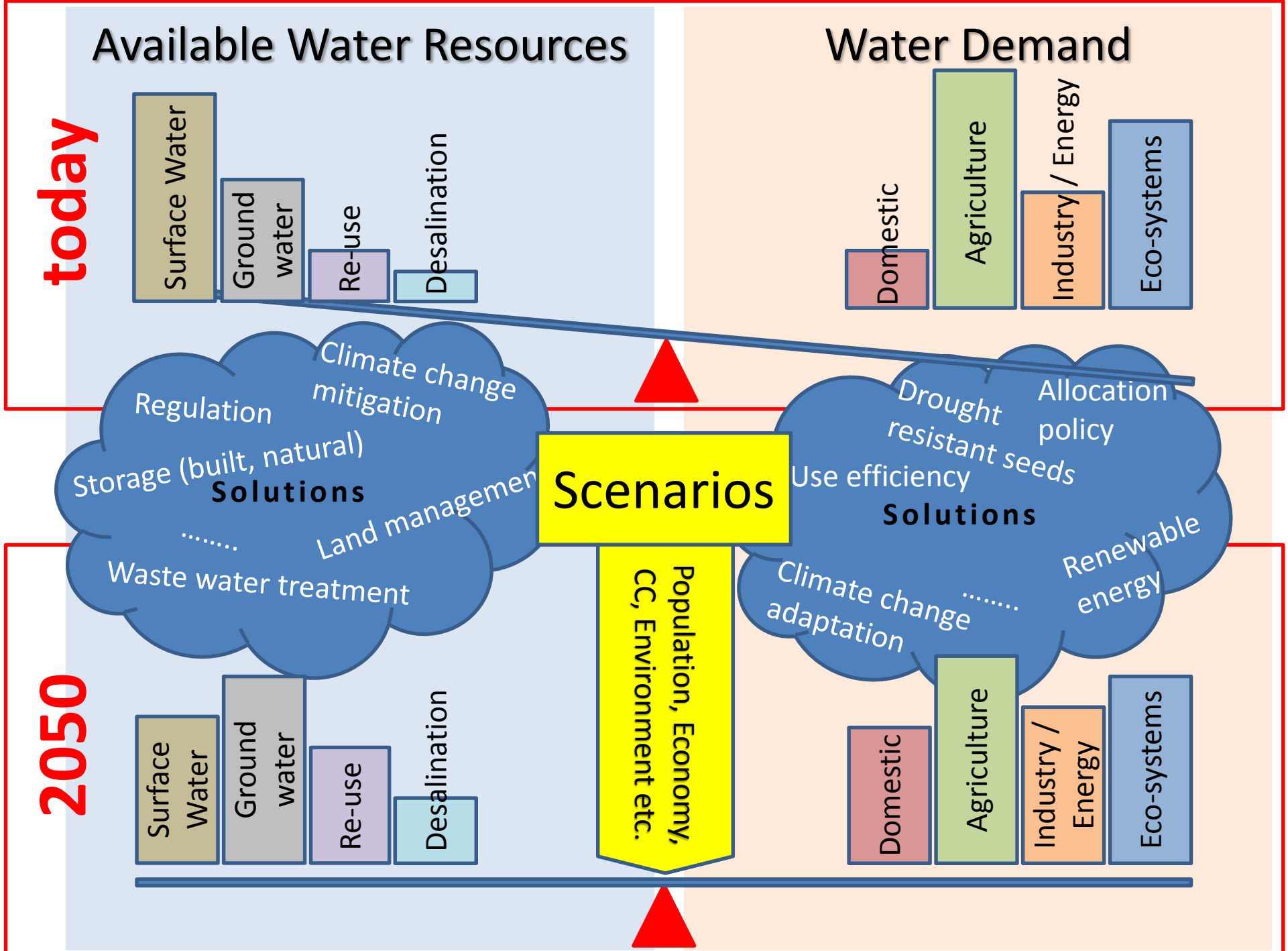
GDP pc: 6.2 to 24.1 4 times more

Change in water scarcity conditions between 2010 and 2050



Source: Greve et al. Forthcoming

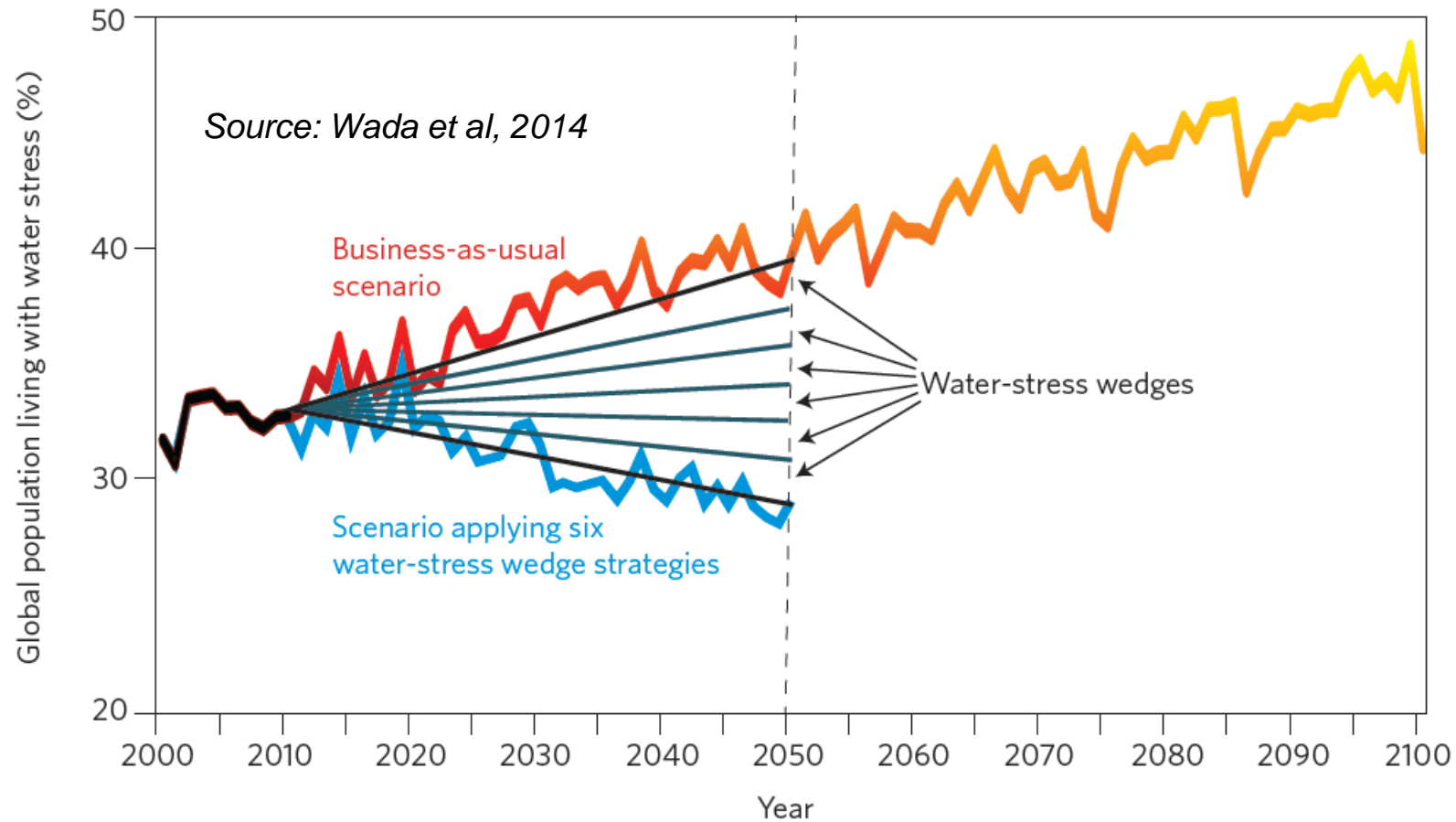
Modeling approach



Reducing risks of water stress

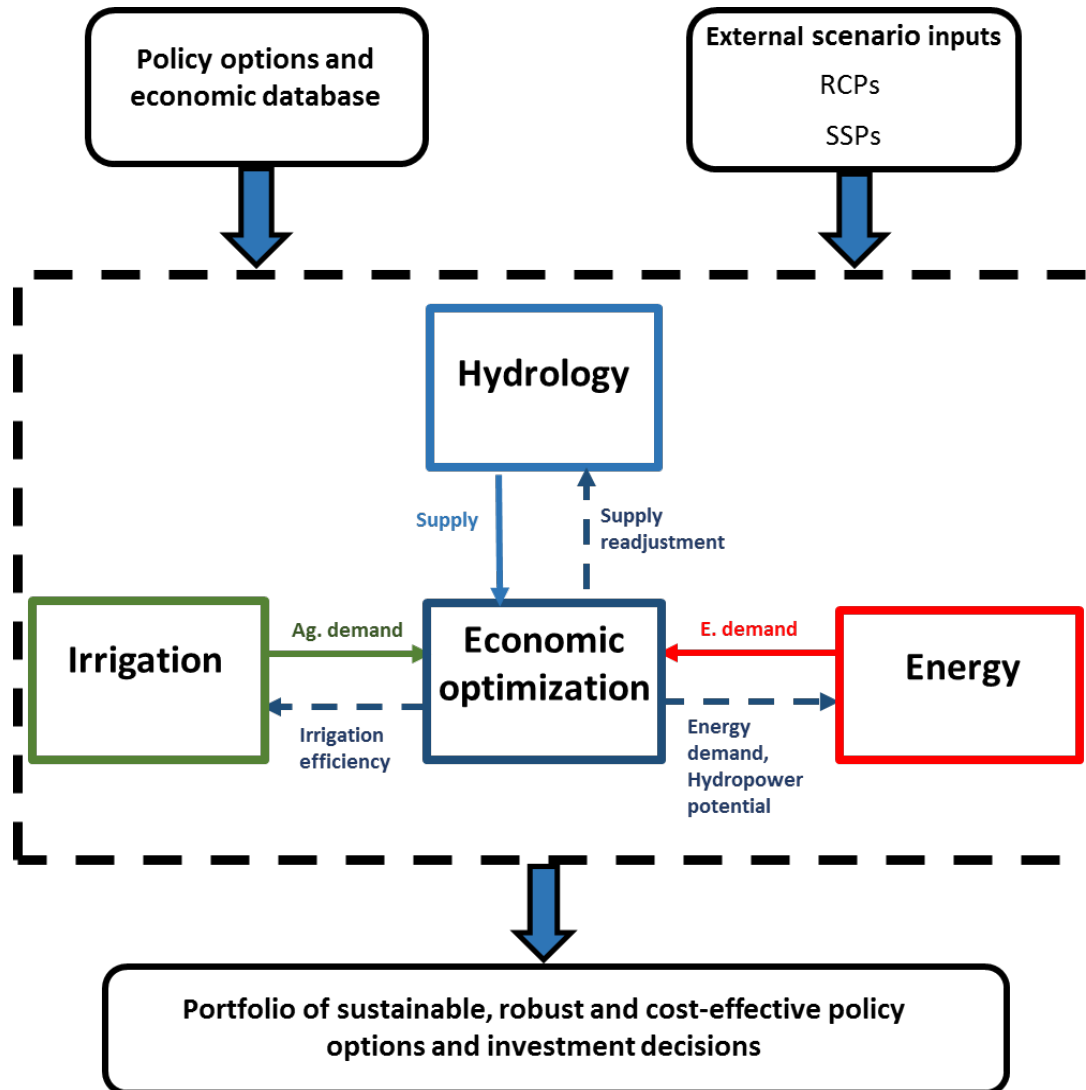
Water-stress wedge strategies:

efficiency; recycling; reservoir expansion, desalination, etc.



***What strategy is best to implement where and when? How much will it cost?
How will this impact land and energy use?***

Hydro-economic modeling framework



Key features represented in the model:

Drivers: Demand growth; Resource availability; Climate change; etc.

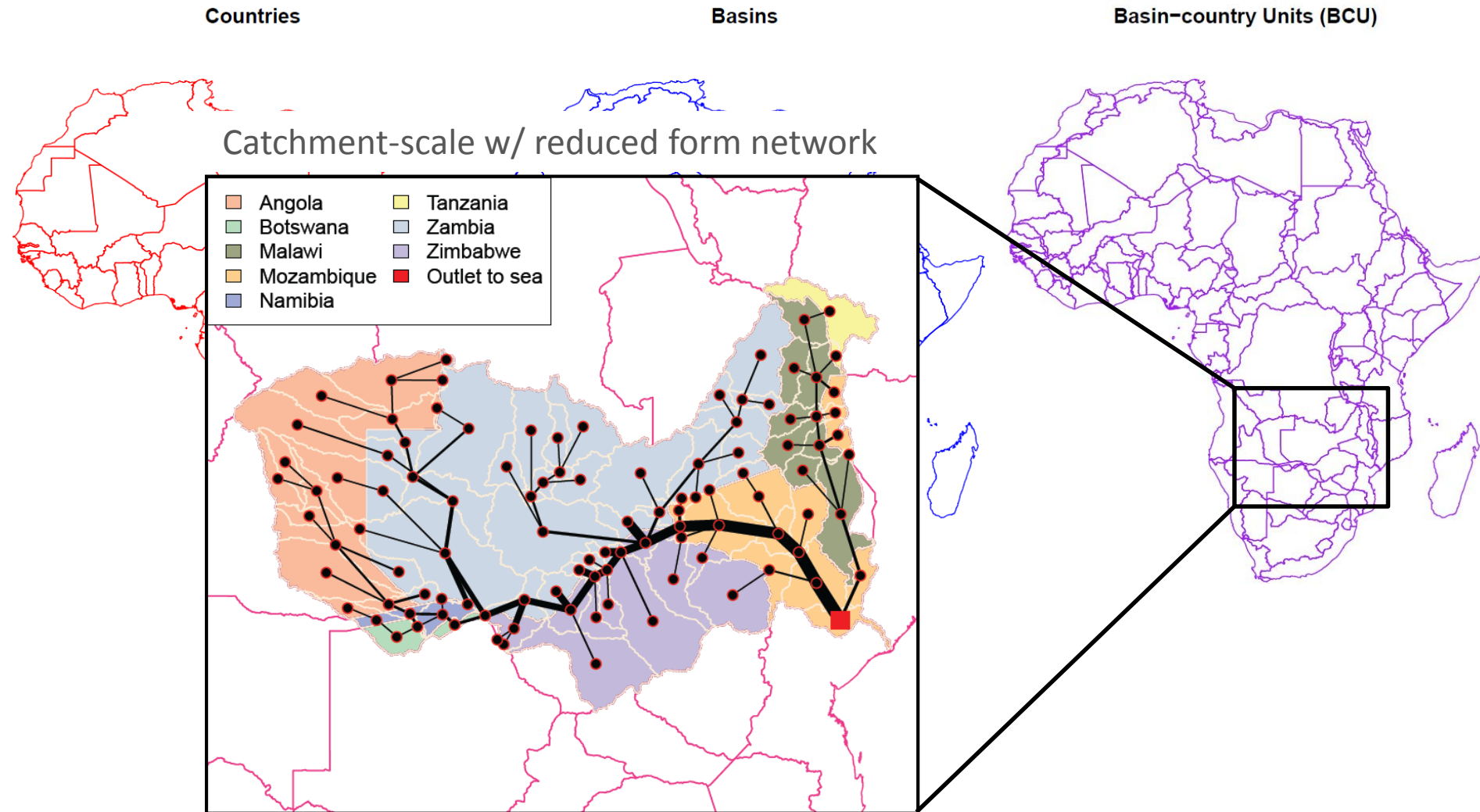
Processes: Reservoir management; Irrigation use; Electricity generation; Water pumping; End-use efficiency; Wastewater treatment; etc.

Impacts: Prices; Demands; Emissions; Water quality; Environmental flow; Groundwater depletion; Resource security; etc.

Decisions: Extract resources; Operate infrastructure; Expand infrastructure; Trade resources

Innovations

Multi-scale modeling incorporating basin-level decision making



Mathematical formulation

Objective function:

$$\text{Min } C^{npv} = \sum_{m,b,t} \frac{C_{m,b,t}^{tot}}{(1 + \delta)^t} \quad (1)$$

Subject to:

$$S_{i,t} - S_{i,t-1} = Q_{i,t}^{in} - Q_{i,t}^{out} \quad (2)$$

$$\sum_s \gamma_{s,d} \cdot Q_{s,t}^{out} \geq r_{d,t} \quad (3)$$

$$Q_{m,t}^{out} \leq \phi_m \cdot z_{m,t} \quad (4)$$

$$z_{m,t+1} - z_{m,t} - z_{m,t}^{new} + z_{m,t}^{ret} = 0 \quad (5)$$

Adaptation options

Supply enhancement	Demand management
<ul style="list-style-type: none">▪ Build/enlarge dams▪ Rainwater harvesting▪ Drill/improve wells▪ Reuse of wastewater▪ Desalination▪ Reprogram reservoir operation▪ Inter-basin transfer	<ul style="list-style-type: none">▪ Efficient irrigation technologies▪ Efficient domestic water appliances▪ Energy cooling technologies▪ Better allocation rules▪ Better crop management▪ Improving education▪ Controlling population growth

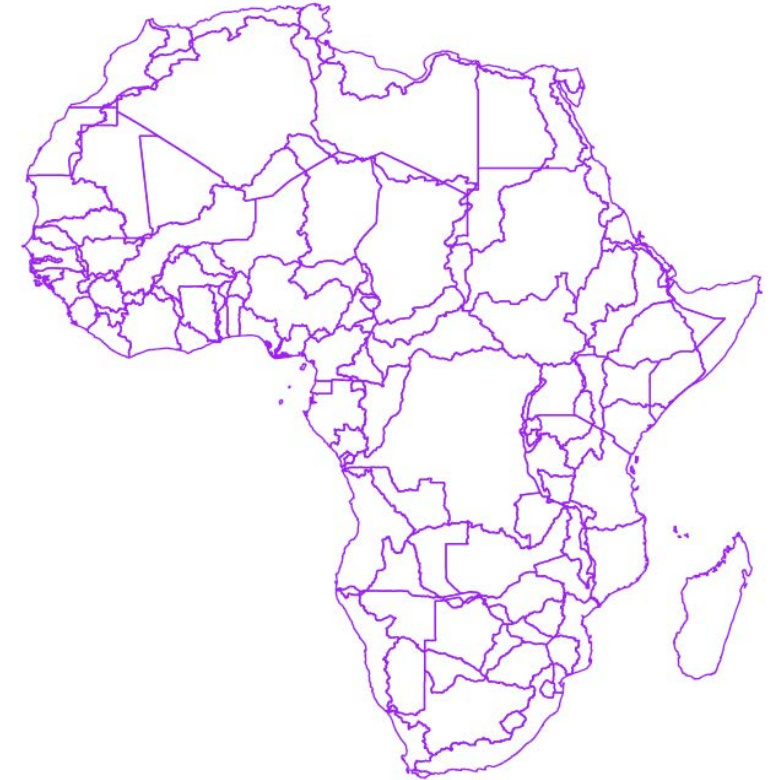
Scenario analysis

Two scenarios:

1/ Business as usual (**BAU**): SSP2-RCP6.0

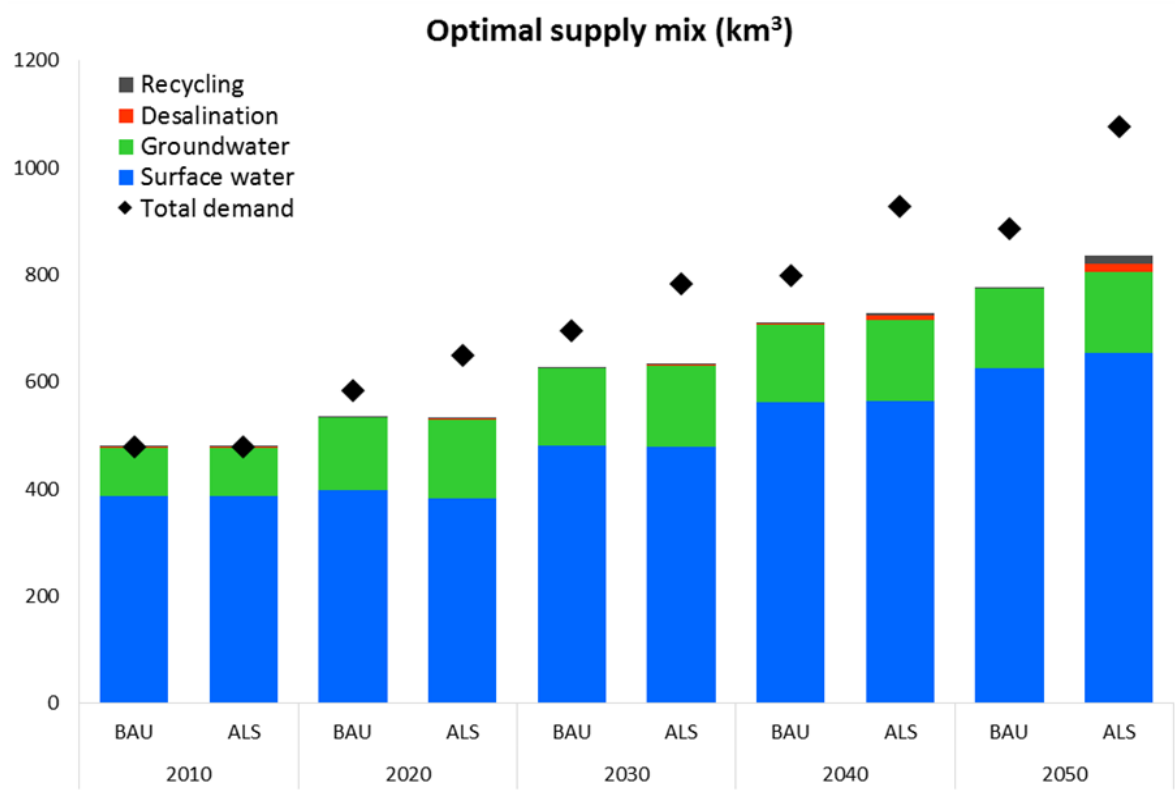
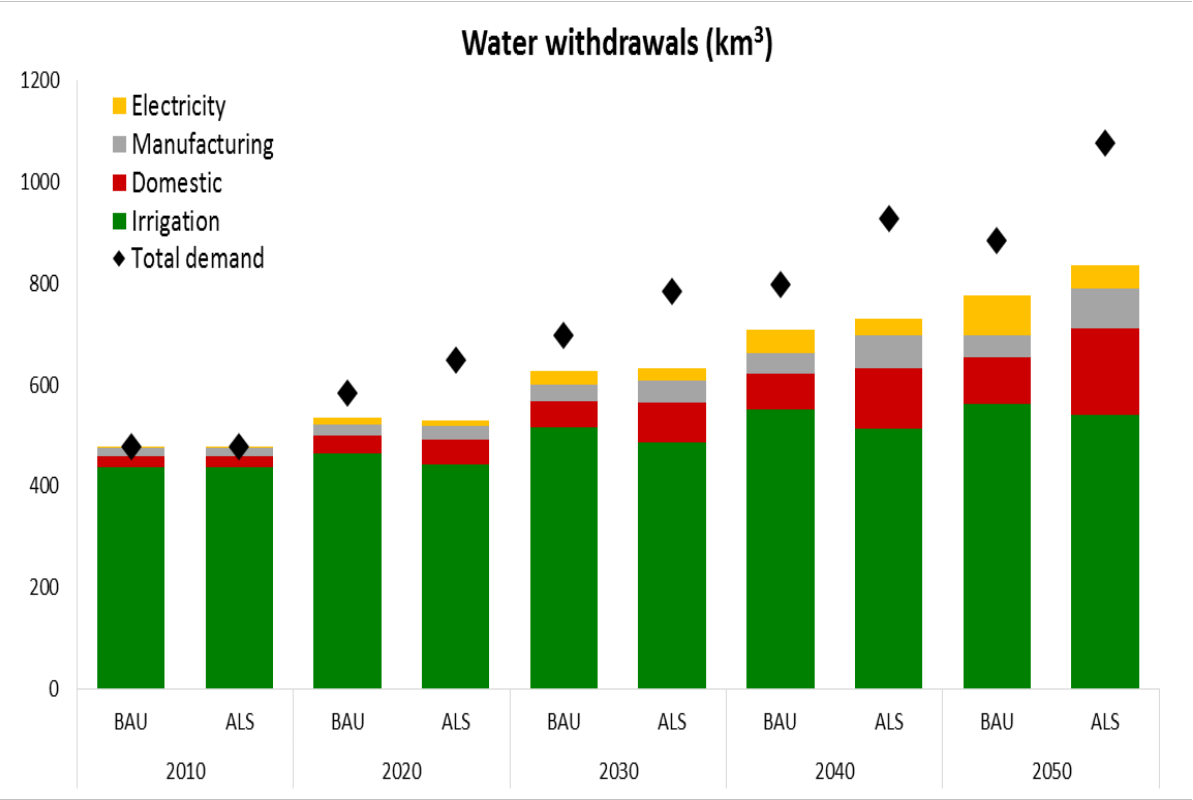
2/ Alternative scenario (**ALS**): water demand is increasing over time in all water sectors due to human development and water availability is reduced because of climate change impacts

Basin-country Units (BCU)



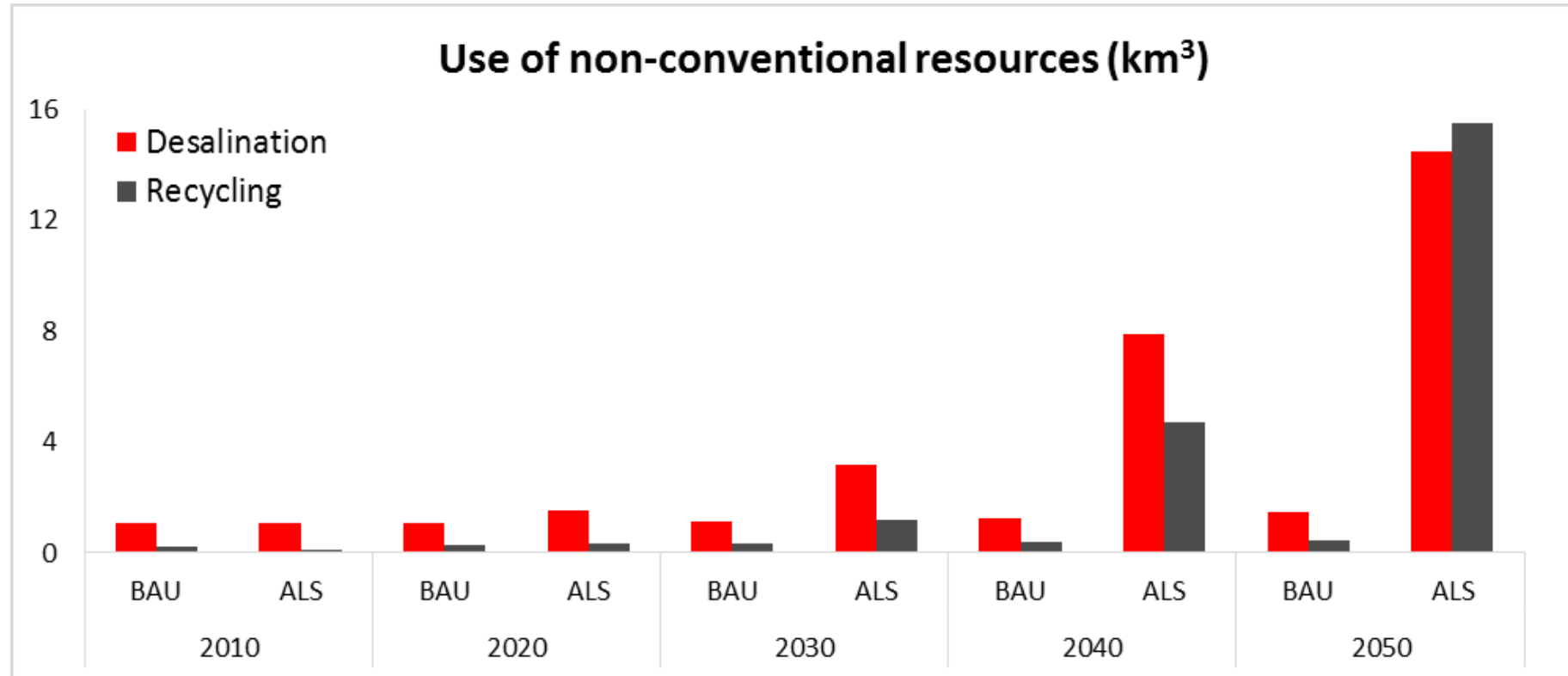
Results

1/ Water withdrawals by sector and source



Results

2/ Supply expansion



Related Publications

- Satoh Y., Kahil T., Byers E., et al. Multi-model and multi-scenario assessments of Asian water futures: the Water Futures and Solutions (WFaS) initiative. *Earth's Future* 5, doi:10.1002/2016EF000503.
- Kahil T, Ward F. Albiac J., et al. Hydro-economic modeling with aquifer-river interactions to guide sustainable basin management. *Journal of Hydrology* 539 (2016): 510-524.
- Kahil T., Connor J. Albiac J. Efficient water management policies for irrigation adaptation to climate change in Southern Europe. *Ecological Economics* 120 (2015): 226-233.
- Kahil T., Dinar A., Albiac J. Modeling water scarcity and droughts for policy adaptation to climate change in arid and semiarid regions. *Journal of Hydrology* 522 (2015): 95-109.

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Thank you for your interest in this work!!!