# COLLABORATIVE RISK INFORMED DECISION ANALYSIS

Water resources planning under uncertainty

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# What do decision makers need?

- Defendable, straightforward process
- Identification of problematic risks
- Hierarchy of effort
  - Screening level vs detailed assessment
- Recommendations for action
- Going from planning to implementation

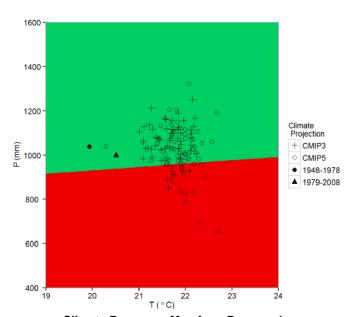
### Aim of CRIDA

- Giving planning guidance, training and strengthening a community of practice
- Allowing for scalable application
  - High/low budgets, resources, data, models
  - Low/high plausibility, impact, analytical uncertainty
- Reaching a practical level audience of decision support: the analyst

## Two Key Elements of CRIDA

#### **Decision Scaling Stress Test**

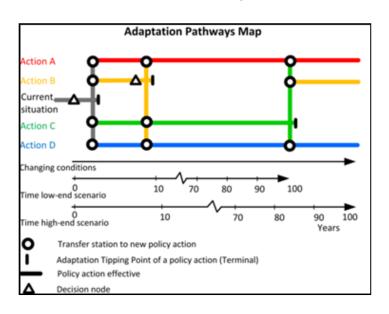
- Available climate data doesn't always meet the problem at hand: time-scale differs, models perform poorly in geographic region, observed data not available for downscaling
- Limiting analysis to GCM derived scenarios confines your decision space
- Allow stakeholders to define system failure



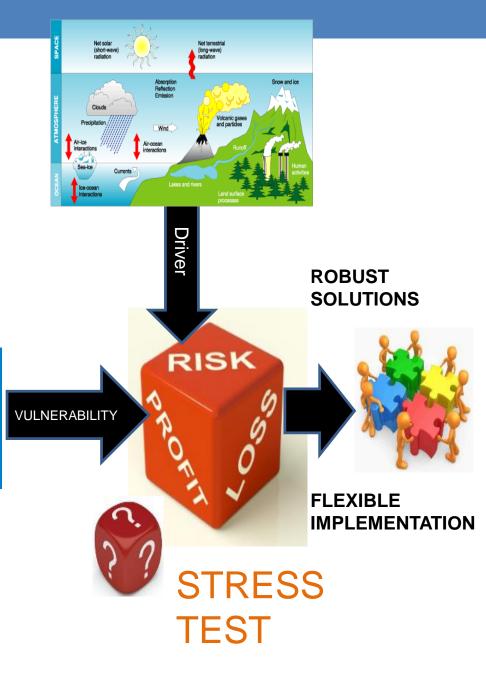
Climate Response Map for a Proposed Run-of-the-River Hydropower Project (Ray and Brown, 2015).

#### **Adaptation Pathways**

- With limited information, decision makers risk over- or under-designing solutions
- Adaptation pathways illustrate flexible strategies to the decision maker
- Choosing an action that has many transfer points in the future provides a low regret option as the science progresses





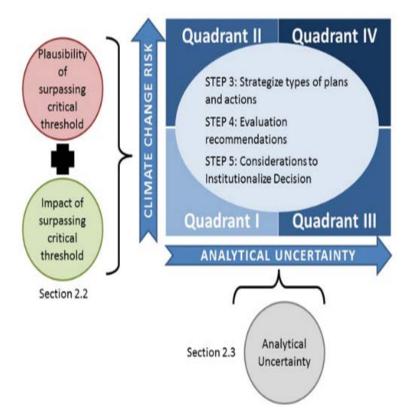


## How to interpret stress test results

Carefully evaluate your information on future risk (scientific, observational, projected, evidence – scenarios)

How plausible are future risks?

 How large is the uncertainty in evidence?



Level of concern decision matrix

Strategy Direction: Quadrant II Quadrant IV FORMULATE ROBUST FORMULATE ROBUST & ACTIONS FLEXIBLE ACTIONS FUTURE RISK **Quadrant IV Quadrant II** ID Clear winner / losses INCREMENTAL COST ANALYSIS (ii) DCFA/ICA for stress (ICA) - BENEFIT LOSSES scenario or robust criteria FUTURE AVOIDED (iii) ICA for multiple stressors **ICA - HEDGE DRIVER STRESS** climate? (iv) Scenario Discovery UNCERTAIN Quadrant II **Quadrant IV** Standard institutional **Flexible and Cooperative** Qua RISK implementation. institutions. Budget **Economically justifiable** increase justifiable from CHANGE DISCOUNTE budget increase additional benefits Quadrant I **Quadrant III** Standard institutional Flexible institutions and Implementation and use of funding

Single investment or incremental investments? Build for current climate? Or future climate?

#### **Economic Evaluation:**

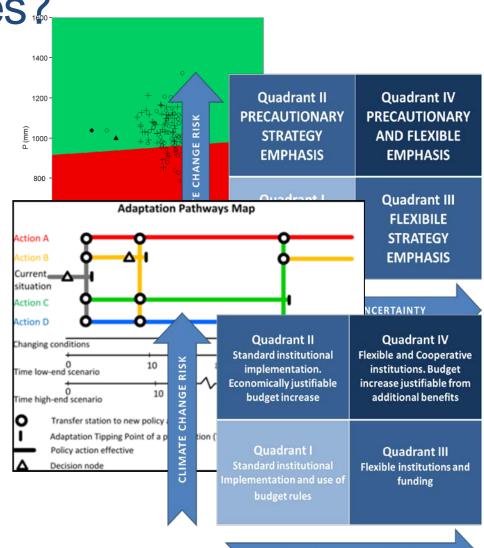
Standard methods for current climate or sophisticated method for future

#### Implementation:

Need for justification of budget increase? Need for flexible institutions and funding?

What does CRIDA add to traditional planning approaches?

- A broader vulnerability assessment through stress test
- Guidance on the necessary level of analysis and strategic direction
- 3. Adaptation pathways to illustrate flexibility, if recommended
- Guidance on economic evaluations & role of institutional capacity



ANALYTICAL UNCERTAINTY

# Thank you

# DEALING WITH UNCERTAINTY IN INVESTMENTS: ROBUST AND FLEXIBLE WATER MANAGEMENT

Interactive session
SIXTH WORKSHOP ON ADAPTATION TO CLIMATE
CHANGE IN TRANSBOUNDARY BASINS
UN-ECE, Geneva, September 14th

## Aim of the interactive session

- To familiarize with fundamentals of collaborative risk informed decision analysis
- To explore how it might apply to your trans boundary river basin
- To discuss choosing a strategic direction for plan development
- To discuss what is needed to institutionalize the plan

# Problem statement (10 min)

- First pick a real or imaginable river basin planning problem.
- Who are the stakeholders?
- What are the (1 or 2) main objectives?
- What are the main stressors (specific climate, or socio economic variables) that cause the problem or would make investment less effective?

# Choosing a strategic direction (30 min)

CLIMATE CHANGE RISK

- How do you value the Climate change Risk?
- How do you value the uncertainty of the evidence (observations, projections, scenarios)?
- In what quadrant is your problem?
- What does this imply for your strategy?
  - Build for current or future climate?
  - Need for flexibility? Large investments now or later? No regret measures available? Wait and monitor?
  - What particular measures would qualify?

Quadrant II Quadrant IV PRECAUTIONARY PRECAUTIONARY STRATEGY AND FLEXIBLE **EMPHASIS EMPHASIS** Quadrant I Quadrant III **FLEXIBILE** STANDARD PLANNING & STRATEGY DESIGN GUIDANCE **EMPHASIS** 

ANALYTICAL UNCERTAINTY

# Institutionalize plan (30 min)

- How would you justify investments?:
  - Is there a win-win?
  - Is there particular funding available?
- What particular constraints could hamper implementation? F.e.
  - Cooperation between institutions
  - Rigidity of budgets
  - Capacity for adaptive managent
  - Etc.

