

Ventnor, 24th May 2007

Economic assessment of natural risks due to climate change.

The case of a mountain Italian region.

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RICLIC WARM – Regional Impact of CLimate Change in Lombardy Water Resources: Modelling and applications.



FINAL GOALS

Develop a scientific methodology to assess climatic impacts on water resources and provide a support to decision-making processes on water management

FINANCING BODIES



RICLIC - WARM

SCIENTIFIC RESEARCH UNITS

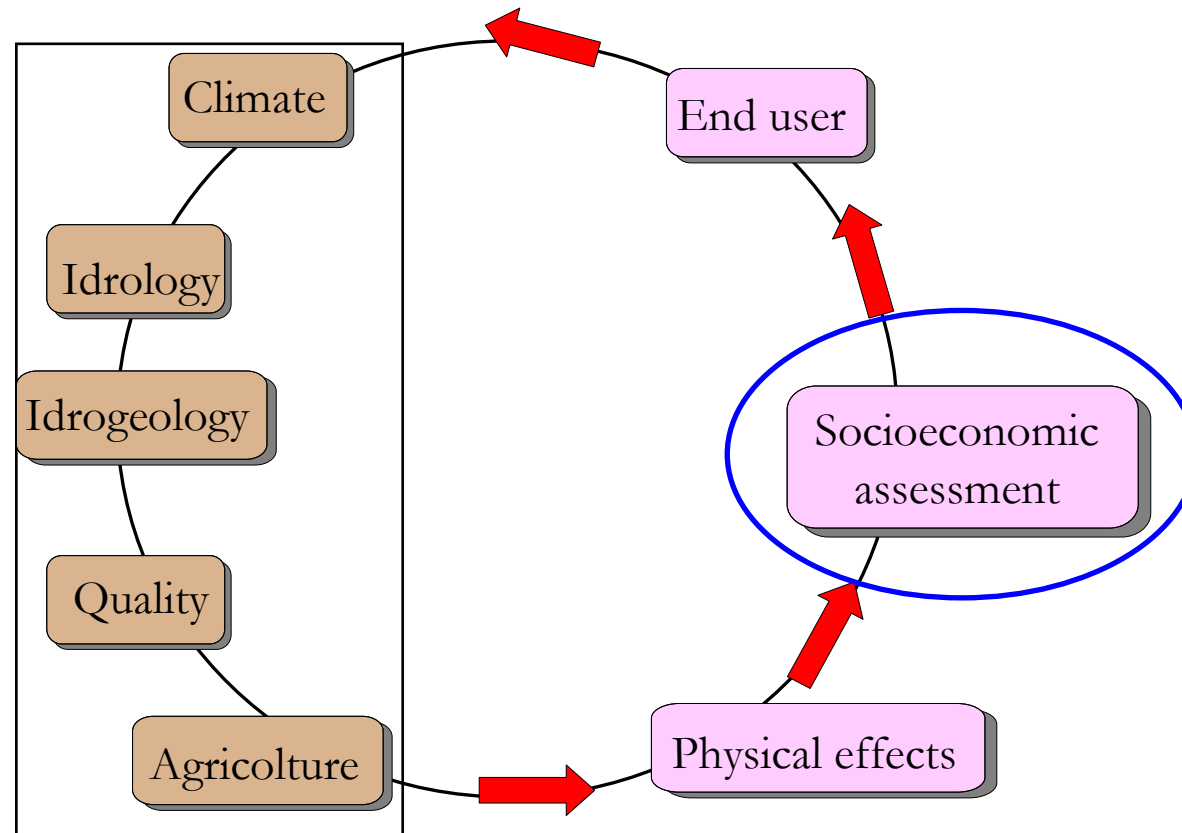
- University of Milano – Bicocca
- University of Milano
- University of Pavia

REGIONAL PUBLIC AUTHORITY

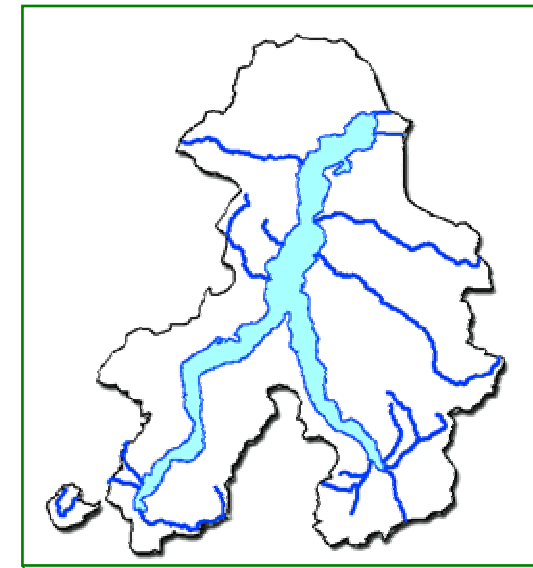
- Regione Lombardia
- ARPA Lombardia (Regional environmental protection agency)



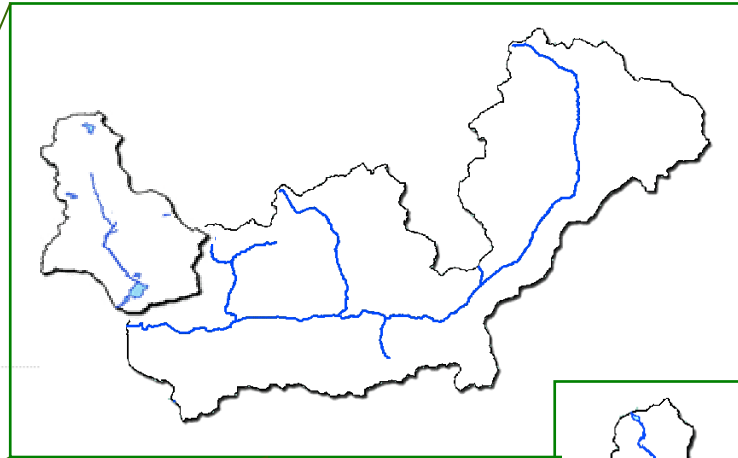
The RICLIC project organization



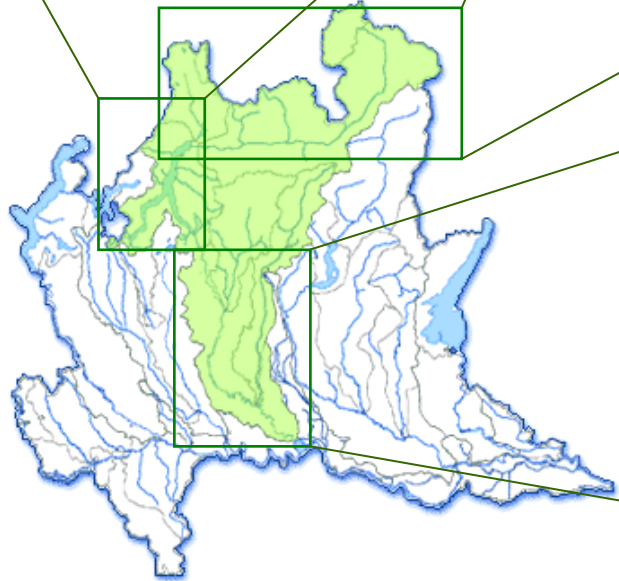
The study area



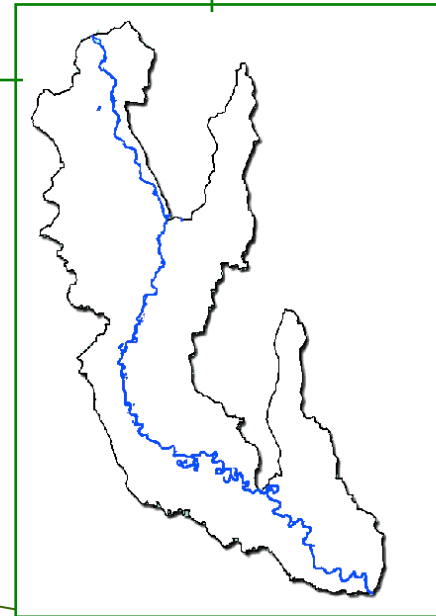
Lake Como



Valtellina



ADDA RIVER BASIN



Padana Plain



The geologic approach to risk

$$\mathbf{R = H * V * E}$$

Varnes, 1984

Problems:

- Vulnerability: we prefer to talk about structural and not structural damages;
- The value of the elements involved it is not the only economic factor with which it is possible to describe effects;
- Money value for human life.



The suggested approach

CAUSE → EFFECT



RISK AS A LEVEL OF DAMAGE



1° Phase

Landslide
phenomenon itself

Identification of the physical cause
and physical effects

Physical damages to
structures involved



2° Phase

Assessment of *economic damage* :

direct e indirect

Cost to restore the
elements involved

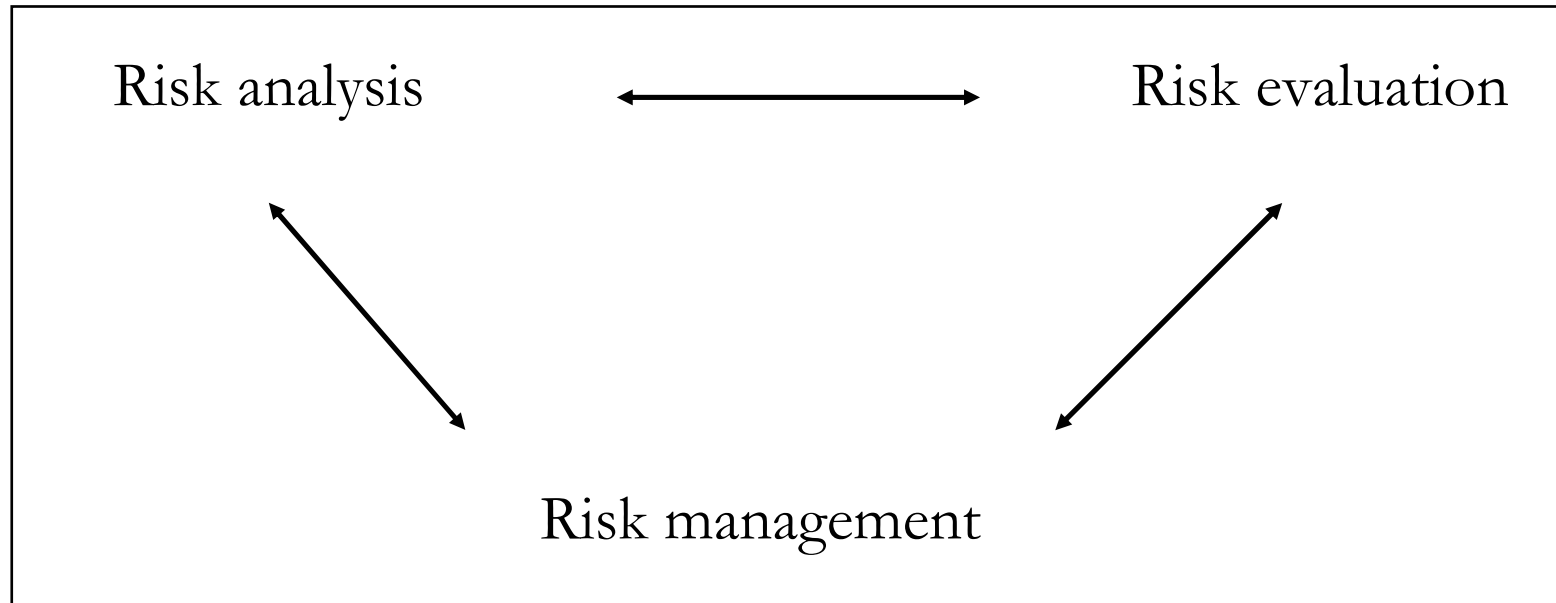
Cost due to the interruption of the
economic activity..

..in the landslide scenario

..out from the landslide
scenario



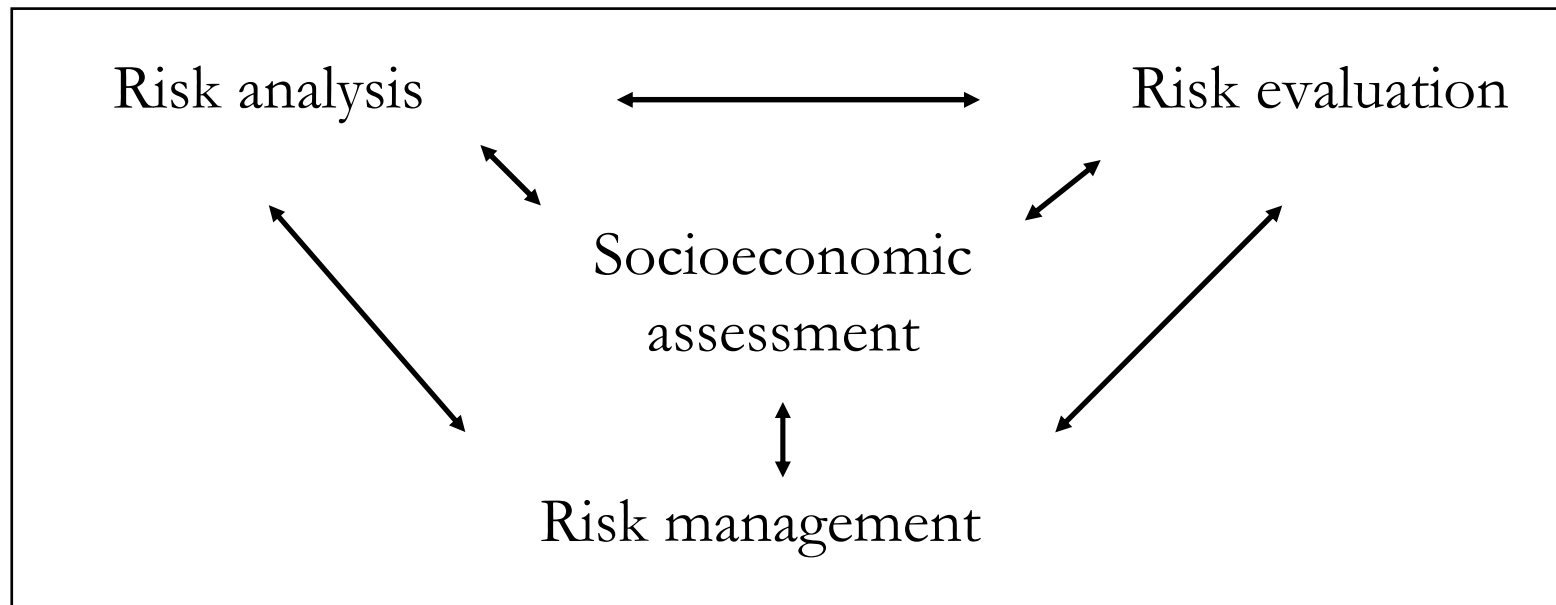
Integrated holistic concept of risk assessment



Bell e Glade, 2004



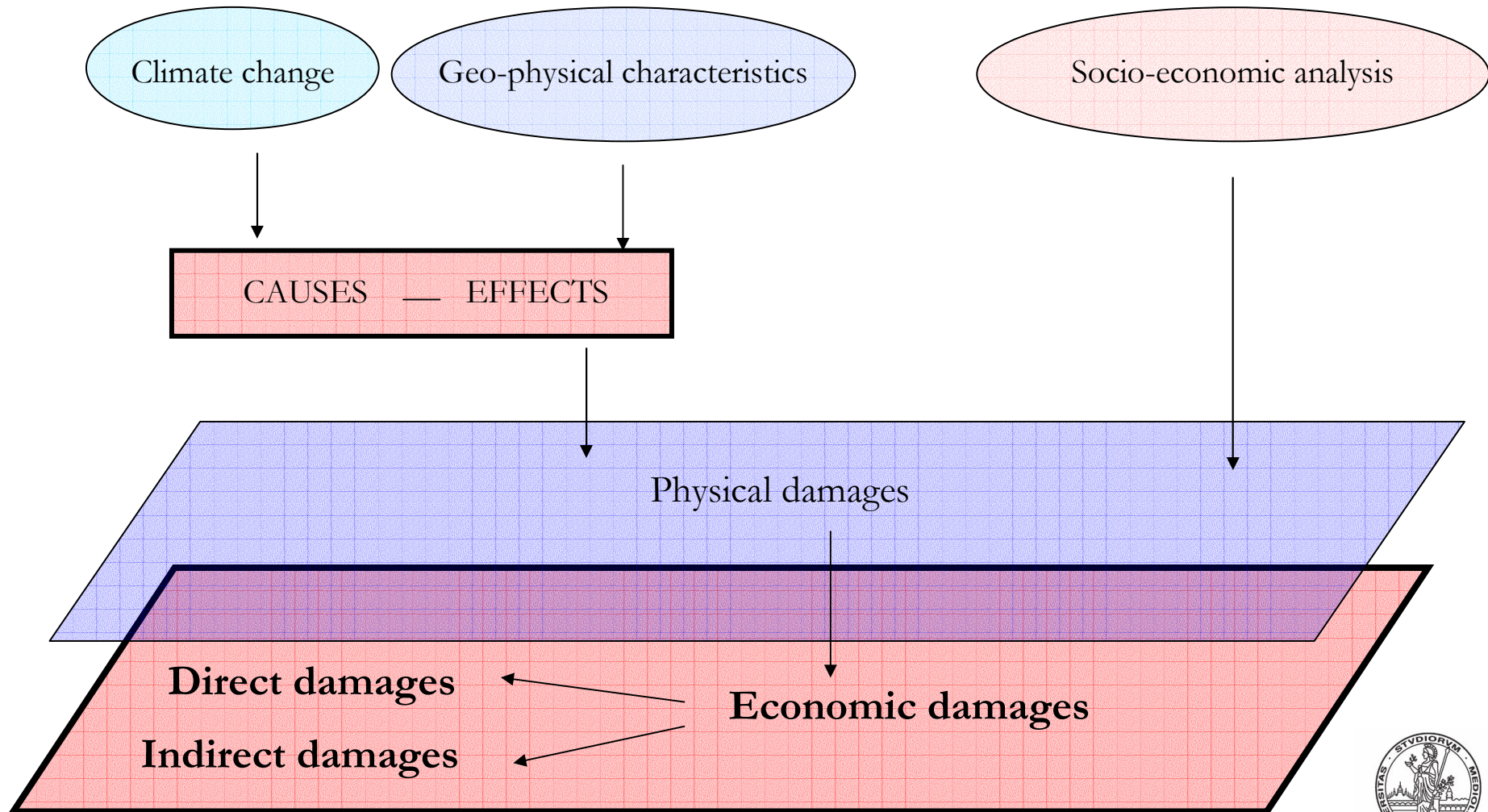
The integration of socioeconomic assessment into the holistic concept of risk



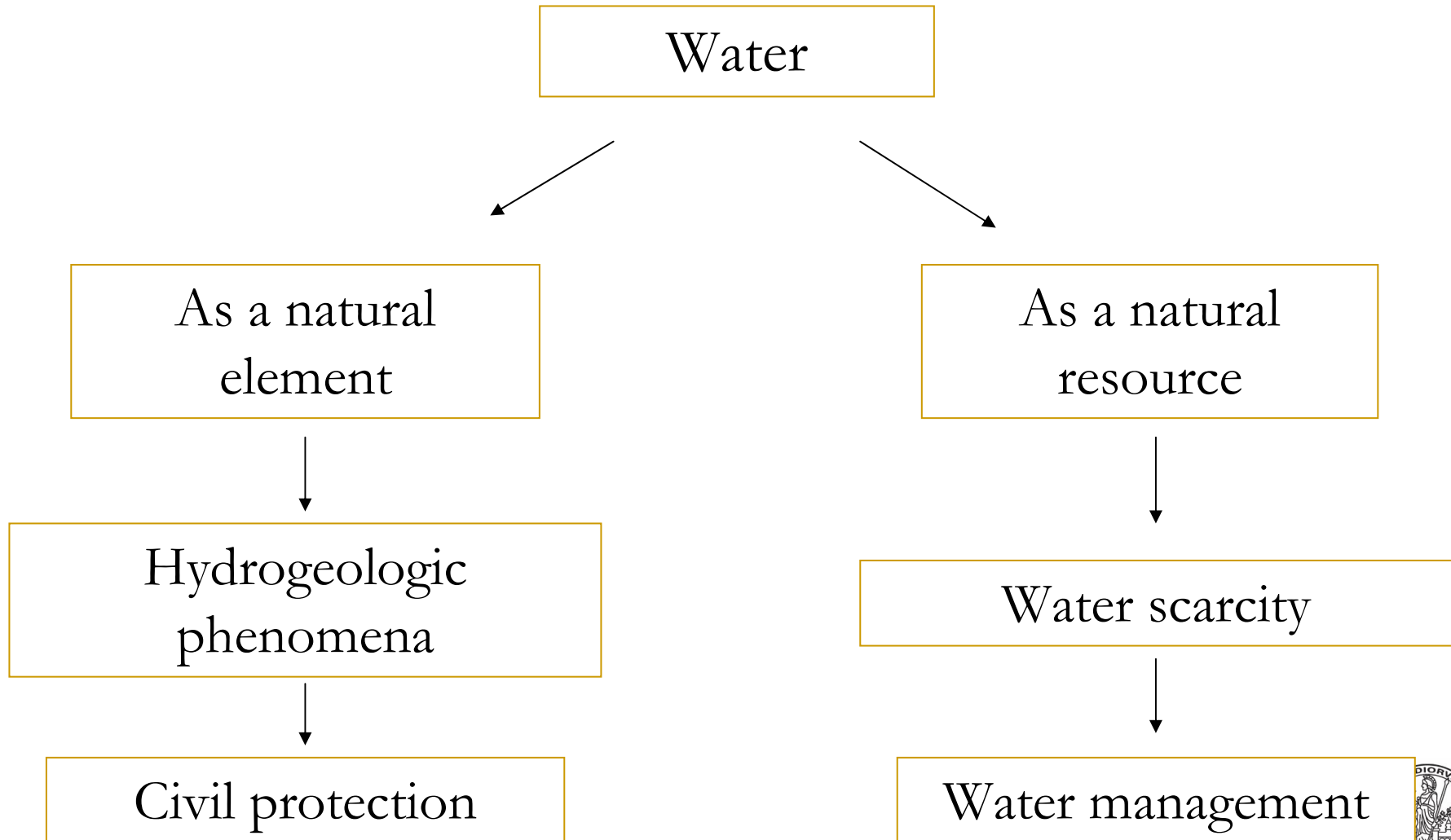
Modify from Bell & Glade



The RICLIC project



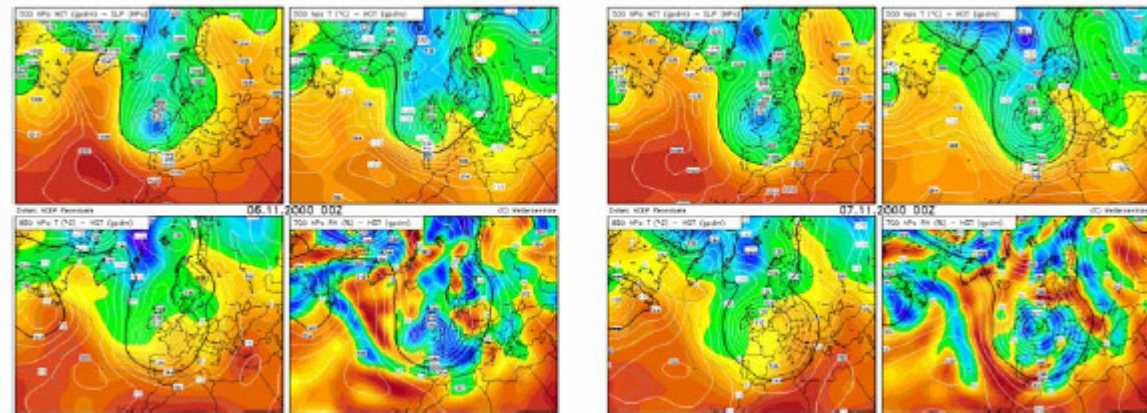
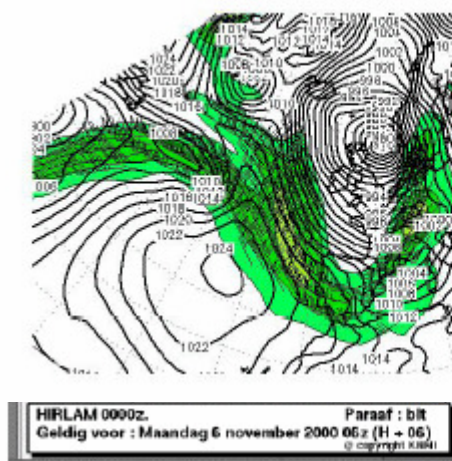
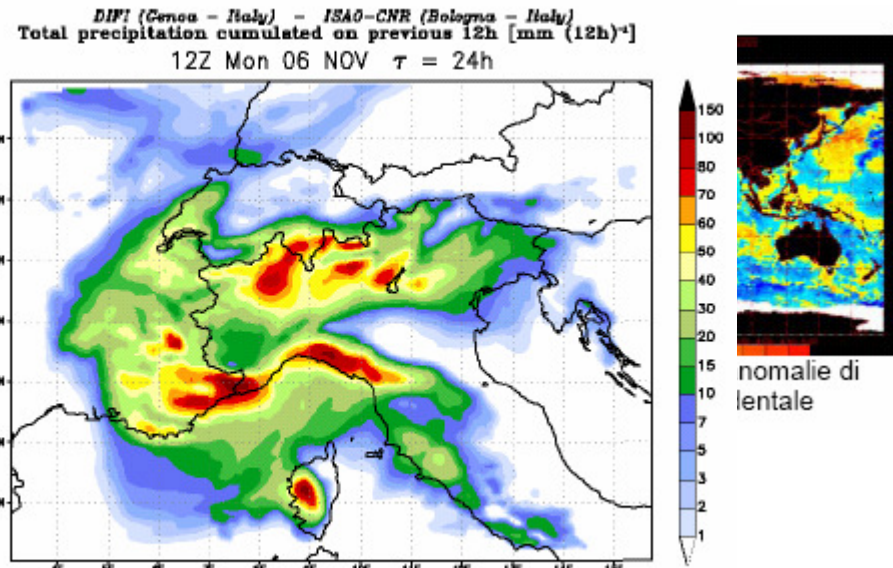
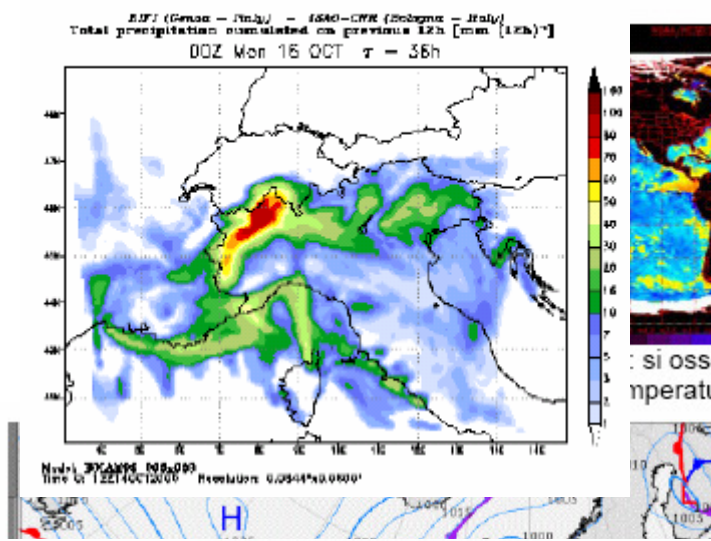
The water management system



The study area



Meteo – climatic data



Case history



Source: Arnaldo Zitti (2006)

PHYSICAL CHARACTERISTICS

- July 1987
- 10 days of heavy rain
- 305 mm rain in 24 h
- 35 millions m³ debris flow



Case history



Source: Italian Red Cross (1987)

EFFECTS

- Damages for 162 municipalities
- 49 dead people, 12 lost e 31 injured
- 20.000 evacuated people
- 144 houses and a hundred of rural buildings destroyed (407 people homeless)
- 50 people out of work
- 2 months to build temporary tracks
- Estimated economic damage 500 e 1.000 millions € (1987).

**GOVERNMENT SET ASIDE 1.200 MILLIONS € FOR THE
“REBUILDING AND DEVELOPMENT PLAN”**



Tourism in Valtellina

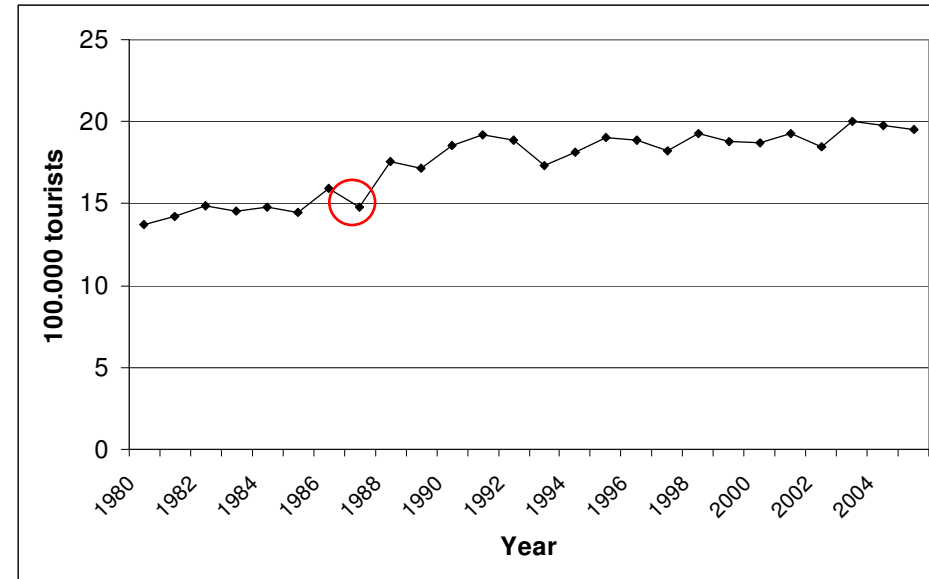
- $>1/3$ added value
- 69.1% province income \rightarrow tertiary sector (tourism oriented)
- Weekend tourism and commuter tourism
- Economic integrated system
- Alta Valtellina: main touristic area





The Valtellina landslide: effect on tourism

	Bormio	Valfurva	Sondrio Province
	%	%	%
1980			
1981	-7	13	4
1982	2	14	4
1983	-4	-14	-2
1984	3	3	2
1985	4	9	-2
1986	4	15	9
1987	-17	-25	-8
1988	22	23	16
1989	-9	14	-3
1990	13	9	8
1991	3	-9	3
1992	-7	-6	-2
1993	-16	-1	-9
1994	4	1	5
1995	6	3	4
1996	-1	-1	-1
1997	1	-7	-4
1998	2	7	5
1999	-1	-1	-3
2000	-6	-6	-0,3
2001	2	4	3
2002	-3	-15	-5
2003	4	9	8
2004	-5	-2	-1
2005	0,2	-19	-1



Source: Tourism promoting office



Importance of network facilities

- Closure of SS38 → most important and faster connection between Colico and the Alta Valtellina



Take home message

TECHNICAL
SCIENCES



ECONOMICS

exchange of knowledge

CAUSE



EFFECT

quantitative correlation

DIRECT DAMAGES




INDIRECT DAMAGES

space and time perspective




TAKE HOME MESSAGE

PAST SCENARIOS  FORECASTING
modeling

CAUSE  EFFECT
quantitative correlation

WATER DEMAND  WATER SUPPLY
scarcity

TECHNICAL SCIENCES  ECONOMICS
exchange of knowledge

Conclusion

- The importance to share knowledge between different group of work, in order to achieve a better understanding of the system
- Climate change could worsen the effect on social stability because is carrying on an intensification of physical causes
- As tourism produces $>1/3$ of the whole added value of Sondrio province, any damage to tourism could compromise the socioeconomic equilibrium of the area
- The importance of network facilities in the determination of indirect damages, that could widen the area affected in space and time
- The importance to consider the socioeconomic background in order to plan the assets of the area



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