

ClimDev-Africa

# Infrastructure and Climate Change

Raffaello Cervigni Regional Coordinator for Climate Change The World Bank

#### Contents

- 1. The context: infrastructure, growth and funding gap
- 2. Effects of climate change: what do we know
- 3. A closer look: new initiative UNECA-World Bank



### Infrastructure could boost Africa's growth four-fold...



Source: Africa Infrastructure Country Diagnostic (AICD)

#### ...but there is a \$50 billion gap to fill...



#### WHAT HAPPENS WITH CLIMATE CHANGE?



# Economics of Adaptation to Climate Change (2010):

6



## by looking at extremes of climate models (for a 2°C warmer world...)

#### Change in average annual precipitation, 2000 – 2050 CSIRO (DRY) NCAR (WET)



### ..World Bank EACC estimated adaptation costs≈\$18 billion/ year...

Annual Costs of Adaptation: by Region, 2010 – 2050, US\$ Billion Wet Scenario – 89.7 Dry Scenario – 77.6



#### ... broad scope of assessment...



### ..but global figures can under-estimate national costs

Ethiopia Total Cost: indirect components more important than sector-level ones



### Also, need to broaden analysis to a wider range of climate outcomes



Source: UNEP, Emission Gap report (2011)

# How does climate change affect infrastructures?

- More frequent extreme events → the cost of meeting a given infrastructure reliability standard can be expected to increase
  - e.g. more storage may be needed to keep flood risk at existing levels
- More frequent damages to infrastructure → change in optimal investment-maintenance balance

- e.g. reduces the traffic threshold for which paving becomes optimal

- Changing performance of different types of infrastructure
  →effects on optimal choice of infrastructure technologies
  e.g. a drier climate may make hydro-power less attractive
- Altering the pattern of demand for infrastructure
  - e.g. changes in crop patterns will affect need for rural coact

Support investments in Africa's infrastructure under a future uncertain climate: proposed new analytical work



#### Objectives

- Estimate range of impacts
  - unit costs
  - design standards
  - demand patterns
- Develop framework for robust investment decisions
- Enhance the "investment readiness" of African to help attract climate finance

Scope

- Climate analysis framework
- River basin hydrological analysis
- Downstream uses
  - Roads
  - Hydro-power
  - Irrigation
  - (Water supply)
  - (Flood control)



### Building on river basin modeling work...

- E.G.: Niger basin
- Request from Heads of State -Bank supporting Niger Basin Authority on a climate risk assessment of the SDAP
- \$8.3b 20 year Sustainable Development Action Plan (SDAP) - investments in storage, irrigation, hydropower, transport, water supply, fisheries, environment, capacity-building





## ...and on existing models for power pools



#### Indicative timetable for implementation

Year		Quarter	Concept Review	Procurement of consultants	Setting modeling framework	Roads analysis	River basin analysis	Power analysis	Irrigation analysis	Synthesis report	Final Review Dissemination	
2011	Q3											
	Q4											
2012	Q1											
	Q2						South					
	Q3						Central	South	South			
	Q4						East	Central	Central			
2013	Q1						West	East	East			ex.
	Q2							West	West	1.1	Nogo	
	Q3										<u>.</u>	
	Q4							~				

### Thank you

#### Contact: Rcervigni@worldbank.org

19