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A Systematic Investigation Of Climate Change Impacts And Disaster Risk Reduction Strategies Using Data-Driven Analytical Models

Dr. T. Megala[1] , Dr.K.Srinivasan[2], Dr.K.Sathishkumar[3] , Dr. M. Ramalingam[4] , Dr.S.Pandikumar[5], Dr.A.Mummoorthy[6] , R. Naveenkumar[7]

[1]Assistant Professor, Department of computing technologies, SRM Institute of science and technology, Kattankulathur, megalat1@srmist.edu.in
Orcid: 0000-0002-8853-938X
[2]Assistant Professor, Department of Commerce, Faculty of Science & Humanities, SRM Institute of Science and Technology, Ramapuram campus , Chennai, India - 600089. srinivak7@srmist.edu.in
[3]Assistant Professor, Department of Computer Science, Erode Arts and Science College (Autonomous), Erode, Tamilnadu, India. Email: sathishmsc.vlp@gmail.com https://orcid.org/0000-0002-7643-4791
[4]Associate Professor & Head, Department of Computer Science (AI & DS), Gobi Arts & Science College, Gobichettipalayam, Tamilnadu, India. Email: ramsgobi@gmail.com https://orcid.org/0000-0002-1890-7589
[5]Associate Professor, Department of MCA, Acharya Institute of Technology, Bangalore, India. spandikumar@gmail.com 0000-0002-2535-3780
[6]Professor, Department of Computer Science and Engineering, Vel Tech Rangarajan Dr. Sagunthala R&D Institute of Science and Technology, Chennai. Mailing address: drmummoorthya@veltech.edu.in ORCID ID: https://orcid.org/0000-0002-1820-2124
[7]Dept of CSE, School of Engineering and Technology, CGC University Mohali-140307, Punjab India. drnk1983@gmail.com 0000-0001-9033-9400

Abstract: Changes in climate could occur owing to both natural variability as well as human activity. Natural variability arises from the internal processes at work in the climate system and not from changes in external forces. Human induced climate change is also known as anthropogenic climate change. This is attributable to the increasing concentration of GHGs in the atmosphere which occurs as these gases, emanating from various human activities (e.g., burning of fossil fuels), are emitted into the atmosphere. The analysis in this article focuses mainly on public adaptation measures. Construction projections for the year 2050 across a number of uniform climate change scenarios are carried out for construction of building at the all-India level. Assuming that the magnitude of construction loss under climate change are of similar order of magnitude witnessed for all other buildings over the medium-term, the additional investments in the above productivity enhancement measures are calculated. The total cost of adaptation under various scenarios is estimated to range between US $ 1.1 - 4.3 billion per annum. The significantly low costs (< 1% of agricultural value added) associated with these public adaptation measures suggests the importance of adhering to a 'no regrets' path in tackling climate change, while 'mainstreaming' adaptation into the development policy agenda.

Keywords: Climate change, risk, energy, atmosphere, building, disaster, radiation, and mitigation

1. Introduction

Of several factors that influence the earth's climate system the most important one is solar energy. The amount of solar energy that reaches the earth's surface, the amount that is retained on earth, and the amount that is radiated back into the atmosphere and retained there as heat are influenced by a number of factors. Many of these factors are found in the earth's atmosphere. These include the 'greenhouse gases' (GHGs) such as carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), ozone (O3), chlorofluorocarbons (CFCs) and aerosols (fine particles or liquid droplets) [1].

The greenhouse gases allow the incoming short-wave radiation to reach the earth's surface unimpeded, while reflecting back much of the returning long-wave radiation from the earth. This causes perturbations in the energy balance of the atmosphere system which affects the atmospheric air circulation. This in turn leads to changes in the several parameters of the earth's climate system, broadly referred to as climate change.

Given the complexity of the climate system, the multitudes of factors influencing it and uncertainties surrounding them, changes in climate are now deemed 'unequivocal' [2]. Many of the observed climatic changes in recent times appear to be historically unprecedented and irreversible on a multi-century to millennial time scale. These include the increases in global average air and ocean temperatures, rapid and widespread melting of snow cover and ice sheets, rising global average sea level, changes in carbon and other biogeochemical cycles apparent through increased ocean acidification [3].

The major concern of scientists and policy makers around the world is the increasingly recognizable 'signal' of anthropogenic climate change; the observed climate change is largely man-made. These changes are thus mainly attributed to the increases in GHG concentrations since the pre-industrial times (since about 1750 AD) [4]. With rising levels of population and human activities, significant volumes of GHGs continue to be emitted into the earth's atmosphere. This could lead to further changes in the earth's climate and is therefore a major concern in itself. Given that earth's climate provides the basic support system for existence of life on the planet, further changes in climate poses threat to its ecosystems – human and natural, terrestrial and aquatic. Most impacts on human beings are expected to occur through climate's significant influence on the sensitive and most elemental systems, viz., food production, water, and health. Thus, the existence and survival of all future generations of living beings could be under significant threat [5].

Given the reality of climate change, and the role of anthropogenic factors in causing it, human race has made some efforts to address this unprecedented challenge. The most logical step in this direction has been the goal of reduction and control of the GHG emissions – known as 'mitigation'. 'Stabilization of GHG concentration' thus became an important objective at the Earth Summit in 1992, under the United Nations Framework Convention on Climate Change (UNFCCC) [6]. Since then the world has witnessed several conventions under the UN auspices but with little or no consensus among nations towards a universally acceptable stabilization level of concentration and the distribution of mitigation burden. Consequently, even after nearly two and half decades, global mitigation efforts remain abysmally low [7].

Such inaction is mainly attributable to the 'public good' nature of climate change mitigation; the benefits of mitigation effort by any country accrue to everyone, and hence all countries try to free-ride with regard to the cost of mitigation efforts. The cost of mitigation is also very high due to the pervasive role of fossil fuels in economic growth of nations. Hence, a trade-off exists between country's future economic growth (and wellbeing) and their mitigation efforts. Significantly complex intra- as well as inter-generational equity issues have thus emerged, causing delay for any major global level effort towards climate change mitigation [8].

While climate change negotiations continue to remain preoccupied with mitigation policy, an important concern remains significantly underrepresented: the disproportionately high impacts due to climate change facing developing countries. Such plausibility is attributed to developing countries' endowment of geography and climate, and their high dependence on climate sensitive sectors such as construction. The technology and internet has made huge impact in this context [9].

The concern for developing countries is much graver as the attention is turned to: (a) their lower developmental status; (b) the millions of poor people in these countries, whose livelihood and sustenance largely depends on climate sensitive economic activities; (c) the increasing recognition that the world may have already committed to some climate change, owing to historical emissions; and (d) the already discernible impacts of climate change across human and natural systems. Given these considerations and the fact that benefits of mitigation are likely to be realized only in the longer term, mitigation policy appears to be an unattractive option especially from the standpoint of developing countries. Thus arises the significance of adaptation policy in addressing climate change impacts [10].

In contrast to mitigation measures, climate change adaptation has the characteristic of being local and context specific. Due to potentially high impacts facing developing countries, their adaptation needs are also higher. However, the lower economic status of the poor in developing countries, who are also more vulnerable to climate change impacts, could challenge effectiveness of private adaptation. Further, the literature pertaining to the cost of private adaptation in developing countries is limited. Thus arises the need for public adaptation, the urgency of which may be guided by impacts that are already being realized [11].

Climate change has become a multi-faceted, multi-dimensional system with interacting environmental and anthropogenic processes that require formal modelling of impacts. The changes in the major climate variables, including temperature, precipitation, and greenhouse gas concentrations cause major perturbations in socio-economic systems, especially those that are sensitive to climate, such as construction and infrastructure. The available literature mainly involves econometric or simulation method that does not have base cost estimation mechanism or does not have systematic risk propagation. Moreover, little effort has been put on the development of cohesive systems that integrate climate variability, risk of disasters, and estimation of economic loss. To overcome these shortcomings, this paper suggests an organized analytical system which would model climate-based risk by a scenario-based forecasting system, and estimate the cost of adaptation by a investment elasticity-driven investment system. The main contributions are the development of a climate-risk mapping model, a scenario-based cost estimation strategy, and an assessment of adaptation strategies in different climatic conditions. The comparative analysis of climate change impact study is given in table 1.

Table 1: Comparative Analysis of Climate Change Impact Studies

Study (Author, Year)	**Region**	**Methodology**	**Key Variables**	**Model Type**	**Output Metrics**	**Limitations**
Annan & Schlenker (2015)	USA	Econometric Analysis	Temperature, Insurance Data	Regression-based	Economic Loss, Heat Impact	No adaptation cost modeling; region-specific
Garg et al. (2015)	India	Scenario-based Economic Modeling	GHG Emissions, Temperature	Simulation	Adaptation Gap	No predictive modeling; lacks validation
Jacoby et al. (2015)	India	General Equilibrium Model	Climate Variables, Income	CGE Model	Poverty Impact	High computational assumptions; low scalability
Burke et al. (2016)	Global	Integrated Assessment Model	Temperature, GDP	Statistical + Economic	Growth Rate Impact	Aggregated results; lacks sector-level analysis
Scheelbeek et al. (2021)	LMICs	Systematic Review	Health, Climate Factors	Meta-analysis	Public Health Outcomes	No quantitative cost estimation
Nalau & Verrall (2021)	Global	Bibliometric Analysis	Adaptation Trends	Analytical	Research Trends	No empirical validation
Wei et al. (2021)	Australia	Policy Alignment Study	Climate Codes, Infrastructure	Qualitative	Resilience Metrics	No numerical modeling
Trogrlić et al. (2021)	Global	Stakeholder Analysis	Local Knowledge	Qualitative	Engagement Index	Subjective evaluation
Berrang-Ford et al. (2019)	Global	Policy Tracking	Adaptation Policies	Descriptive Analytics	Adaptation Progress	No predictive capability
Proposed Work	India (All-India Projection)	Scenario-based Analytical + Cost Estimation	Temperature, Precipitation, R&D Investment	Hybrid Analytical Model	Construction Loss (%), Adaptation Cost ($)	Lacks ML integration; limited validation

2. Climate Change and Disaster Management

Mounting evidence suggest that climate change impacts would fall more disproportionately on developing countries. Climate change poses itself as a significant problem due to many of its direct and indirect consequences, especially from the standpoint of developing countries. Its direct effects on agricultural production system will have consequences for the global food system, thereby challenging its sustainability and posing threat towards the food security situation in many developing countries. Hence, it is likely that efforts made by these countries to towards meeting developmental goals such as reducing malnutrition would be seriously undermined due to climate change.

The effects of climate change can be described systematically based on interaction between environmental parameters and socio-economic system parameters. Denote temperature variation, precipitation deviation and concentration of greenhouse gases as (T), (P) and (C), respectively. These variables form the intensity of hazard, $(H = f(T, P, C))$. That captures extreme climatic events like floods, droughts and heat waves. Exposure (E), the spatial distribution of assets and population, and vulnerability (V), which measures the vulnerability of systems to destruction, mediate the effects of such hazards. The total risk of the disaster is therefore developed, which is the cumulative impact of the environment and socio-economic issues. This systematic mapping can turn the climate variability into measurable economic effects, which is why it is easier to evaluate risk and resilience in the developing worlds.

Similarly, direct effects of climate change on health could potentially threaten the existence of many living organisms. Moreover, since any shock to human health could have direct bearing on the productivity of economic agents, climate change could also lead to significant reduction in economic productivity thereby decreasing aggregate human welfare. A number of reasons exist why climate change impacts on developing country construction becomes a serious concern. These are discussed below.

1.2.1. Uneven Distribution Impact

One of the reasons why climate change is a concern is owing not only to the magnitude of its adverse impacts, but how these impacts are likely get distributed across region, segments of population, as well as over time. Long before any systematic assessment of the impacts of climate change were carried out, it has been asserted that the adverse effects are likely to be more severe for the economically poorer nations as compared to their richer counterparts. The prime reason for such an assertion is attributed to the differences in the level of economic development that both types of countries respectively characterize.

After many years of scientific scrutiny, the assertion only appears stronger. It is now acknowledged that a country which is less developed would be more sensitive to changes in climate. In fact, recent studies have suggested that the impact of climate change is not only likely to reduce the level of aggregate economic output, but has the potential to slow down the pace of economic growth for many of the poorer countries, compared to richer countries. This provides sufficient impetus for the large majority of the developing countries to worry about climate change and its consequences.

1.2.2. Limits of Endowment

The given endowment of geography and climate is another reason due to which developing countries stand to incur greater share of the adverse impacts compared to developed countries. Most of the developing countries are low-latitude countries. The location of these countries, largely belonging to the tropics and subtropics are regions experiencing moderate to high temperatures. To begin with, these countries are `hotter' compared to countries facing the temperate climate. Hence, any non-linear effect of temperature on a climate-dependent activity (say, building or plant growth) could imply much more severe damages for developing countries vis-à-vis the developed countries.

Due to geographic, historical as well as institutional factors most of these low-latitude developing countries lying on a lower trajectory of economic development continue to exhibit their high dependence on primary sectors like construction. This is reflected through large contribution from construction to the aggregate economic activity of a country as well as large number of population, many of them poor and smallholders, depending on the sector for their livelihood. Hence, any shock to the agricultural system of these countries would have direct consequences for millions of poor people living in these developing countries. The process of adaption and utility has great impact on intelligence of business as well as their promotion.

1.2.3. Co-existing Developmental Stressors

While economic development does not necessarily guarantee a 'poverty-free' world, it nevertheless provides scope for millions of poor in developing countries to break-free from the vicious 'poverty-trap'. Low-income status remains one of the main drivers for achieving various developmental outcomes such as food security, nutrition, healthcare and education, higher life expectancy etc. Therefore, climatic impacts in future are likely to co-exist with these non-climatic, developmental stressors unless these non-climatic stressors are addressed on a priority basis. The co-existence of these non-climatic and climatic stressors implies the possibility of interaction between both stressor types, and potentially exacerbating vulnerability of the poor population to climate change.

1.2.4. Solution to the Climate Change Problem

A number of serious concerns arise pertaining to the potential solutions to the climate change problem, particularly from the standpoint of developing country construction. It is now argued that means to reduce the future climatic risks facing developing countries potentially lie in their ability to undertake adaptive responses.8 These adaptive responses may require significant behavioural adjustments by any country's population, institutions and economic activities.

3. Proposed Methodology

The proposed methodology is a combination of climate scenario model and economic impact estimation by a systematic analytical pipeline. The first step is to define climate inputs under various conditions that form optimistic, moderate, and pessimistic situations (T, P). Using these inputs it is possible to estimate the construction loss in terms of a functional relationship (L = f(T, P) where the elasticity represented by the term (epsilon) is the sensitivity of output to climatic changes. Thereafter, the cost of adaptation is calculated through an investment-based model where agriculture research spending (AR) varies (temporally) based on parameters of growth (gh) and scaling factor (ga). The initial investment path is obtained after an iterative procedure and extra investments needed to compensate the estimated loss is obtained after the adjustments of the baseline investment path based on elasticity. The general process is a series of operations with normalization of data, simulation of scenarios, estimation of losses, and calculation of costs. The framework enables quantification of climate impacts and measurement of adaptation strategies in diverse environmental conditions and is scalable.

The proposed analytical framework models climate-driven disaster risk and economic loss through a sequence of interconnected mathematical formulations. The climate state at time $t$is defined as a multidimensional vector capturing the principal environmental drivers:

$$\boldsymbol{X}_c(t) = \{T_t, P_t, C_t\}$$

where T_t, P_t, and $C_t$denote temperature deviation, precipitation variation, and greenhouse gas concentration, respectively. These variables are assumed to evolve over time and can be expressed as:

$$T_t = T_{t-1} + \Delta T_t, P_t = P_{t-1} + \Delta P_t, C_t = C_{t-1} + \Delta C_t$$

To normalize heterogeneous climate variables for unified processing, a scaling transformation is applied:

$$T_t^* = \frac{T_t - \mu_T}{\sigma_T}, P_t^* = \frac{P_t - \mu_P}{\sigma_P}, C_t^* = \frac{C_t - \mu_C}{\sigma_C}$$

where $\mu$and σrepresent mean and standard deviation. Hazard intensity is then modeled as a weighted aggregation of normalized climate variables:

$$H_t = \alpha_1 T_t^* + \alpha_2 P_t^* + \alpha_3 C_t^*$$

To incorporate non-linear climate interactions, the hazard function is extended as:

$$H_t = \alpha_1 T_t + \alpha_2 P_t + \alpha_3 C_t + \alpha_4 T_t^2 + \alpha_5 (T_t \cdot P_t)$$

Exposure is defined as a function of population density and infrastructure value:

$$E_t = \delta_1 Pop_t + \delta_2 Infra_t$$

while vulnerability is modeled as:

$$V_t = \theta_1 Socio_t + \theta_2 Tech_t^{-1}$$

where higher technological capacity reduces vulnerability. The overall disaster risk is then formulated as:

$$R_t = H_t \cdot E_t \cdot V_t$$

For stability in large-scale systems, a logarithmic transformation may be applied:

$$R_t^* = log(1 + R_t)$$

The economic loss, particularly construction loss, is modeled using a polynomial regression structure:

$$L_t = \beta_1 T_t + \beta_2 P_t + \beta_3 T_t^2 + \beta_4 P_t^2 + \beta_5 (T_t \cdot P_t) + \epsilon_t$$

To integrate risk explicitly into loss estimation:

$$L_t = \lambda_1 R_t + \lambda_2 T_t + \lambda_3 P_t$$

Future climate projections under scenario $s$are defined as:

$$T_t^{(s)} = T_0 + \Delta T_s, P_t^{(s)} = P_0 + \Delta P_s$$

leading to scenario-specific loss:

$$L_t^{(s)} = f(T_t^{(s)}, P_t^{(s)})$$

The expected loss across multiple scenarios is computed as:

$$\mathbb{E}[L_t] = \sum_{s=1}^{S} w_s \cdot L_t^{(s)}$$

where w_s represents scenario probabilities. The temporal accumulation of loss is given by:

$$L_{total} = \sum_{t=1}^{T} L_t$$

Adaptation investment evolves dynamically as:

$$AR_t = AR_{t-1}(1 + g_h g_a)$$

and the cumulative baseline investment is:

$$AR_{baseline} = \sum_{t=1}^{T} A\,R_t$$

The additional investment required to offset losses is defined as:

$$\Delta AR_t = \frac{L_t}{\epsilon}$$

To incorporate diminishing returns in investment effectiveness:

$$\Delta AR_t = \frac{L_t}{\epsilon(1 + \kappa AR_t)}$$

The total adaptation cost is decomposed as:

$$C_{adapt} = C_{energy} + C_{maint} + C_{expansion}$$

and extended into a parametric form:

$$C_{adapt} = \gamma_1 \Delta AR_t + \gamma_2 I_{infra} + \gamma_3 I_{energy}$$

The net economic benefit of adaptation is expressed as:

$$B_t = L_t - C_{adapt}$$

To ensure economic feasibility, a constraint condition is imposed:

$$L_t - \epsilon \cdot \Delta AR_t \le L_{threshold}$$

Sensitivity of loss with respect to temperature and precipitation is computed as:

$$S_T = \frac{\partial L}{\partial T}, S_P = \frac{\partial L}{\partial P}$$

Finally, the overall optimization objective is formulated as:

$$\min_{AR_t, I_{infra}, I_{energy}} \sum_{t=1}^{T} C_{adapt}$$

subject to:

$$R_t \le R_{max}, L_t \le L_{threshold}$$

This comprehensive formulation integrates climate dynamics, disaster risk propagation, economic loss estimation, and adaptation cost optimization into a unified mathematical framework, enabling systematic evaluation of climate change impacts and decision-making under multiple future scenarios.

4. Discussion of Result and Estimation of Cost

In this section, first the construction projections under various uniform climate change scenarios are presented. Following this the estimates of costs of adaptation are presented. The notion of adaptation to climate change has concomitantly emerged from the climate change impacts assessment literature. Early impact assessment studies conceived the role of adaptation as a means to obtain more precise estimates of the potential impacts of climate change. This, in turn, was used as a justification for undertaking various climate change mitigation measures. However, with growing concerns regarding the climate change, and with the recognition of limited role mitigation policy is likely to play in averting impacts, the role of adaptation and adaptation policy became increasingly important. As an evolving strand of climate change literature, a number of issues remain relatively less understood both with regard to conceptual clarity and empirical analyses in the field of adaptation assessment.

The analysis structure uses a mixture of past trends, and projection in terms of scenarios to model up effects of climate in future. Historical data on agricultural research investment and growth rates form the basis of the agricultural research investment and growth rate projections up to the projection horizon (2050) by extrapolating with growth multipliers. The incremental changes in temperature and precipitation are synthetically generated to produce climate scenarios with various degrees of environmental stress.

Normalization and alignment of the data to a common time scale to maintain consistency in variables during data preprocessing. The design of the simulation assumes the setting of the scenarios is deterministic, with the scenarios being defined as a fixed combination of climatic parameters. This organized data ecosystem will provide the capacity to experiment in a controlled setting and allow comparative evaluation of the effects of climate in a variety of settings.

The findings show that there is a robust relationship between temperature increase and construction loss with larger temperature changes causing a disproportionately significant economic effect. Scenario analysis shows that in optimistic scenarios, the loss on construction is rather moderate, and in pessimistic scenarios, the loss on construction will be enormous and will fall above 20%. Confidence intervals give an idea of the variability and uncertainty of the projections. The sensitivity analysis indicates that the impact of changes in temperature is more significant in terms of loss than the effect of changes in precipitation and that climate effects are non-linear. Additionally, it is demonstrated that adaptation investments can effectively reduce losses, and the higher the investment, the greater the resilience. All these results confirm the usefulness of the suggested analytical model in the process of dynamic interaction of climate variables and economic performance.

Using the methodology discussed above, potential construction changes by 2050 estimated under various climate change scenarios are presented in Table 2.

Table 2. Construction changes (%) by 2050 under uniform climate change scenarios

$\Delta T \downarrow \backslash \Delta R \rightarrow$	Change in Precipitation			
	+2%	+5%	+7%	+10%
+0.5 degree Celsius	-6.4	-6.2	-6.1	-5.9
	[-10.7, -1.7]	[-10.6, -1.3]	[-10.5, -1.1]	[-10.5, -0.7]
+1 degree Celsius	-12.4	-12.2	-12.1	-11.9
	[-20.1, -3.5]	[-20.0, -3.2]	[-20.0, -3.0]	[-19.9, -2.6]
+1.5 degree Celsius	-18.0	-17.8	-17.7	-17.5
	[-28.4, -5.3]	[-28.3, -5.0]	[-28.3, -4.8]	[-28.2, -4.5]
+1.75 degree Celsius	-20.2	-20.1	-19.9	-19.8
	[-32.1, -6.2]	[-32.1, -5.9]	[-32.0, -5.7]	[-32.0, -5.4]
+2 degree Celsius	-23.2	-23.0	-22.9	-22.7
	[-35.7, -7.1]	[-35.6, -6.8]	[-35.6, -6.6]	[-35.6, -6.3]

The mean construction losses by 2050 range from 5.9% (under the 'optimistic' scenario with 0.5 °C increase in temperature and 10 percent increase in precipitation) to 23.2% (under the 'pessimistic' scenario with 2 °C increase in temperature and 2 percent increase in precipitation). The 95 percent confidence interval for the latter scenario suggests that construction declines could be ≈ 36 percent.

When comparing the suggested framework with the current solutions, there are multiple benefits of the proposed framework in the aspects of combination and applicability. The main advantage of traditional econometric models is that they concentrate on the statistical relationships and do not incorporate adaptation cost mechanisms, whereas the disadvantage with simulation-based methods is that they are not economic models. Conversely, the presented model combines climate variables, risk assessment and cost estimation into one analytical framework. The framework also facilitates the use of scenario-based assessment, allowing the analysis to be flexibly performed in different climatic conditions. Though the model does not use the advanced machine learning techniques, it can be more interpretable, and more computationally efficient, which is why it can be applied to policy-based decision-making processes in resource-constrained settings.

The baseline AR investments for 2050 (2050 ARBaseline), the projected construction changes in 2050 and the construction elasticity with respect to agricultural research investments can be used to calculate the additional agricultural R&D investments needed as per Eq. (1):

$$AR_{scenario}^{2050} - AR_{baseline}^{2050} = \left[\frac{\left(\frac{yld_{2050}^{scenario} - yld_{2050}^{baseline}}{yld_{2050}^{baseline}} \right)}{\varepsilon_{R\&D}^{Yld}} \right] AR_{baseline}^{2050} \text{ -------(1)}$$

where, $\varepsilon_{R\&D}^{Yld}$ is the elasticity of construction with respect to spending in agricultural R&D, $yldinc_{R\&D}$ is the share of R&D for a given increase in productivity. While the former measures the returns to such investment in terms of productivity improvements, the latter accounts for the extent of a given construction increase is driven by R&D investments.

To obtain the 2050 baseline level of agricultural research investments (henceforth 'AR'), AR investments are calculated for each year after 2007 upto 2050 using Eq. (2):

$$AR_n = \left[\left(\frac{g_h g_a}{100} + 1\right) AR_{n-1}\right] \text{-------}(2)$$

where, g_h is the average of the annual historical growth rates of agricultural research expenditure, and g_a is the multiplier of historical growth rates of agricultural research expenditure. These multipliers are the assumed baseline growth rates of research expenditure which are applied to the historical growth rates. The baseline AR is the sum total of the AR investments from 2008 to 2050 as given in Eq. (2):

$$AR_{baseline}^{2050} = \sum_{n=2008}^{2050} AR_n \text{-------}(3)$$

Public spending on agricultural R&D are projected for each year up to 2050 using Eq. (2), based on the historical and the assumed baseline multipliers. The baseline AR for 2050, (using Eq. (3)) is US $ 36, 060 million (≈US $ 36.1 billion).

Computing the additional AR investments using Eq. (4.3) requires input on construction elasticity with respect to such investment expenditure. There are only few studies in the literature that have estimated the effect on construction (or Total Factor Productivity) of a unit (or percent) increase in AR investments. One such study, which attempts to examine through a simultaneous equations framework, the effects of various developmental measures on productivity and thereby on poverty in rural India. Table 1 presents the estimated additional annual investments in agricultural research and development (AR) that is necessary to prevent the construction losses expected under different climate change. Under the ('pessimistic') worst case scenario of climate change considered, that is with 2q C rise in temperature and 2% increase in precipitation, an additional US$ 656 million per annum would be required to prevent the likely construction losses by 2050. Under the 'optimistic' scenario, with 0.5qC increase in temperature and 2% increase in precipitation, this amounts to an additional investments of US $ 166 million per year. When temperature rise is approximately 2q C, incremental (annual) investments required to bridge the potential construction gap due to climate change could be as high as US $ 1 billion per annum, considering the upper 95 percent range of projections.

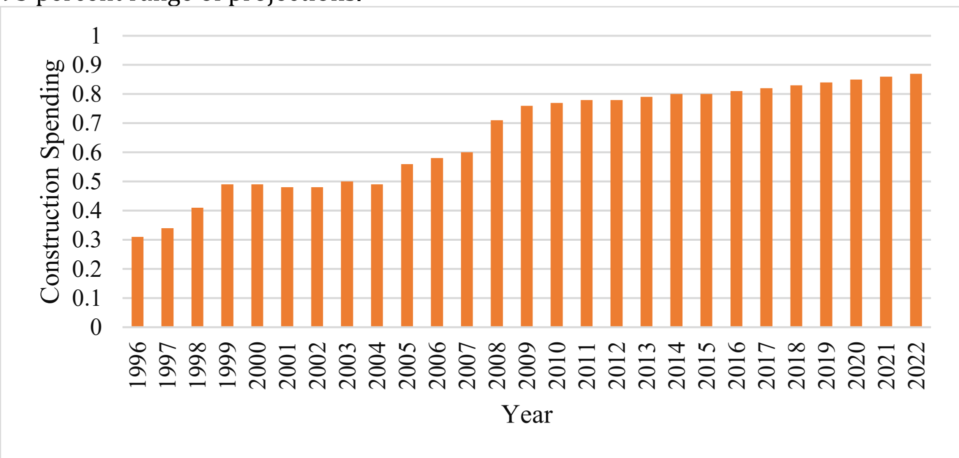

Figure 1. Spending on Construction

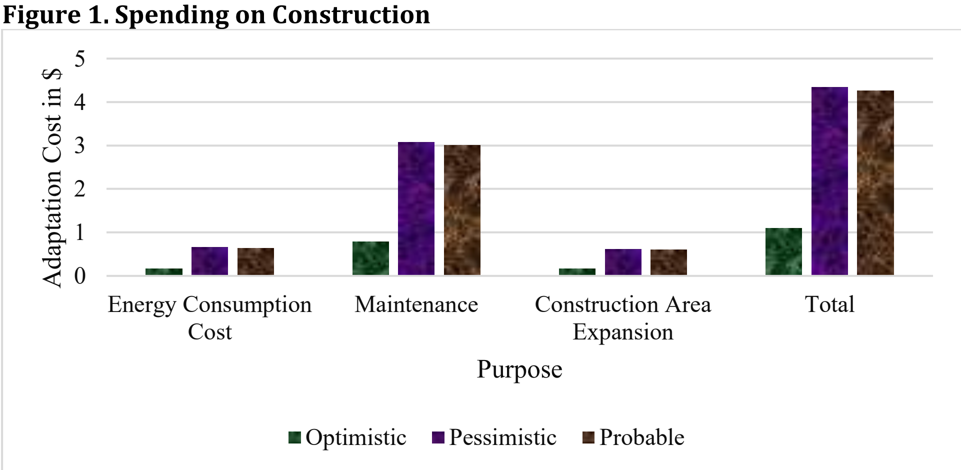

Figure 2. Adaptation Cost Estimation

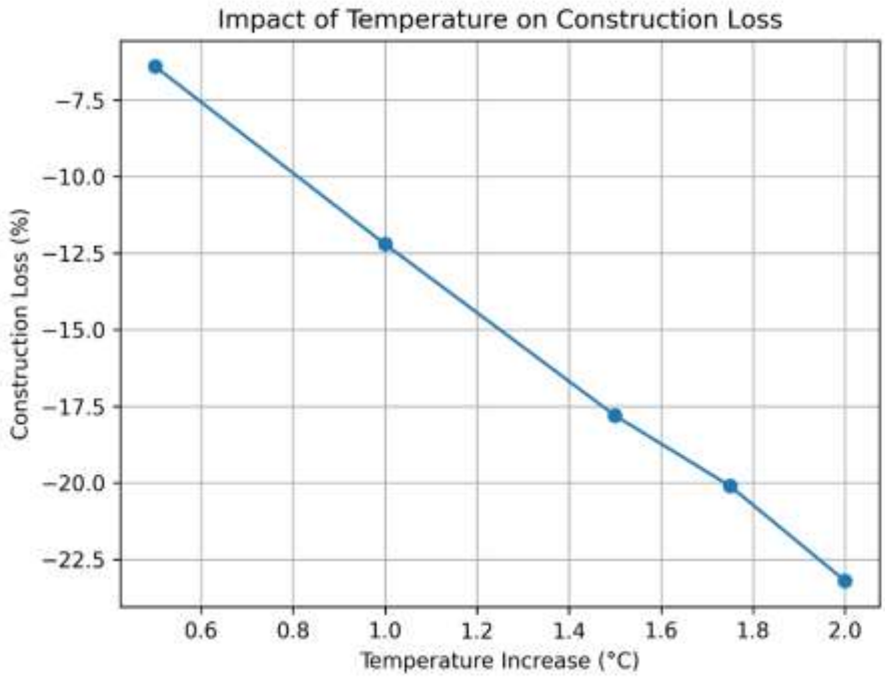

Figure 3. Impact of temperature increase on construction loss showing non-linear escalation under higher climate stress conditions.

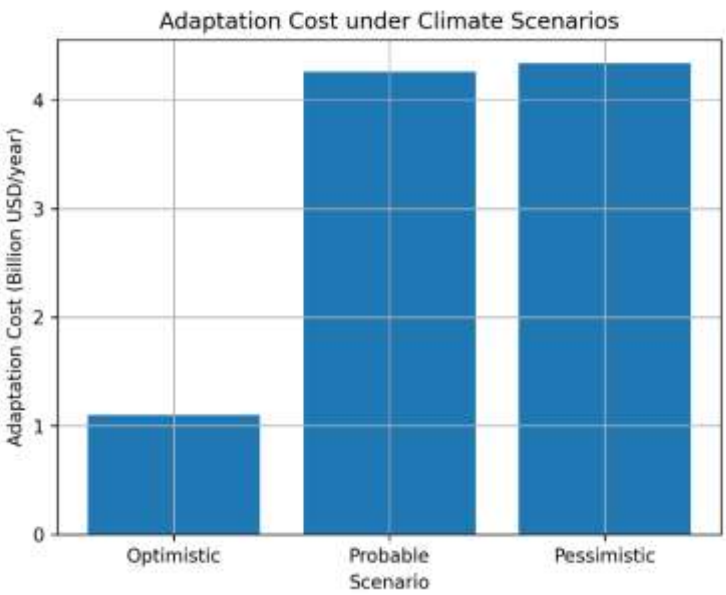

Figure 4. Adaptation cost estimation under optimistic, probable, and pessimistic climate scenarios.

Cost estimates derived under different scenarios suggests that investment in irrigated area expansion is the low-cost option among the three measures considered (see Figure 2). This is followed by investment in agricultural R&D and finally in rural roads expansion. However, from the broader development objective, the order of importance may be different. If R&D led productivity enhancement could be challenged due to absence of well-connected roads network, it may be necessary to give priority to the latter. Similarly, if development of heat tolerant is largely in-effective under increased water stress, development of irrigation infrastructure could be necessary. Therefore, prioritization of adaptation options should depend on the local development needs.

5. Conclusion

The present chapter assessed the cost of adaptation to climate change in the context of Indian construction. Cost of adaptation to climate change is conceptualized as costs that will be needed in addition to those incurred to address present day climate risks. Various challenges that could arise in the assessment of adaptation and adaptation costs are discussed. The limitation of the past studies assessing the cost of adaptation in viewing adaptation in the broader development context is also highlighted. Climate change is one of the many co-existing stressors which exacerbate the vulnerability of a system. Failing to recognize this could undermine the estimates of adaptation costs potentially ignoring the present day adaptation deficit that could be occurring. In the face of recurring adaptation deficit or the development deficit in future, climate change specific measures may be ineffective in averting the potential impacts. Therefore, effort should be mobilized to first address the current issues causing in turn such deficits to occur. It is in this context, the role of generic measures assumes importance. Assuming that the construction level corresponding to a specific development target for a future year is known, the cost of maintaining this level of construction under future climate change is defined as the cost of adaptation. With such backdrop, investments in three productivity enhancing measures, viz., agricultural R&D, rural roads and irrigated area expansion are taken into account towards the adaptation cost calculation exercise.

This study presents a structured analytical framework for assessing climate change impacts and estimating adaptation costs through scenario-based modeling. By integrating climate variables, disaster risk representation, and economic loss estimation, the proposed approach provides a unified methodology for evaluating climate resilience strategies. The findings indicate that climate-induced losses can be substantial under adverse scenarios, but targeted investments in adaptation measures can significantly reduce these impacts. While the current model emphasizes analytical clarity and interpretability, future work will focus on incorporating machine learning techniques, probabilistic modeling, and real-world datasets to enhance predictive accuracy and scalability. This research contributes to the development of computationally efficient and policy-relevant tools for climate risk management.

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