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Outline

Introduction

Data

My Suggestion

Introduction

- SSRP project, related to ForPAc project
- Extreme weather → disasters (maybe name some years of drought in Kenya??)
 - Early warning systems have been developed
- Goals: Improve early warning systems in Kenya
- Shifting the disaster management from reactive to protective
- Two predominant rainfall regimes in Kenya:
 - 1. Arid and semi-arid (ASAL): bi-modal
 - Short rains: March to May
 - Long rains: October to December
 - 2. non-ASAL: uni-modal
 - March to August
- Perhaps a map of ASAL and non-ASAL



Approach

- Various approaches considered including:
 - Relating NDMA Early warning phase classification to weather
 - Relating markets and food prices to weather
 - Relating maize yields to weather to weather
 - Computable general equilibrium (CGE) models

NDMA Early Warning Phase

Classification

Example: Kitui county

Normal o Alert o Alarm

• Bulletins for ASAL counties

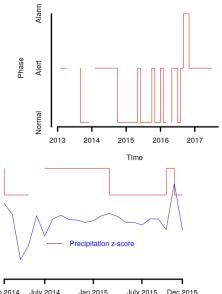
Phase: 1 = Normal, 2 = Alert

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- Online since 2013
 - But in pdf format
- For county and month





Approach

- Narrowing the research question:
 - Relationship of maize yield and weather in Kenya
 - What is it about weather that causes drought related disasters?
 - Which particular characteristics of weather are the most 'responsible' for drought related disasters?

Sample:

Panel of 47 counties of Kenya, 1981 – 2017

Data

- Maize yields
 - source: Famine Early Warning Systems Network (FEWS NET)
 - County level, yearly, tonnes per hectare
- Weather:
 - Daily, 0.25° resolution gridded data
 - Precipitation
 - source: Climate Hazards Group InfraRed Precipitation with Station data (CHIRPS)
 - Temperature
 - source: Berkeley Earth
 - Aggregation needed to conform with the yield data

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0.25^{\circ} \text{ grid} \rightarrow \text{county level} daily \rightarrow \text{ yearly}
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Effects of droughts on economy

Computable General Equilibrium (CGE)

• ?

 5 agro-ecological zones,46 production activities (incl. 35 zone specific agricultural production sectors), 22 commodity groups, 15 primary factors of production

Fixed (inputs)	Determined by model (outputs)
Capital stock	Domestic price of each commodity
Land (by region)	Land allocated across crops
Supply of labor per skill type	Real wages
Foreign capital inflow	Real exchange rate
Trade balance	_

- The simulation use a 'balanced' macro closure in which aggregate investment, government demand, and consumption are fixed shares of total absorption
- Intermediate inputs into production are determined as fixed shares of the quantity of output



Effects of droughts on economy

Computable General Equilibrium (CGE) Models

- ?
- Exploring range of scenarios for food price increase in 2030
 - 1. Baseline 2. Climate change 3. Climate change with adaptation 4. Adaptation only in sub-Saharan Africa
- Global coverage, set of individual country models, linked through international trade
- Climate change (incl. drought) modelled as changes in factor productivity (usually negative)

My suggestion - panel estimation

My interest: Effects of drought on economy in Kenya

- Response variable
 - Volumes of production (crop specific, total)
 - Profit per acre (?)
 - (Value of agricultural products prod. expanses)/acres (crops, pasture, grazing)
- Units of analysis
 - Counties in Kenya × year
- Explanatory variable of interest
 - Dummy variable (0/1) drought occurred in a particular county and year or not
 - Several varieties various specifications of drought:

My idea - panel estimation

$$Y_{i,t} = \alpha_i + \gamma_t + \delta D'_{i,t} + \beta X_{i,t} + \epsilon_{i,t}$$

 $Y_{i,t}$ = Response variable (food production/price), county i in year t

 α_i = Fixed effects, county i

 δ = Effect of drought on economy

 $D_{i,t}$ = Indicator variable

D=1 if drought in county i in year t, D=0 otherwise

 β = Vector of effects of other covariates

 $X_{i,t}$ = Matrix of values of other covariates in county i in year t

 $\epsilon_{i,t}$ = Error term

 γ_t = Year specific indicator?

Precipitation and temperature measures considered I

- Total precipitation over the rainy season
- Coefficient of variation of the precipitation during the rainy season
- Maximum length of dry spell during the rainy season (in number of days)
- Number of dry spells during the rainy season: a dry spell defined as 4 consecutive days without rain or more¹
- Number of dry spells during the rainy season: a dry spell defined as 10 consecutive days without rain or more¹
- Number of dry spells during the rainy season: a dry spell defined as 20 consecutive days without rain or more¹

¹Threshold for a dry day was considered 1mm.



Precipitation and temperature measures considered I

- Average temperature during the rainy season
- Standard deviation of temperature during the rainy season
- Cumulative degree days during the rainy season (excluding the days when maximum temperature above 30°C or below 10°C
- Number of heatwave days during the rainy season when max. temperature > 35°C
- Maximum daily precipitation to control for possible floods
- Sum of precipitation amount on days where precipitation is above 90th percentile of precip. of the whole period²
- Sum of precipitation amount on days where precipitation is above 95th percentile of precip. of the whole period³

 $^{^395^{}th}$ percentile was calculated for the subsample of wet days, that is the days where precipitation is above or equal to 1mm.



 $^{^290^{}th}$ percentile was calculated for the subsample of wet days, that is the days where precipitation is above or equal to 1mm.

Precipitation and temperature measures considered I

- Sum of precipitation amount on days where precipitation is above 99th percentile of precip. of the whole period⁴
- Number of days where precipitation is above 90th percentile of precip. of the whole period²
- Number of days where precipitation is above 95th percentile of precip. of the whole period³
- Number of days where precipitation is above 99th percentile of precip. of the whole period⁴

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 $^{^499^{}th}$ percentile was calculated for the subsample of wet days, that is the days where precipitation is above or equal to 1mm.