## Integrating Sparse Data for Climate-Driven Agricultural Productivity Estimation in Low-Income Countries: Bayesian and Long-Term Analytical Approaches

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# Abstract

Agricultural productivity in low-income countries (LICs) is highly vulnerable to climate change, a challenge further compounded by the lack of reliable agricultural data. Existing models often assume the availability of comprehensive datasets, an assumption that does not hold true for LICs. This paper introduces a set of innovative frameworks designed to overcome data scarcity by integrating sparse agricultural data, high-resolution climate information, and advanced machine learning techniques. At the core of this approach is a Bayesian hierarchical model that combines satellite-derived climate data with incomplete in-situ agricultural data, enabling probabilistic estimates of productivity in data-limited contexts. The paper also presents a dynamic panel data model to explore long-term interactions between climate and agriculture, capturing sectoral dynamics over extended periods. Additionally, a novel framework for real-time assessment of agricultural productivity loss is introduced, leveraging Bayesian inference to estimate losses based on environmental proxies. These models are intended to improve predictive accuracy and provide practical tools for real-time monitoring and long-term analysis in data-constrained settings, contributing to stronger climate resilience and more informed decision-making in LICs.

Keywords: Bayesian Hierarchical Model, Agricultural Productivity, Climate-Agriculture Dynamics, Sparse Data Integration, Remote Sensing, Machine Learning, Low-Income Countries (LICs)

# **Introduction**

Agricultural productivity is essential for economic development in low-income countries <sup>2</sup> (LICs), where a significant portion of the population depends on agriculture for both <sup>3</sup> subsistence and income [1]. As climate change intensifies, these nations face heightened <sup>4</sup> risks due to their reliance on climate-sensitive sectors such as agriculture. This <sup>5</sup> vulnerability is further aggravated by weak infrastructure [1], limited adaptive <sup>6</sup> capacity  $[2]$ , and a critical challenge: data sparsity  $[3]$ . Current models examining the relationship between climate change and agricultural productivity often assume the <sup>8</sup> availability of comprehensive datasets—an assumption that rarely holds true for <sup>9</sup> LICs  $[4, 6]$ . The lack of reliable, high-quality data limits policymakers' ability to make  $\frac{10}{10}$ accurate predictions and develop strategies to mitigate climate-induced agricultural 11 losses. Thus, there is an urgent need for models capable of performing effectively in 12 data-sparse environments  $[7, 8]$ . The existing literature is heavily focused on regions  $\frac{13}{13}$  with abundant data, often neglecting LICs where agricultural and climate datasets are  $_{14}$ incomplete, inconsistent, or entirely absent. Although LICs play a critical role in global 15 food security and are disproportionately affected by climate change, few studies have  $\frac{16}{16}$ developed frameworks specifically designed to address data scarcity in these <sup>17</sup> regions  $[9-12]$ . This paper addresses this gap by introducing innovative frameworks  $\frac{18}{18}$ tailored to data-sparse environments, leveraging remote sensing, machine learning <sup>19</sup> techniques, and Bayesian hierarchical models. Our goal is to provide reliable estimates 20 of agricultural productivity under varying climatic conditions, offering essential tools for <sup>21</sup> policymakers and researchers working to mitigate the adverse impacts of climate change  $_{22}$ on agriculture in LICs. The key theoretical and methodological contributions of this 23 paper are as follows: 24

- 1. Bayesian Hierarchical Framework: We propose a novel Bayesian hierarchical <sub>25</sub> model that integrates sparse agricultural data with high-resolution climate data. 26 This model generates probabilistic estimates of agricultural productivity, even in  $\frac{27}{27}$ the presence of incomplete information. By accounting for uncertainty in sparse  $\frac{28}{28}$ datasets, the framework improves predictive accuracy under changing climatic <sup>29</sup> conditions, enhancing LICs' ability to plan and adapt to climate variability.
- 2. Long-Term Analysis Methodologies: To explore long-term interactions 31 between climate and agriculture, we introduce a dynamic panel data model  $\frac{32}{2}$ specifically designed for data-sparse environments. This model enables the analysis 33 of climate-agriculture dynamics over extended periods, offering insights into <sup>34</sup> sectoral trends and productivity in regions with incomplete or unreliable datasets. <sup>35</sup>
- 3. Tools for Real-Time Monitoring and Climate Resilience: We propose  $\frac{36}{100}$ practical methodologies for real-time monitoring and climate resilience  $\frac{37}{27}$ assessments, designed to work effectively with limited in-situ data. These tools <sup>38</sup> aim to enhance the adaptive capacity of LICs by enabling timely responses to <sup>39</sup> climate variability and potential agricultural shocks. <sup>40</sup>

While the issue of sparse data in climate-agriculture studies is not new, existing  $\frac{41}{41}$ solutions tend to be context-dependent and short-term in focus. For example, studies  $\frac{42}{42}$ such as  $[12]$  and  $[13]$  have explored the adverse effects of climate variability—shifting  $\frac{43}{45}$ precipitation patterns and rising temperatures—on crop yields. However, much of this <sup>44</sup> research relies on comprehensive datasets and predominantly examines short-term <sup>45</sup> impacts, limiting its relevance to LICs. There is a pressing need for models that capture <sup>46</sup> long-term trends [14] and function effectively in data-scarce conditions [15]. This paper  $\frac{47}{47}$ seeks to address that need by developing a Bayesian hierarchical framework. The  $\frac{48}{48}$ potential of combining sparse local data with global climate datasets as a feasible <sup>49</sup> method for estimating agricultural productivity in LICs has been previously  $\frac{50}{20}$ demonstrated  $[14, 18]$ . Machine learning approaches also show promise in compensating  $\overline{51}$ for missing data through advanced algorithms [17]. Building on these contributions, this  $\frac{52}{2}$ paper introduces a dynamic panel data model to capture long-term climate-agriculture 53 interactions under sustained environmental pressures. Furthermore, remote sensing  $\frac{54}{54}$ technologies have proven indispensable in regions with sparse agricultural data.  $\frac{55}{1000}$ Previous studies have successfully utilized satellite-derived data to assess the  $\frac{56}{56}$ vulnerability of smallholder farmers  $[19, 20]$ , highlighting the potential of remote sensing  $57$ to monitor agricultural productivity even in the absence of ground-level data. By developing a remote sensing-based Agricultural Vulnerability Index, this paper extends <sup>59</sup> the utility of remote sensing tools and integrates them with Bayesian models to enhance  $\sim$ assessments of agricultural vulnerability in data-scarce settings [21]. Our approach not  $\epsilon$ only advances the methodological toolkit for studying climate-agriculture dynamics but  $\epsilon_2$ also provides a practical, adaptable framework for improving agricultural resilience in 63 LICs. This is particularly crucial for nations grappling with the dual challenges of  $\frac{64}{64}$ climate change and data scarcity  $[22]$ . Therefore, this paper makes a significant contribution by offering novel frameworks that are both theoretically robust and 66 practically applicable in LICs, where data limitations continue to hinder effective  $\frac{67}{67}$ decision-making. The proposed models represent a substantial advancement in climate 68 resilience and agricultural productivity research, providing critical insights into the dynamics of data-sparse environments. <sup>70</sup>

# The Framework  $\frac{1}{11}$

## Enhanced Hybrid Statistical Model for Sparse Data Integration  $\frac{1}{2}$

In low-income countries (LICs), agricultural productivity is severely impacted by  $\frac{73}{2}$ climate change, yet traditional econometric models often fail to capture the complex  $\frac{74}{74}$ relationships between climate variability and agricultural productivity due to sparse and  $\frac{75}{20}$ incomplete data. This issue is particularly critical in LICs, where data collection  $\frac{76}{6}$ systems are underdeveloped, and real-time agricultural data is either unavailable or  $\frac{7}{77}$ unreliable. To address these challenges, we propose an Enhanced Hybrid Statistical  $\frac{78}{10}$ Model (HSM) that integrates sparse local agricultural data with high-resolution, globally available climate data from sources such as satellite imagery and remote  $\frac{1}{80}$ sensing. The model's innovation lies in its ability to merge disparate data sources—specifically, satellite-derived climate data and sparse in-situ agricultural <sup>82</sup> data—into a cohesive statistical framework [14]. By employing advanced machine  $\frac{1}{3}$ learning techniques alongside Bayesian inference, the model provides more accurate and  $\frac{1}{84}$ reliable predictions than any single data source could offer. Additionally, it rigorously  $\frac{1}{5}$ quantifies uncertainties inherent in sparse datasets, which is essential for  $\frac{86}{100}$ decision-making in LICs. The HSM is specifically designed for contexts where  $\frac{87}{87}$ 

- (i) Climate data from remote sensing technologies is globally available. <sup>88</sup>
- (ii) Agricultural data is sparse, incomplete, and characterized by significant spatial <sup>89</sup> and temporal gaps. 90

The main challenge addressed by the model is how to leverage richer, global-scale  $\frac{91}{91}$ climate data to predict agricultural productivity in regions where local data is missing,  $\frac{92}{2}$ while explicitly accounting for data gaps and uncertainties.

## Framework and Assumptions and  $\frac{94}{94}$

Assumptions and Definitions The framework is based on the following key 95 assumptions <sup>96</sup>

- Data Availability Assumption: Satellite-derived climate data, including key 97 variables such as temperature, precipitation, and soil moisture, is assumed to be  $\frac{98}{98}$ accurate and consistently available at high spatial and temporal resolutions. <sup>99</sup>
- Data Sparsity Assumption: Local agricultural data is assumed to be sparse, 100 with sporadic or intermittent availability, and significant gaps in both spatial and  $_{101}$ temporal coverage.
- Stationarity Assumption: The statistical relationships between climate and 103 agricultural productivity are assumed to remain stable over the time period under 104 consideration, ensuring consistency in the application of the model. <sup>105</sup>



 $Y_p = f(X_c) + \epsilon_1$  (Climate-Productivity Model), (1)

$$
Y_a = g(Y_p) + \epsilon_2 \quad \text{(Data Fusion Model)},\tag{2}
$$

where  $f(X_c)$  is a machine learning-based function that predicts productivity from 130 climate data,  $g(Y_p)$  integrates the predicted productivity  $Y_p$  with the observed 131 agricultural data  $Y_a$ , and  $\epsilon_1$  and  $\epsilon_2$  are error terms representing model uncertainties. 132

## Detailed Model Specification 133

**Climate-Productivity Linkage Model** The function  $f(X_c)$ , which links climate 134 data to agricultural productivity, is constructed using a Gaussian Process Regression 135 (GPR) model. GPR is particularly suitable for this application as it provides a <sup>136</sup> probabilistic framework that quantifies uncertainties, which is essential for handling 137 sparse data. The GPR model is defined as  $138$ 

$$
Y_p \sim \mathcal{GP}(m(X_c), k(X_c, X_c')), \tag{3}
$$

where  $m(X_c)$  is the mean function of the climate variables, and  $k(X_c, X_c')$  is the 139 covariance kernel measuring similarity between climate data points. The Radial Basis <sup>140</sup> Function (RBF) kernel is selected for its ability to capture smooth variations in climate  $_{141}$ variables the contract of the

$$
k(X_c, X_c') = \exp\left(-\frac{1}{2\ell^2} \|X_c - X_c'\|^2\right),\tag{4}
$$

where  $\ell$  is the length scale parameter controlling sensitivity to variability. This kernel  $_{143}$ allows the model to "borrow strength" from neighboring regions with similar climatic <sup>144</sup> conditions, improving predictions in areas with missing agricultural data. <sup>145</sup>

Data Fusion with Sparse Agricultural Data To refine the initial predictions of 146  $Y_p$ , the model incorporates sparse observed agricultural data  $Y_a$  through a Bayesian  $147$ Hierarchical Model. This approach adjusts the climate-predicted productivity estimates <sup>148</sup> by integrating local agricultural data. The observation model is given by <sup>149</sup>

$$
Y_a \sim \mathcal{N}(g(Y_p), \sigma^2),\tag{5}
$$

where N represents a normal distribution and  $g(Y_p)$  is a function that modifies the 150 climate-based predictions using the sparse agricultural data  $Y_a$ . The posterior  $151$ distribution of the true productivity  $Y_p$ , given both the satellite climate data  $X_c$  and 152 the sparse agricultural data  $Y_a$ , is then updated through Bayesian inference

$$
P(Y_p|X_c, Y_a) \propto P(Y_a|Y_p)P(Y_p|X_c). \tag{6}
$$

This posterior distribution refines productivity estimates by combining information from <sup>154</sup> both climate data and local observations, while accounting for uncertainties in both 155  $\frac{1}{56}$  datasets.

#### Algorithm: Hybrid Data Fusion for Productivity Prediction 157

Algorithm 1 Hybrid Data Fusion Model for Sparse Data Prediction

- 1: Input: Satellite-derived climate data  $X_c$ , sparse agricultural data  $Y_a$
- 2: **Output:** Predicted agricultural productivity  $Y_p$
- 3: Step 1: Initialize Gaussian Process Regression (GPR) for Climate-Productivity Model.
- 4: Select RBF kernel for climate data  $X_c$ .
- 5: Train GPR model to estimate productivity  $Y_p$  based on  $X_c$ .
- 6: Step 2: Predict productivity using the trained GPR model.
- 7: For regions with missing agricultural data, compute  $Y_p$  using GPR.
- 8: Step 3: Incorporate sparse agricultural data using the Bayesian Hierarchical Model.
- 9: Define the observation model:

$$
Y_a \sim \mathcal{N}(g(Y_p), \sigma^2) \tag{7}
$$

10: Update the posterior distribution of  $Y_p$  using Bayesian inference.

11: Step 4: Estimate final agricultural productivity.

12: Sample from the posterior distribution to obtain refined predictions of  $Y_p$ .

13: **Step 5:** Return predicted agricultural productivity  $Y_p$  for all regions.

Remarks and Future Directions The proposed Hybrid Statistical Model addresses <sup>158</sup> the limitations posed by sparse agricultural data by leveraging globally available climate <sup>159</sup> data to provide reliable productivity estimates. It is highly adaptable across different  $_{160}$ regions and scales, making it a valuable tool for LICs with varying levels of data <sup>161</sup> availability. Future extensions of the model could incorporate more complex climate 162 variables, such as extreme weather events or soil degradation, to further enhance <sup>163</sup> prediction accuracy in challenging environments. Additionally, real-time integration of <sup>164</sup> satellite data could enable the model's application in real-time agricultural monitoring, 165 offering timely insights for responding to climate shocks. <sup>166</sup>

## Advanced Dynamic Panel Data Model for Climate-Agriculture 167  $\overline{\text{Interaction}}$  168

Understanding the dynamic relationship between climate variability and agricultural 169 productivity is crucial for predicting long-term trends, especially in low-income countries  $\frac{170}{170}$ (LICs), where agriculture plays a central role in economic activity. Additionally, <sup>171</sup> interactions between agricultural and non-agricultural sectors, such as industry and  $_{172}$ services, significantly affect labor mobility, investment patterns, and policy decisions. 173 Existing studies often focus on short-term impacts, but there is a need for models that  $_{174}$ capture long-term sectoral dynamics under climate change pressures. We propose an 175 Advanced Dynamic Panel Data Model (DPDM) to capture these long-term interactions <sup>176</sup> between climatic variables and agricultural productivity. The model employs advanced  $\frac{177}{177}$ econometric techniques, such as the system Generalized Method of Moments  $(GMM)$  178 and Panel Vector Autoregression (VAR), to handle the sparse and heterogeneous data <sup>179</sup> commonly found in LICs. This model serves two main purposes, i.e.,  $\frac{180}{180}$ 

- (A) To model the long-term effects of climate variability on agricultural productivity. <sup>181</sup>
- (B) To capture the evolving sectoral gaps between agricultural and non-agricultural <sup>182</sup> sectors under climatic pressures. 183

The model is specifically designed to address the complexity, data sparsity, and heterogeneity that characterize LICs, overcoming the limitations of traditional 185 econometric methods in such contexts. <sup>186</sup>

#### Framework and Assumptions 187

Assumptions and Definitions For the model to function effectively, we make the 188 following assumptions that the set of the set

- Data Availability Assumption: Climatic variables, such as temperature, 190 precipitation, and extreme weather events, are assumed to be regularly available <sup>191</sup> through reliable sources like satellite remote sensing.
- Sectoral Interdependence Assumption: Changes in agricultural productivity 193 are assumed to influence non-agricultural sectors (e.g., industry and services) via <sup>194</sup> labor and capital mobility, and vice versa. 195
- Stationarity Assumption: The relationships between climate variables and 196 sectoral productivity are assumed to remain stationary over the analysis period, 197 allowing for the use of time-invariant econometric techniques. <sup>198</sup>
- Instrument Validity Assumption: The instruments used in the GMM 199 estimation (e.g., lagged dependent variables) are assumed to be valid and <sup>200</sup> uncorrelated with the error term.

**Model Framework** The dataset includes the following key variables: 202

• Climate Variables,  $X_{c,ii}$ : For country i at time t, these include key indicators 203 such as temperature, precipitation, and extreme weather events.

- Agricultural Productivity,  $Y_{a, it}$ : This represents agricultural output, which  $\qquad$  205 may be sparse and intermittently available. 206
- Non-Agricultural Productivity,  $Y_{n, it}$ : This represents productivity in 207 non-agricultural sectors, such as industry and services. <sup>208</sup>

The Dynamic Panel Data Model links climatic variables with agricultural productivity <sup>209</sup> over time and captures the sectoral gaps between agricultural and non-agricultural <sup>210</sup> productivity.

#### Model Components 212

Dynamic Panel Data Model for Agricultural Productivity This component 213 models the impact of climate variables  $X_{c, it}$  on agricultural productivity  $Y_{a, it}$  over time. It allows for persistence in agricultural outcomes, where past productivity influences  $_{215}$ future outcomes. The model is formulated as 216

$$
Y_{a,it} = \alpha_1 Y_{a,i(t-1)} + \beta_1 X_{c,it} + \gamma_1 Z_{it} + \eta_i + \lambda_t + \epsilon_{it},\tag{8}
$$

where  $Y_{a,i(t-1)}$  is the lagged agricultural productivity,  $X_{c,it}$  represents climate variables, 217  $Z_{it}$  includes control variables,  $\eta_i$  and  $\lambda_t$  are fixed effects, and  $\epsilon_{it}$  is the error term.

Sectoral Gap Model The sectoral gap model captures the interaction between 219 agricultural and non-agricultural sectors. It is defined as 220

$$
\Delta G_{it} = \alpha_2 Y_{a,it} - \beta_2 Y_{n,it} + \gamma_2 X_{c,it} + \eta_i + \lambda_t + \epsilon_{it},\tag{9}
$$

where  $\Delta G_{it}$  represents the gap between agricultural and non-agricultural productivity. 221

Panel Vector Autoregression (VAR) for Sectoral Dynamics To fully 222 capture the sectoral interactions, we employ a Panel VAR model, where both  $Y_{a,it}$  and 223  $Y_{n,it}$  are endogenous variables. The system of equations is as follows  $2^{24}$ 

$$
Y_{a,it} = \alpha_3 Y_{a,i(t-1)} + \beta_3 Y_{n,i(t-1)} + \gamma_3 X_{c,it} + \eta_i + \lambda_t + \epsilon_{a,it},\tag{10}
$$

$$
Y_{n,it} = \alpha_4 Y_{a,i(t-1)} + \beta_4 Y_{n,i(t-1)} + \gamma_4 X_{c,it} + \eta_i + \lambda_t + \epsilon_{n,it}.
$$
\n(11)

This system captures the dynamic feedback between sectors, allowing for the modeling 225 of sectoral shifts under climatic pressures. <sup>226</sup>

**Handling Sparse Data** The system GMM estimator is used to handle sparse data 227 and address endogeneity by employing lagged variables as instruments for consistent  $\qquad$  228 parameter estimation. 229

### Algorithm: Advanced Dynamic Panel Data Model for Climate-Agriculture 230 **Interaction** 231

**Remarks and Implications for Policy** This model provides a robust framework for 232 understanding the long-term effects of climate change on agricultural productivity and <sup>233</sup> sectoral dynamics in LICs. By employing system GMM and Panel VAR, the model <sup>234</sup> addresses challenges posed by sparse and heterogeneous data. The framework equips <sup>235</sup> policymakers with insights into sectoral vulnerabilities, enabling more targeted <sup>236</sup> interventions to strengthen climate resilience.

#### Algorithm 2 Advanced Dynamic Panel Data Model for Climate-Agriculture Interaction

- 1: **Input:** Climate variables  $X_c$ , agricultural productivity data  $Y_a$ , non-agricultural productivity data  $Y_n$
- 2: Output: Predicted agricultural and non-agricultural productivity, sectoral gaps
- 3: Step 1: Prepare panel data.
- 4: Collect climate variables  $(X_c)$ , agricultural productivity  $(Y_a)$ , and nonagricultural productivity  $(Y_n)$ .
- 5: Handle missing data using imputation or interpolation techniques.
- 6: Step 2: Estimate the Dynamic Panel Data Model.
- 7: Define the dynamic model.
- 8: Use system GMM to handle endogeneity and missing data.
- 9: Step 3: Estimate Sectoral Gaps.
- 10: Define the sectoral gap model.
- 11: Step 4: Estimate Panel VAR for Sectoral Dynamics.
- 12: Define the VAR system.
- 13: Step 5: Return predicted agricultural productivity, non-agricultural productivity, and sectoral gap dynamics.

## Data-Sparse Framework for Climate-Induced Productivity Loss <sup>238</sup>  $\Delta$ ssessment  $\Delta$ 399

We propose a data-sparse framework for assessing agricultural productivity losses due to  $_{240}$ climate variability, particularly in regions with limited direct productivity data. This <sup>241</sup> framework relies on observable climatic and environmental proxies, such as <sup>242</sup> satellite-derived climate data and soil health indicators, to infer productivity losses in 243 areas where agricultural data is sparse. It utilizes Bayesian inference to estimate <sup>244</sup> productivity losses, integrating prior knowledge and observational data to refine <sup>245</sup> estimates under uncertainty. 246

#### Framework Design <sup>247</sup>

Let  $P_t$  denote agricultural productivity at time  $t$ ,  $X_{c,t}$  represent climate variables, and 248  $E_t$  signify environmental proxies. In the absence of direct productivity measurements,  $\frac{249}{2}$ we estimate  $P_t$  using the relationship between  $X_{c,t}$  and  $E_t$ .

**Bayesian Inference Model** Agricultural productivity  $P_t$  is modeled as  $\sum_{251}$ 

$$
P_t \sim \mathcal{N}(\mu_t, \sigma_t^2),
$$

where  $\mu_t$  is the expected productivity based on climate and environmental proxies, and  $\mu_t$  $\sigma_t^2$  represents uncertainty. The expected productivity  $\mu_t$  is modeled as a function of 253 climate variables  $X_{c,t}$  and environmental proxies  $E_t$  254

$$
\mu_t = \alpha_0 + \alpha_1 X_{c,t} + \alpha_2 E_t,
$$

where the parameters  $\alpha_0, \alpha_1, \alpha_2$  are estimated using Bayesian techniques. Prior  $\alpha_0$ distributions for these parameters are defined based on historical data and expert  $_{256}$ knowledge. This framework provides a flexible solution for estimating productivity 257 losses in data-sparse environments, making it particularly useful in LICs, where data  $_{258}$ gaps impede comprehensive analysis. <sup>259</sup> Markov Chain Monte Carlo (MCMC) Calibration To estimate the model 260 parameters, we utilize Markov Chain Monte Carlo (MCMC) methods, which iteratively <sup>261</sup> sample from the posterior distribution of the unknown parameters. The MCMC  $_{262}$ algorithm updates the posterior distribution of parameters  $\alpha_0, \alpha_1, \alpha_2$  using observed  $\alpha_0$ climate and proxy data to refine the estimates. This iterative approach ensures that <sup>264</sup> uncertainties inherent in sparse datasets are properly accounted for. The choice between <sub>265</sub> MCMC algorithms, such as Metropolis-Hastings or Gibbs sampling, should depend on <sup>266</sup> the size of the problem and the complexity of the data to ensure efficient convergence  $_{267}$ and reliable estimates. 268

**Framework Execution** The steps for executing the framework to assess productivity 269 losses due to climate variability in data-sparse environments are outlined below 270

- (a)  $\mathbf{Data Input:}$  271
	- Collect satellite-derived climate data  $X_{c,t}$  (e.g., temperature, precipitation)  $272$ at high spatial and temporal resolutions.
	- Gather environmental proxies  $E_t$  (e.g., NDVI, soil moisture) from remote  $_{274}$ sensing technologies, which serve as indirect indicators of agricultural  $_{275}$ productivity. 276
	- If available, incorporate sparse in-situ agricultural productivity data to  $277$ calibrate the model and improve the accuracy of the estimates.
- (b) Bayesian Model Setup: 279
	- Define prior distributions for the parameters  $\alpha_0, \alpha_1, \alpha_2$ , informed by historical data or expert elicitation. This ensures that the model incorporates <sub>281</sub> existing knowledge while maintaining flexibility for sparse datasets.
	- Specify the likelihood function for agricultural productivity  $P_t$ , assuming a 283 normal distribution with mean  $\mu_t$  and variance  $\sigma_t^2$ , where  $\mu_t$  is a function of 284 climate and environmental proxies. 285

## $(c)$  MCMC Sampling:  $286$

- Implement the chosen MCMC algorithm (e.g., Metropolis-Hastings or Gibbs 287 sampling) to sample from the posterior distribution of the parameters. The 288 algorithm iteratively updates parameter estimates using the climate data <sup>289</sup>  $X_{c,t}$  and environmental proxies  $E_t$ . 290
- Perform iterative sampling until convergence is achieved, ensuring that the 291 parameter estimates stabilize and reflect the uncertainties inherent in sparse <sup>292</sup>  $data.$  293

## (d) **Posterior Inference:** 294

• Once MCMC sampling converges, compute the posterior distribution of  $P_t$  to 295 derive estimates of agricultural productivity losses. This posterior <sup>296</sup> distribution reflects the updated understanding of productivity given both  $_{297}$ the direct and proxy data. 298

## $\left( \mathrm{e}\right)$  Output:  $_{299}$

• Generate dynamic estimates of productivity losses for each time step  $t$ ,  $\qquad \qquad \text{300}$ enabling continuous assessment of climate-induced declines in agricultural <sup>301</sup> productivity. These results provide a reliable basis for policy decisions and 302 resource allocation in data-sparse regions.  $\frac{303}{200}$ 

#### Algorithm 3 Data-Sparse Productivity Loss Assessment

- 1: **Input:** Climate data  $X_c$ , environmental proxies  $E$ , sparse in-situ productivity data
- 2: **Output:** Estimated agricultural productivity  $P_t$  over time
- 3: Step 1: Data Collection
- 4: Collect satellite-derived climate data  $X_c$  (e.g., temperature, precipitation).
- 5: Collect environmental proxies E (e.g., NDVI, soil moisture).
- 6: Include any available sparse in-situ agricultural data for model calibration.
- 7: Step 2: Bayesian Inference Model
- 8: Define prior distributions for parameters  $(\alpha_0, \alpha_1, \alpha_2)$  using historical or expert data.
- 9: Specify the likelihood function for productivity loss  $P_t$ , modeling it as a function of climate variables and environmental proxies.
- 10: Step 3: MCMC Sampling
- 11: Implement MCMC methods to sample from the posterior distribution of the model parameters.
- 12: Refine parameter estimates iteratively based on observed climate and environmental data.
- 13: Step 4: Posterior Estimation
- 14: After achieving convergence in the MCMC process, compute posterior estimates of agricultural productivity  $P_t$ .
- 15: Step 5: Output
- 16: Produce estimates of productivity loss over time, providing insights into climateinduced declines in the absence of comprehensive agricultural data.

Algorithm: Data-Sparse Productivity Loss Assessment Since the scope of this 304 paper is primarily theoretical and methodological, model validation is not included here. <sup>305</sup> Comprehensive validation and empirical testing of the models across various low-income countries (LICs) will be provided in a forthcoming publication. This future work will  $_{307}$ involve real-world data assessments and performance metrics, offering additional insight <sub>308</sub> into the practical utility of the proposed models.  $\frac{309}{200}$ 

Assumptions and Remarks This framework operates under several key assumptions  $\frac{310}{2}$ 

- The relationship between agricultural productivity, climate variables, and  $\frac{311}{311}$ environmental proxies is assumed to be approximately linear. This assumption  $\frac{312}{20}$ simplifies the estimation process but may limit the model's applicability in  $\frac{313}{2}$ contexts where non-linear interactions dominate. <sup>314</sup>
- The MCMC method requires a sufficiently large number of iterations to ensure 315 convergence. Convergence diagnostics, such as trace plots or the Gelman-Rubin <sup>316</sup> statistic, should be used to validate the stability of the sampling process.  $\frac{317}{200}$
- The priors for the regression coefficients  $\alpha_0, \alpha_1, \alpha_2$  are critical to the model's 318 performance in sparse data settings. These priors should be carefully chosen, <sup>319</sup> drawing on historical knowledge or expert opinion, as they significantly influence  $\frac{320}{20}$ the posterior estimates.  $\frac{321}{20}$

By employing a Bayesian inference approach and leveraging climate and <sup>322</sup> environmental proxies, this framework effectively addresses the challenge of assessing  $\frac{323}{2}$ agricultural productivity losses in regions with limited direct data [16]. The use of  $\frac{324}{2}$ MCMC techniques ensures that the model captures uncertainty, producing robust  $\frac{325}{2}$ estimates even when data is incomplete or irregular. The framework's adaptability to  $_{326}$  different climates and regions makes it an invaluable tool for researchers and <sup>327</sup> policymakers in low-income countries (LICs), where data gaps frequently hinder  $\frac{328}{2}$ informed decision-making. The ability to infer productivity losses from globally <sup>329</sup> available satellite data represents a significant advancement in the field of  $\frac{330}{2}$ climate-agriculture modeling, offering practical solutions for addressing food security <sup>331</sup> risks in vulnerable regions.  $\frac{332}{2}$ 

# Recommendations for Further Research 333

Although this paper introduces robust frameworks for addressing agricultural  $334$ productivity in low-income countries (LICs) under conditions of data scarcity, several  $\frac{335}{335}$ avenues for further research can enhance the applicability and impact of these models: <sup>336</sup>

- (a) **Real-World Validation and Case Studies:** The theoretical models outlined in  $\frac{337}{2}$ this paper, particularly the Bayesian hierarchical framework and the real-time  $\frac{338}{2}$ monitoring tools, would benefit from empirical testing across different LICs.  $\qquad \qquad \qquad$  339 Future research should focus on implementing these frameworks in real-world  $_{340}$ scenarios, gathering data from diverse regions with varying degrees of data  $_{341}$ availability. This will provide insights into the models' practical utility and <sup>342</sup> highlight any context-specific adjustments that may be needed.  $\frac{343}{2}$
- (b) Incorporation of More Complex Climate Variables: The current models <sup>344</sup> primarily utilize temperature, precipitation, and soil moisture as climate <sup>345</sup> indicators. Future studies could extend the model by integrating more complex <sup>346</sup> variables, such as extreme weather events (e.g., droughts, floods) and long-term  $_{347}$ climate changes like soil degradation or desertification. This would improve the <sup>348</sup> models' ability to predict agricultural productivity under more extreme or <sup>349</sup> nuanced climate conditions.  $\frac{350}{250}$
- $(c)$  Refinement of Machine Learning Approaches: While Gaussian Process  $\frac{351}{351}$ Regression (GPR) is employed in this study to handle sparse datasets, further  $\frac{352}{252}$ exploration of advanced machine learning techniques (e.g., deep learning or  $\frac{353}{2}$ ensemble models) could enhance prediction accuracy. Research into the use of  $\frac{354}{}$ neural networks or other sophisticated algorithms that can learn from sparse and  $\frac{355}{2}$ incomplete datasets could significantly advance the robustness of predictions in <sup>356</sup> data-scarce regions. 357
- (d) Integration of Socio-Economic Factors: Future research should explore the <sup>358</sup> integration of socio-economic variables, such as market access, labor availability,  $\frac{359}{200}$ and infrastructure quality, into the productivity models. This would provide a 360 more comprehensive understanding of agricultural outcomes and help identify the  $\frac{361}{200}$ broader socio-economic factors that interact with climate and agriculture  $\frac{362}{100}$ dynamics in LICs. 363
- (e) Development of Open-Access Tools for Policymakers: To maximize the  $_{364}$ impact of these models, future research should focus on developing open-access, <sup>365</sup> user-friendly tools that policymakers in LICs can utilize for decision-making. <sup>366</sup> These tools could provide real-time updates on agricultural productivity, enabling  $\frac{367}{200}$ more timely responses to climate risks. Additionally, creating educational  $_{368}$ resources and training programs for local policymakers and stakeholders would <sup>369</sup> enhance the adoption and utility of these models.  $370$

# $\mathbf{Conclusion}$  371

This paper introduces innovative solutions for estimating agricultural productivity in  $\frac{372}{200}$ low-income countries (LICs), where traditional models struggle due to data scarcity. By  $\frac{373}{273}$ integrating Bayesian hierarchical models with remote sensing data and sparse in-situ <sup>374</sup> observations, we have developed a robust framework that can generate reliable <sup>375</sup> productivity estimates even in data-limited settings. The dynamic panel data model  $\frac{376}{2}$ offers valuable long-term insights into the interactions between climate and agriculture, <sup>377</sup> capturing the evolving relationships between agricultural and non-agricultural sectors  $\frac{378}{2}$ under climate pressures. Additionally, the real-time monitoring tool for assessing  $\frac{379}{2}$ climate-induced productivity losses represents a significant advancement, providing <sup>380</sup> actionable insights for regions with minimal data availability. While these models offer a  $\frac{381}{100}$ strong theoretical foundation, further empirical validation is essential to ensure their  $\frac{382}{100}$ practical applicability within policy frameworks. Future work should focus on real-world <sup>383</sup> case studies to refine and test these models in diverse LIC settings. Despite the need for <sup>384</sup> further validation, this paper lays the foundation for enhancing climate resilience and 385 improving decision-making in LICs, addressing both short-term risks and long-term  $\frac{386}{20}$ challenges posed by climate variability.

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