# Conceptual Structure for GAINTM 1+

We are seeking a conceptual structure that describes in (largely) quantitative terms countries’ **vulnerability** to climate change, its **capacity** to cope with that change and its **readiness** to do so[[1]](#footnote-1) and that is scalable down to sub-national level and ultimately to local level, which the scale of many adaptation interventions.

The Global Adaptation Institute seeks to encourage and support the engagement of the private sector in adapting to climate change, thus GAINTM will reflect this priority.

**Vulnerability** here means both exposure to climate risks and the sensitivity to their impacts at the scale of consideration.

**Capacity** is the capacity of the people at each scale to modify the characteristics of their environment or their behavior to better cope with climate change.

**Readiness** is the enthusiasm and ability of a country, region or local community to absorb additional resources and apply them effectively to reducing their vulnerability or increasing their capacity to cope with climate change.

GAINTM 1+ seeks to develop a framework for a set of components to quantitatively estimate these three axes across scales. Some of the measures (variables) used to represent each of these scales will be applicable across scales (e.g. number of HH with access to improved sanitation); others measures may have to be modified (e.g. ) while for others a complete substitution may need to be made. But in this latter case

**Business freedom** is a quantitative measure of the ability to start, operate, and close a business that represents the overall burden of regulation as well as the efficiency of government in the regulatory process.

**Trade freedom** is a composite measure of the absence of tariff and non-tariff barriers that affect imports and exports of goods and services.

**Fiscal freedom** is a measure of the tax burden imposed by government.

**Government spending** considers the level of government expenditures as a percentage of GDP.

**Monetary freedom** combines a measure of price stability with an assessment of price controls.

**Investment freedom** evaluates a variety of restrictions typically imposed on investment.

**Financial freedom** is a measure of banking efficiency as well as a measure of independence from government control and interference in the financial sector.

The **property rights** component is an assessment of the ability of individuals to accumulate private property, secured by clear laws that are fully enforced by the state.

The **corruption component** measures how much economic freedom is eroded by introducing insecurity and uncertainty into economic relationships.

The **labor freedom** component is a quantitative measure that looks into various aspects of the legal and regulatory framework of a country’s labor market.

1. Note: The bolded terms here are not used in the same way that they are defined in GAINTM 1.0 [↑](#footnote-ref-1)