**Global Adaptation Institute Annual Meeting**

**Working Session: Consultation on Global Adaptation Index GaIn™**

**Abridged Notes & Key Points**

Dr. William “Bill” Clark, Professor of International Science, Public Policy and Human Development the at the John F. Kennedy School of Government, Harvard University, and Chair of the day’s meeting, led the discussion along the following concepts:

**Decision Support**

* Interpretation of the Readiness Matrix will differ among investors, government agencies, and international NGOs. Important to keep GaIn™ relevant to public/NGO sectors as there will always be areas where the private sector will not enter.
* Innate conditions (geography, natural resources) will demand investment in certain sectors regardless of Readiness or Vulnerability. However, the GaIn™ framework can highlight risks for these sectors.
* The trajectory of a country in making progress against indicators is important to many audiences and will be further elucidated by the Institute going forward.
* Incorporating the scale of impact into indicator analysis could help decision makers better allocate resources.
* The diagnostic and strategic aspects of the Index should be clarified. Is it capturing risk or opportunity, or both?
* Use/abuse cases must be developed to show how and where GaIn™ can and cannot be used.
* Resources are shared across borders. Consideration of the impact of regional and international collaboration on sectors/indicators should be considered.
* GaIn™ will compliment other investment/project decision tools, but will not consider/compute all conditions favorable to investing (e.g. market size, resources).
* The Index may be most useful in justifying action for leaders already committed to Adaptation.
* The many layers of complexity inherent in this project will require releasing different versions and iterations of the product, but we must ensure that Version 1.0 is theoretically sound and easily usable.
* Scalability. The Institute is examining how to make GaIn™ more scalable to the local level as well as develop different layers of the Index for more local audiences.

**Vulnerability**

* Capturing exposure, sensitivity and adaptive capacity is a common approach to measuring vulnerability but it is not necessarily the only empirically derived framework.
* Examining the causal relationships between indicators or choosing indicators that connect with each other to portray an overarching “story.” Currently, the indicators are “steps along the way” and need more internal coherence.
* Opinion differs on continuing to include adaptive capacity within the Vulnerability Axis.
* More attention should be given to other “drivers” besides climate change; e.g. urbanization, population growth, economic development.
* Hazards: Major single events (e.g. the Japanese earthquake) could significantly alter the vulnerabilities of countries.
* Data availability is not uniform across time scales.
* The degree of risk an indicator represents could equal the weighting of that indicator.
* The Vulnerability axis could be constructed as (Climate) Risk. This enables the explicit consideration of hazard drivers, and could provide a more simple way to extend the Index in future to include other related hazards and challenges.

**Readiness**

* The Institute definition is capacity to “absorb additional investments and apply them effectively” to reduce vulnerability. This is not communicated strongly enough in text.
* Is Adaptive Capacity double counting with Readiness?
* There is a difference between generic and specific capacity. What links the general institutional and economic Readiness to concretely reducing/responding to climate risk? Are we capturing Readiness to tackle climate-related impacts
* Readiness mixes assets and flows/process. Going forward, a process-oriented indicator framework will be easier for countries to improve upon quickly.
* The value of the Readiness Axis may be rated higher (twice perhaps) that of Vulnerability. Vulnerability causes alarm, but Readiness (including Adaptive Capacity?) is crucial.
* Understanding the causal chain of events that create positive or negative investment environments may be more fruitful than indicator approach.
* An ecosystem services/natural capital component that reflects the level of investment needed to maintain a sector (water services) could be useful.

**Integration**

* There are tradeoffs between using the Readiness “Matrix” and “Ranking” Index. While the Matrix communicates more information, a Ranking conveys a stronger and simpler message. Countries will be classified quite differently among the two models – a country with low Readiness and Vulnerability and one with high Readiness and Vulnerability on the Matrix, may rank equally once placed in the ranking format.
* Richness of the Matrix is lost by consolidating into a single number.

**Evaluation & Testing**

* There has been much discussion on indicators, but the key to making it valid is through pilot projects
* Project effectiveness and impacts take a long time to be measured properly
* As GaIn™ currently stands, it could be very difficult to see how projects that could affect change in the Index score. Must assume that the initial project could be scaled up considerably to impact the Index.
* There is not a coherent framework for evaluation. Tom Downing’s suggestions (see attachment)
* Hindcast. Examine time series of the GaIn™ over past periods of time for several countries and compare with other measures of development over the same period. This would enable the issue of pathway to be explored.

**Wrap Up & Next Steps**

* Clarification of purpose of the GaIn™ and terms used in discussing it
* Release a road map, Version 1.0, White Paper, describing how we plan to develop the Index and associated resources
* Consider structural changes (adding an Adaptive Capacity Axis)
* Definition and application of use cases – to help in both the development and the testing of GaIn™ and of the software that supports users
* Include causal chain analysis (linkages between indicators)
* Review selection of indicators with more thorough application of category definitions and based on new conceptualizations
* Address challenges of time series data gaps and clarify
* Develop more rigorous selection of weightings
* Pilot projects
  + Demonstrate effective interventions rather than try solving the problem
  + define how Index should be used
  + this is a niche not being filled
* Communication
  + bring Index to different groups
  + pilot projects must tell story
* Public consultation
* Determine first “key user/s”
* Consider additional sectors (energy, ecosystems/infrastructure)
* Adaptometer
  + Find on-the-ground leaders and institutions to work with
* Plan for new information, new socio-technological tools (e.g. google)
* Consider other drivers than climate change in analysis, though initially focused on climate in V.1

**Response: Key changes to GaIn™ under consideration**

Considering the above mentioned summarized points, these are some of the key changes we are currently considering:

1. We discussed the issue of overlap between the Readiness and Vulnerability axes in that they both had elements measuring the capacity and preparedness of countries to act on adaptation. There are really three components that GAIN™ is attempting to capture – risk from climate change; capacity (adaptive capacity) to tackle those risks and the business environment relating to investments associated with those actions. We decided to rearrange the presentation of these components.
2. **Adaptive capacity** should be distilled on its own axis. That leads us to put it into an additional Axis, on which we will also put the Adaptometer.
3. Readiness Axis keeps its name but is restricted to “Business Readiness”, “Business Environment” or **Enabling Environment**. HDI is dropped from this components while the Economic and Governance components remain.
4. The Vulnerability Axis remains but should have a causal structure. For each Sector (i.e. Water, Food, Health and Coast) we put 3 “**Threads**”: Quantity, Quality and Variability. Threads have 3 components: Exposure, Sensitivity, and Adaptive Capacity. First two Components define the Vulnerability Axis and the third goes into the Adaptive Capacity Axis. (See figure)
5. The usual iconic presentation of the Readiness Matrix will be with the Vulnerability and Capacity axes. These can be combined to give a single index score. The Business axis can be conveyed either as a colour code or Bubble size. For example a low risk high capacity country might be scored as 9 on a 10-point scale and green showing a good business environment. Middle of the road countries will score 5s and 6s with some scoring high on business environment (green) and some mid (yellow) and some low (red). Alternatively, business environment can also be shown on the graphics by bubble size (and colour perhaps to indicate the trend).
6. The **Adaptometer**. We are asking for help to design what it should be composed of. It will also serve as part of our communications strategy.
7. We will **flag** the principal components of the scores, so we can pinpoint the reason a country is where it is. That improves the capacity to reflect and suggest actionable changes.
8. We will also create **partial rankings** cutting across levels, changes, components, regions, … This will enable us to emphasize changes that otherwise might be too small in the final score.
9. We must have time series so we can add **trajectories**.
10. We need to devise a consistent set of rules for dealing with **missing data**.

Others:

1. Moving beyond GAIN™ 1.0 we might want to add, and cluster Vulnerability Sectors:
   1. Food, Water and Health – as they are overlapping
   2. Coast and Infrastructure – maybe also including transport

(Biodiversity – to be worked though

The revised framework can be summarized in the following general scheme:

