



THE ADAPTATION ECONOMY INDEX

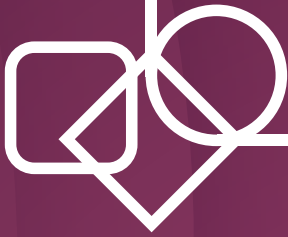
BETA RELEASE

STEERING THE GLOBAL ECONOMY IN A CLIMATE DISRUPTED FUTURE

Briefing | June 2026



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About this Briefing

The Adaptation Economy Index – June 2026 Beta Release: Steering the Global Economy in a Climate Disrupted Future makes the case for an adaptation economics and profiles the ‘beta’ release of a world-first approach to measuring progress in adapting national economies in the face of severe climate impacts and other disruptions - the Adaptation Economy Index (AEI). By making economic adaptation measurable, the AEI provides a basis for more effective policy design and action, investment analysis and capital deployment, and ultimately for the more timely and scaled deployment of affordable adaptation solutions.

The Adaptation Economy Index June 2026 Beta release builds on the initial prototype released in [Measuring the Adaptation Economy](#) at the Annual Meeting of the World Economic Forum in Davos in January 2026. This, in turn, is based on the seven pillar Adaptation Economy Framework released in November 2025 in [Rise of the Adaptation Economy](#) on the occasion of the Brazil-hosted international climate negotiations (COP30).

This briefing paper summarises the context, logic, technical design, results, and implications of Morphosis’ work on the adaptation economy, and in particular the Adaptation Economy Index. It can be read in conjunction with the [online, interactive version of the AEI](#) and the technical paper: [Methodology, Data Sources & References](#) detailing how the June 2026 Beta release version was built. A more in-depth analytical paper will be released in due course.

About Morphosis

Morphosis is an investment and insight business for the adaptation economy — the basis of future value for every household, asset, enterprise, and economy in a severely climate disrupted world. Climate impacts, nature's decline, geopolitical instability, and technological disruption are reshaping how communities, businesses, and economies function. Nations that evolve adaptation markets and economies will be best placed to attract investment and secure inclusive prosperity at scale. The businesses delivering adaptation solutions represent the next wave of transformative value creation. Morphosis builds adaptation economies and solution businesses with expertise, capital, connectivity, and intelligence that help investors, policymakers, and solution providers.

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Adaptation Opportunities & Constraints

Every country is struggling to adjust to multiple disruptions. Climate change and nature's fragility are the keystone systemic challenges. Global costs related to extreme weather events in 2024 alone are estimated at US\$1.4 trillion ([BloombergNEF](#)). Technological developments—especially Artificial Intelligence—will be part of the solution, but are creating major political, social and economic disruptions themselves. Geopolitical developments are posing immediate security issues, especially in energy and food, providing early signals of longer-term challenges.

Adaptation solutions are in growing demand, in particular provisioning food & water, cooling, health, the built environment, environmental intelligence, biotechnology, disaster prevention & management, and financing. Infrastructure, most directly linked to adaptation, will include 'gray', technology-intensive, and nature-based solutions. Investing in such solutions is what Singapore's Sovereign Wealth Fund, the GIC, describes as the '[inevitable investment](#)', with projections of a cumulative €9 trillion investment opportunity by 2050.

There are serious constraints to turning that potential into practice. Core to the challenge is to attract private investment into solutions that have historically been publicly funded as local public goods. Blended finance solutions, central to securing the global public good of reduced emissions, will be limited by the weakening fiscal position of many governments. Moreover, unlike reduced emissions, adaptation solutions are profit-constrained because of the absence of markets that can effectively monetarise their financial and broader economic benefits.

Needed is a new generation of markets that reward adaptation solutions businesses and assets. This is the '*adaptation economy*', which Morphosis defines as

'the set of activities, policies, and institutions that deliver the goods, services, and systems that advance inclusive prosperity in a climate-impacted world.'

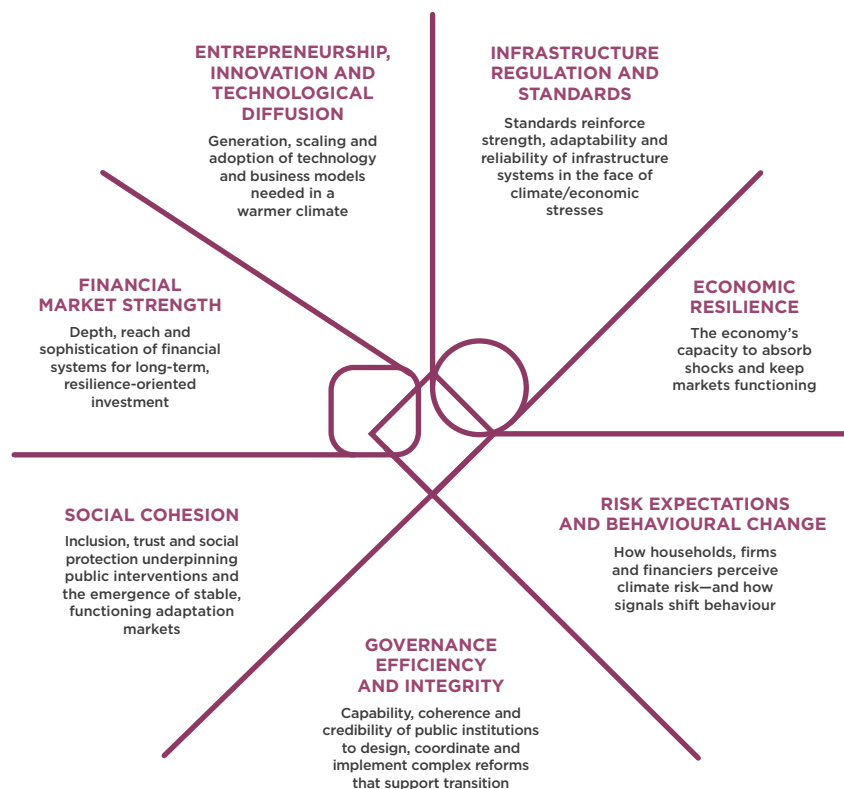
The Adaptation Economy Index

The Adaptation Economy Framework

The Adaptation Economy Index (AEI) measures the extent to which countries possess the underlying market software, regulatory hardware, and social enablers required to spark commercial innovation, attract private capital, and scale affordable access to adaptation solutions.

It builds on the Adaptation Economy Framework developed by Morphosis in partnership with the Center for Sustainability Studies at Fundação Getulio Vargas, Instituto Itaúsa, the Paulson Institute, and Basilinna. This Framework focuses on transversal, systemic enablers rather than vertical sector interventions. The approach reflects the core insight that capital, technology, and commercial innovation gravitate towards environments where climate risks are transparently priced, policy rules are credible, and social fabric is resilient.

Accordingly, the Framework spans seven pillars, each targeting a distinct layer of the enabling environment: Economic Resilience; Risk Expectations and Behavioural Change; Financial Market Strength; Entrepreneurship, Innovation, and Technological Diffusion; Infrastructure Regulation and Standards*; Governance Efficiency and Integrity; and Social Cohesion.



*The Index has updated the infrastructure pillar to use 'Infrastructure Regulation and Standards' as a more precise definition than the 'Quality & Robustness of Infrastructure' used in the November 2025 Framework.

An Index for the Adaptation Economy

The Adaptation Economy Index (AEI) is the most comprehensive quantitative attempt to date to measure the progress made by countries in building the market and broader economic foundations required to survive and thrive in a severely climate disrupted world.

The June 2026 Beta release Adaptation Economy Index delivers an aggregate ranking of countries included based on quantitative scores for each country across each of the seven adaptation economy domains, now transposed as pillars of the index, selecting indicators using two core criteria: (a) closeness of fit to the underlying concept, and (b) broad, consistent cross-country coverage from authoritative sources. Each indicator is normalised to a common 1 to 10 scale, where 10 represents the most favourable outcome.

On that basis, the June 2026 Beta release Adaptation Economy Index provides a rigorous, data-driven diagnostic tool covering 72 countries across all global regions, based on 31 indicators drawn from leading international data sources, including the World Bank, the IMF, the Lloyd's Register Foundation World Risk Poll, and the Global Entrepreneurship Monitor, among others.

The June 2026 Beta release represents a major advance on the 14-country prototype released at the World Economic Forum Annual Meeting in Davos in January 2026, and a significant step towards a comprehensive Adaptation Economy Index with global coverage with opportunities for sub-national, sector, city and asset level derivative indexes.

The structure and rationale of each domain, along with the indicators used in the June 2026 Beta release of the AEI to measure them, are set out in Annex 1. The basis for the underlying modelling is detailed in an accompanying [technical paper](#), published separately.

The Measurement Landscape

The growing number of frameworks dedicated to measuring adaptation reflects a broad and welcome recognition that adaptation needs rigorous tracking infrastructure. The proliferation of these efforts signals genuine institutional momentum, and the data and insights they generate are valuable inputs into the broader adaptation knowledge base.

Most efforts ask a fundamentally different question than the Adaptation Economy Index, with the majority tracking whether adaptation is being planned and experienced on the ground, or whether institutions are managing their own exposure to physical risk. The AEI asks something prior to both: whether the systemic conditions exist for market-based adaptation solutions to emerge and scale in the first place.

Three current efforts illustrate the distinction:

The *Belém Adaptation Indicators*, adopted at COP30, represent the international community's most recent attempt to track national adaptation progress. They are largely concerned with whether adaptation is being planned and implemented, and the reported flows of labelled adaptation finance, technology transfer, and capacity-building. Whereas the AEI addresses whether the structural conditions to finance and scale are in place.

The *Network for Greening the Financial System* approaches adaptation from the institutional and supervisory perspective. It addresses adaptation risk in the context of central bank and supervisor mandates for price and financial stability, and how firms manage their own exposure to exclusively physical risk. The AEI overlaps with the dimensions NGFS identifies as material, including insurance penetration, financial market depth, and governance quality, while the AEI extends into areas such as economic resilience, entrepreneurship, and social cohesion—critical considerations for market investability and market performance.

The *World Bank Country Adaptation and Resilience Readiness Assessment* shares more common ground with the AEI than the other frameworks considered above, including a ‘whole-of-economy’ logic and a focus on macro stability, finance, innovation and diversification. Its centre of gravity, however, is government readiness, whereas the AEI is ultimately focused on market and economic conditions.

In short, the AEI offers a complementary lens on adaptation in its focus on how progress is being made in developing the enabling economic conditions for adaptation market dynamism and resilience. As implementation of the Belém Package advances and the adaptation data landscape continues to evolve, we look forward to working with others in the field to combine these perspectives in support of transformative adaptation at scale.

The June 2026 Beta Results

Overall Results

The June 2026 Beta release of the Adaptation Economy Index reveals a world in the very early stages of a systemic transition. While the climate crisis accelerates, the structural readiness of nations to foster robust adaptation markets remains uneven. Currently, even the highest-ranking countries remain well below the maximum of this spectrum; with the top score at 7.7, it is clear that no country in our sample is yet close to providing an ideal environment for flourishing adaptation markets.

Some nations have built strong individual areas—such as robust financial markets or excellent regulatory environments for resilient infrastructure. None, however, have adequately progressed in achieving the systemic reconfiguration required for economies to deliver abundant, affordable solutions in a highly climate-impacted world.

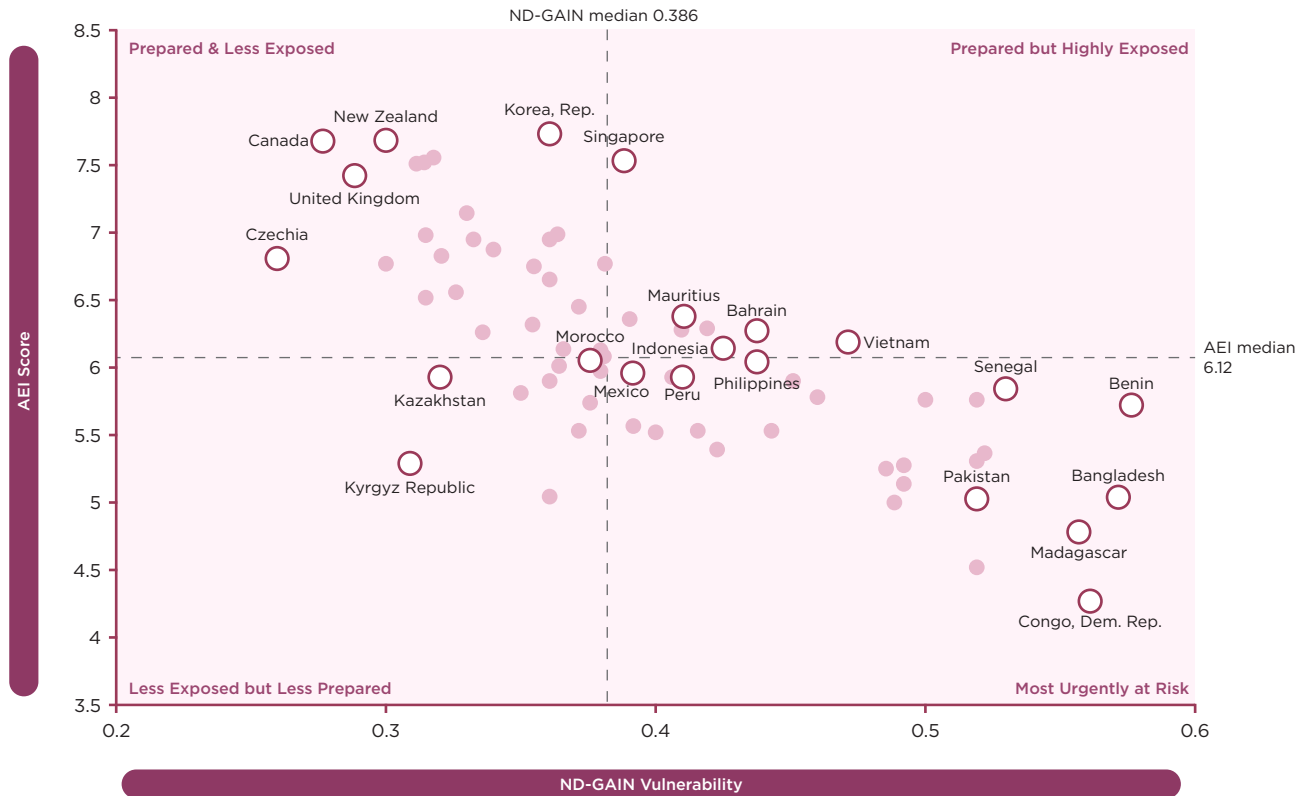
Geography and income shape outcomes but do not determine them. Within every region, countries outperform their income peers in specific areas, showing that deliberate policy choices can build meaningful enabling conditions ahead of aggregate wealth. Deliberate policy choices in countries like Vietnam and Morocco demonstrate that nations can build meaningful enabling conditions. The overall picture is one of uneven but real progress towards the structural prerequisites of the adaptation economy.

The results point to Risk Expectations & Behavioural Change being the most pervasive structural challenge. Critically, this gap runs through the top of the rankings as much as the bottom: several high-income economies with strong governance and financial market scores rank in the bottom third globally on climate risk awareness, disaster planning, and insurance penetration.

This points to a near-universal policy agenda: translating institutional climate ambition into population-wide behavioural change and market-mediated risk transfer remains incomplete at almost every level of development. Governance, by contrast, emerges as the single pillar most strongly correlated with overall AEI performance, confirming that institutional quality is the strongest systemic predictor of adaptation economy readiness.

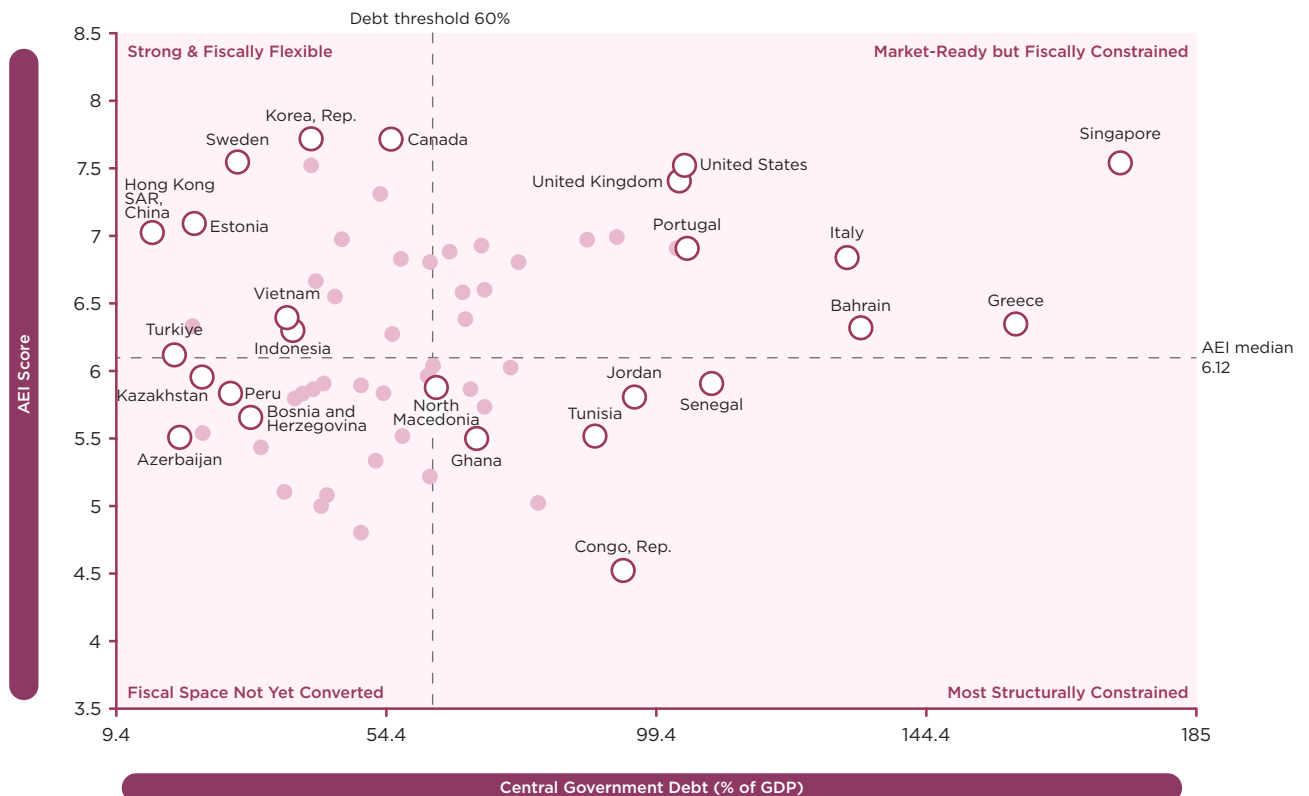
Cross-referencing the AEI with external datasets further illustrates its diagnostic reach. Comparing AEI scores with ND-GAIN vulnerability data shows that the countries most urgently in need of adaptation markets are frequently the least equipped to build them—yet a significant group of emerging economies demonstrates that enabling conditions above the median can be built despite high physical exposure, pointing to genuine pathways for progress.

The Adaptation Economy Index compared to Vulnerability



A further comparison with government debt tells a different story: fiscal constraint is not confined to weaker adaptation economies but runs through some of the most market-ready countries in the dataset, confirming that the case for developing private adaptation markets is a structural imperative at every income level, far from only being a developing world constraint.

The Adaptation Economy Index compared to Government Debt



The Top Ten Nations

The country-by-country June 2026 Beta release of the Adaptation Economy Index is summarised visually in the global map in the [interactive version online](#), and further detailed pillar-by-pillar in Annex 2. The top-performing cohort is highly diverse, indicating that a country's capacity to build an adaptation economy is not dictated solely by size or geography. Agile, smaller jurisdictions frequently match or outpace the world's largest economic superpowers.

1. Korea, Rep. (Score: 7.70) Korea leads the global index through a combination few economies can match: the highest economic complexity in the dataset, near-perfect infrastructure regulation, and the top global position in Risk Expectations. This reflects strong national awareness and world-class construction standards. However, Korea's adaptation economy could be further strengthened by fostering social cohesion (rank 31).

2. Canada (Score: 7.69) Canada benefits from exceptional economic resilience, rich ecological reserves, and solid macroeconomic stability. Its governance is among the best globally, with government effectiveness ranked 4th. Challenges remain in market competition (rank 64) and public awareness of severe weather risks (rank 49), suggesting that public behavioural alignment lags behind institutional strengths.

3. Ireland (Score: 7.58) Ireland benefits from exceptionally strong social cohesion (rank 1) and high gross domestic savings. It possesses a clean balance sheet for domestic investment. However, a lack of public awareness regarding climate risks (rank 31) may indicate lower latent demand for adaptation services.

4. Singapore (Score: 7.57) Singapore features the top governance score globally and high financial market strength. While it leads in venture capital activity, it ranks 58th on entrepreneurial intentions, suggesting that its highly regulated environment may discourage grassroots risk-taking.

5. Sweden (Score: 7.57) Sweden presents a balanced structural profile with deep financial markets and strong social cohesion. Paradoxically, it ranks last (72nd) on severe weather concern, which could constrain the demand-side uptake of private insurance and adaptation products over time.

6. United States (Score: 7.51) The US possesses the strongest financial markets and vigorous venture capital activity. Disaster preparedness planning is high (4th). Conversely, it struggles with the protection of ecological reserves (rank 62) and environmental considerations in construction permitting (rank 65), creating bottlenecks for physical deployment.

7. United Kingdom (Score: 7.47) The UK offers a conducive environment for innovation and business entry. However, it shows weaknesses in economic resilience, including low domestic savings and depleting ecological reserves, which could destabilise long-term adaptation market formation.

8. New Zealand (Score: 7.39) Anchored by exceptional governance (rank 2) and social cohesion (rank 3), New Zealand boasts a significant advantage in ecological reserves. The primary gap is in infrastructure standards (rank 50), specifically environmental considerations in construction permits.

9. Estonia (Score: 7.18) Estonia is the dataset's most striking overperformer relative to size. It holds the highest e-government index (rank 1) and thrives on digital-first public administration. It benefits from high venture capital concentration but needs to bolster broader domestic credit availability.

10. Hong Kong SAR, China (Score: 7.09) Completing the top ten, Hong Kong demonstrates strong financial markets and resilient infrastructure planning. Future growth would be buttressed by greater social cohesion and improved public understanding of disaster risk planning.

Regional Analysis

East Asia and Pacific This region fields four countries in the top ten, reflecting strengths in infrastructure regulation and financial depth. Vietnam stands out for risk expectations (5th), while the Philippines shows high awareness but constrained financial capacity. Malaysia leads in STEM graduate density but faces gaps in governance and social cohesion.

Europe and Central Asia Dominating the upper half of the rankings, the region sees Spain (11th) leading in threat perception and Latvia (12th) in infrastructure standards. Serbia holds the highest entrepreneurship score, while Uzbekistan ranks 3rd globally in infrastructure regulation despite weak financial markets.

Latin America and the Caribbean This region displays promising strengths undermined by execution gaps. Costa Rica leads in risk expectations (11th), while Uruguay showcases the region's strongest governance (12th). Peru combines high entrepreneurial intentions with significant social cohesion challenges.

The Middle East and North Africa Israel (18th) leads with strong financial markets but ranks last in risk expectations. Morocco emerges as a compelling performer with first-place scores for environmental construction permits, though governance remains a constraint.

Sub-Saharan Africa Despite structural gaps, progress is evident. Mauritius (27th) leads the continent in entrepreneurship and financial scores. Senegal outperforms peers in financial markets, while Togo ranks 13th globally for entrepreneurship intentions.

Impacts of Weighting

The AEI weights all seven pillars equally to keep transparency and avoid embedding judgements dimension importance. But equal weighting is not neutral and assumes, for example, that innovation matters as much as the other pillars everywhere. Namibia illustrates the point: cutting the weight of the innovation pillar to 3% (and spreading the remaining 97% equally across the other six) raises its score from 5.91 to 6.02 and lifts its rank from 43rd to 40th. The interactive AEI allows users to apply their own weightings.

Users and Uses

Rigorously constructed indices do far more than rank performance; they activate a global “race to the top”, shape domestic legislative agendas, de-risk investments, and reallocate international and domestic capital. By transforming abstract socio-political concepts into standardised, empirical scoreboards, indices function as vital catalysts for institutional change. Their long-term systemic impact relies heavily on the quality of their intuitive conceptual framing, strategic integration into political change processes, and technical data robustness.

Landmark benchmarks like the World Economic Forum’s *Global Competitiveness Index* and the World Bank’s former *Doing Business Index* (now the Business Ready framework) have influenced global policy and regulatory landscapes, informed investors and the broader business community, and supported more productive dialogue and collective action. For climate resilience, the *ND-GAIN Country Index*, developed by the University of Notre Dame, has provided an anchor ranking of countries’ baseline exposure and vulnerability to climate shocks. For investors in particular, indices play a key role in providing risk-based signals from the sovereign to the asset level, and the guardrails for institutional and other investors to shape portfolios.

The Adaptation Economy Index has been developed with three core user groups in mind: policymakers and regulators, investors, and solution providers.

For ***policymakers and domestic regulators***, the AEI provides a quantitative basis for constructing national roadmaps that elevate adaptation from a peripheral, reactive ‘climate add-on’ to a core, competitive economic strategy. It allows leaders to diagnose precise structural deficiencies—such as weak sovereign risk-transfer mechanisms or innovation commercialisation bottlenecks—and prioritise the specific regulatory interventions, such as resilience-linked building codes or market competition rules, that can actively crowd in private investment.

Moreover, this quantitative clarity is essential for designing modern “policy-based financing” models, where national budget allocations and sovereign borrowing instruments are tied directly to verifiable structural milestones. For emerging and developing economies, demonstrating that robust adaptation economics are deeply embedded within macroeconomic planning strengthens sovereign risk profiles, lowers the cost of capital, and establishes a credible, data-driven foundation for policy-linked borrowing with Multilateral Development Banks (MDBs) and international donors.

For the **global investment community**, the AEI introduces the structural transparency required to evaluate jurisdictional and asset-level adaptation market opportunities and risks with the same analytical precision applied to traditional financial analysis. It empowers private and public asset managers & institutional investors, private investors, banks and development finance providers to look beyond static, backward-looking physical vulnerability scores and identify exactly where a country's 'enabling conditions'—financial market functioning, property rights and predictable regulatory frameworks—are most supportive of climate-adaptive assets.

Whether deploying capital into water sourcing or delivery systems, agricultural systems or supply chains, or resilient urban infrastructure, the AEI helps the investors price market risks of a warming world and the rewards of successful adaptation. Ultimately, the AEI serves as a critical toolkit for capital allocation, helping investors avoid assets stranded in ineffectively adapting markets while locating high-value, de-risked opportunities in markets actively fortifying their economic futures.

For **adaptation solution providers and enterprises**, the AEI offers an invaluable guide to locating the most supportive market environments for scaling products and services profitably. By quantifying the localised strength of innovation ecosystems, the clarity of regulatory price signals, and the risk expectations of the population, the AEI highlights where businesses delivering adaptation can most effectively deploy their solutions, secure local distribution, and raise capital. Furthermore, the AEI provides unique insight on the evolving dynamics of markets, informing innovation roadmaps, go-to-market and regulatory engagement. This data-driven clarity enables entrepreneurs and enterprise strategists to target markets where demand is not merely present due to climate vulnerability, but actively backed by the socio-economic, institutional and financial infrastructure necessary to support sustainable, scalable and profitable growth.

Considerations

The Adaptation Economy Index and underlying Framework is a contribution to shaping economies in ways that deliver inclusive prosperity in a disrupted future. In seeking to provide a generalised lens onto a complex dynamic, it inevitably raises more questions than it answers, at least at this stage of its development.

Most obviously, there are profound uncertainties in the progress of climate change and its impacts. Many countries are already suffering from the impacts of climate change, and going forward the impacts across nations and regions will be very different. The Index and Framework have been designed to exclude the actual or expected impacts of climate change, seeing this as the context within which adaptation economies need to be built. That said, the climate impact context makes a difference to what aspects of market and economic development is more important, and frankly feasible.

Tomorrow's economies will be very different, rather than merely more resilient versions of today's economic conventions, practices and impacts. We are arguably at a phase shift in the shape of global and local economies, markets and business, from the flow of capital, to the place of cross-border trade, the emergence of technology-intensive infrastructure supporting semi-autonomous economies, and perhaps our very understanding of business, markets and sovereignty. The Index and Framework are currently designed to be neutral to these and many other possible changes, which places pressure on the need to be able to apply the seven-pillar foundations to radical and diverse economic and broader societal changes.

Securing economic inclusivity in tomorrow's disrupted world is the greatest challenge. The world is experiencing rising inequalities across multiple dimensions, in the main before the impacts of climate change, nature's decline or technological upheaval have really set in. There are likely to be many possible adaptation economies, with the hardest to achieve being those that are inclusive. The Index and Framework does include a pillar on social cohesion, but at present constructed as with the other pillars as a necessary contribution to a thriving adaptation economy, not a goal in itself.

Morphosis is committed to advancing the Adaptation Economy Index to make it more comprehensive, robust, and useful. Planned technical developments include:

- | Enhancing the indicator architecture with derived datasets utilising AI-assisted methodologies on heterogeneous auditable sources to capture dimensions not yet represented by existing authoritative sources;
- | Expanding country and sub-sovereign regional coverage to bring the analysis closer to where adaptation decisions are made, and;
- | Extending the framework into sectoral applications for agriculture, infrastructure, and other climate-critical industries.

Complementing these technical developments will be the piloting and advancing of practical applications, including economic and industrial policy roadmaps, policy-based financing, sovereign credit ratings and more broadly country investor and solution provider analysis.

Positioning and Next Steps

Securing inclusive prosperity in an increasingly disrupted world is the challenge of our times. While our societies, enterprises and economies are continuously adapting, phase shifts or ‘transformative adaptations’ are needed in the face of the combined effects of climate change and nature’s decline, AI and robotics, and geopolitical upheaval.

The economics of adaptation in the context of such disruptions is a work-in-progress. Much of what we have traditionally considered ‘sound economics’ will remain in place but needs to be responsive to changing conditions. Policy directed markets may become more important features of adaptive economies, as will framing economic, industrial and macroeconomic strategies—especially those policies that can shape markets to drive private capital to invest in affordable adaptation solutions.

Integrated national adaptation economic plans will become the norm. Today there are multiple planning mechanisms, actors and products, some driven by international agreement such as National Adaptation Plans, and some driven domestically such as economic and industrial strategies. This dispersion is more than inefficient, it is dangerously fragmenting. Needed is an adaptation economics to underpin and integrate policy approaches and market developments.

The Adaptation Economy Framework, and the Adaptation Economy Index, are contributions to advancing productive integration. Like other high-level, composite indices, the AEI does not by itself provide granulated, executable solutions. That said, its integrated approach, matching and measuring changing contexts to shifting economic approaches and health, does provide the basis for more effectively designing and executing such solutions.

This June 2026 Beta release is an open invitation to the policy, investment, research, and business communities to engage in improving and road-testing the framework—through research and sandbox applications, stress-testing its assumptions, contributing ground-level insights, and helping to build the shared measurement infrastructure needed to advance transformative adaptation.

Annex 1: The Adaptation Economy Index

Index Pillar	Focus	Rationale	Working Metrics
ECONOMIC RESILIENCE 1	Structural diversification, savings buffers and macro stability	Systemic resilience depends on an economy maintaining multiple, independent buffers against external shocks. Economic complexity and diversified exports shape how dynamically a nation can pivot when value chains are disrupted. Robust domestic savings signal the capacity to self-fund adaptation without relying on expensive external capital, bounded by a nation's ecological deficit or reserve as global ecosystem inputs tighten. Stable inflation preserves the monetary predictability required for private firms to commit capital to long-horizon adaptation investments.	Economic Complexity Index; Export product concentration; Gross domestic savings (% GDP); Ecological deficit/reserve; Inflation rate (average consumer prices)
RISK EXPECTATIONS AND BEHAVIOURAL CHANGE 2	Public awareness of climate and private actions to mediate risk	Adaptation only happens when risk is accurately perceived and systematically acted upon across society. Threat perception marks the essential realization that climate change poses a systemic problem, while concerns about severe weather captures the personal salience needed to motivate action. This awareness translates into active adaptation when households develop concrete disaster plans, moving from passive concern to tangible preparedness. Nonlife insurance penetration represents the critical transition point where latent risk becomes priced, signaling that businesses and households are actively incorporating climate realities into their financial behaviour.	Perceptions data measuring: climate change a threat to country in next 20 years; Worried that severe weather events could cause serious harm; Plan for future disaster known by all household members over 10 years old. And Nonlife insurance premium volume to GDP (%)
FINANCIAL MARKET STRENGTH 3	Capital depth, reach and regulatory quality	Adaptation solutions can only scale if capital reaches them with sufficient depth, breadth, and sophistication. Domestic credit to the private sector measures how much capital the financial system channels into active enterprises, while the quality of financial-services regulation establishes the rules and confidence needed for sustained investment. Venture capital indicates the availability of frontier risk capital needed to nurture early-stage adaptation technologies toward mass deployment. Finally, broad financial account ownership reflects how much of the population can participate in the formal financial system to support demand for adaptation goods and services.	Domestic credit to private sector (% of GDP); Quality of regulations for financial services; Financial account ownership or mobile money usage (% age 15+); Venture capital received (deal count/bn \$PPP GDP)
ENTREPRENEURSHIP INNOVATION AND TECHNOLOGICAL DIFFUSION 4	Business dynamism, talent, and resource efficiency	Adaptation depends on new solutions being invented, launched, and diffused at pace, in a process of creative destruction. Robust competition regulation ensures new market entrants can challenge climate-vulnerable incumbents, while streamlined business-entry regulation reflects how easily entrepreneurs can get adaptation-focused firms off the ground. These ventures draw from a baseline of STEM graduates as the human-capital foundation for technical solutions, complemented by perceived opportunity, which tracks the share of the population that sees market openings worth acting on. Material productivity measures how efficiently the economy converts raw inputs into economic value, serving as a proxy for resource-smart innovation.	Quality of regulations for market competition; Quality of regulations for business entry; Operational efficiency of business entry; STEM graduates as percentage of total graduates in tertiary education; Perceived opportunities for starting a business; Material productivity

Annex 1: The Adaptation Economy Index

Index Pillar	Focus	Rationale	Working Metrics
INFRASTRUCTURE REGULATION AND STANDARDS	Rules and standards for resilient assets and essential services	Resilient physical infrastructure depends on the structural rules governing how fixed assets are built and essential services run. Environmental construction permits and their transparency capture whether long-term environmental requirements are embedded in the early-stage approval process. Clear building, zoning, and land-use regulations and their transparency reflect whether structural codes and spatial planning are designed to ensure physical assets can withstand climate stress. Finally, the sustainability of water, electricity, and internet indicates whether the essential utilities that every commercial market depends on are governed for long-term environmental sustainability and reliable provision.	Environmental permits for construction; Transparency of environmental permits; Building, zoning and land use regulations; Building, zoning and land use transparency; Environmental sustainability of electricity, water, and internet
GOVERNANCE EFFICIENCY AND INTEGRITY	Institutional capability, integrity and accessibility	Capable, honest, and transparent institutions provide the policy bedrock that adaptation markets need to form and scale. Government effectiveness ensures that official policy translates into reliably implemented administrative frameworks on the ground, underpinned by low corruption and the stable rule of law that long-horizon private investment requires. Publicised laws and government data provide institutional transparency, helping firms understand evolving policy parameters and avoid regulatory capture. E-government services increase efficiency allowing entrepreneurs and solution providers to navigate the permits and approvals needed to deploy adaptation solutions.	Government Effectiveness; Corruption Perceptions Index; Publicised laws and government data; E-Government Development Index
SOCIAL COHESION	Social protection, trust and civil harmony	Transformational adaptation is structurally challenging, and social cohesion is the ultimate shock-absorber that allows a society to withstand it. Comprehensive social protection captures an economy's capacity to absorb systemic change without catastrophic human displacement, creating a secure baseline that makes individual risk-taking more palatable. This institutional safety net is reinforced by community trust between neighbours, which lowers conflict risk and smooths the adoption of sweeping reforms. Similarly, the absence of violence in civil disputes signals whether societal grievances are settled through legitimate, predictable channels rather than disruptive force.	Population covered by at least one social protection benefit; Neighbours care about you and your wellbeing; People do not resort to violence to redress personal grievances

Annex 2: Adaptation Economy Index Results

Country name	Adaptation Economy Index		Economic Resilience		Risk Expectations and Behavioural Change		Financial Market Strength		Entrepreneurship, Innovation, and Technological Diffusion		Infrastructure Regulation and Standards		Governance Efficiency and Integrity		Social Cohesion	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Korea, Rep.	1	7.70	20	6.97	1	6.94	4	8.84	17	6.75	1	9.57	8	8.03	31	6.78
Canada	2	7.69	1	8.23	3	5.93	6	8.52	45	6.09	19	8.44	6	8.46	8	8.16
Ireland	3	7.58	3	8.06	51	4.31	12	7.25	6	7.03	10	8.60	3	8.69	1	9.10
Singapore	4	7.57	7	7.49	50	4.33	2	9.14	7	7.00	39	7.70	1	9.00	5	8.35
Sweden	5	7.57	2	8.07	34	4.74	5	8.59	32	6.42	43	7.56	5	8.54	2	9.05
United States	6	7.51	34	6.64	4	5.93	1	9.46	35	6.33	12	8.59	9	7.97	16	7.67
United Kingdom	7	7.47	30	6.75	31	4.80	3	8.92	2	7.33	41	7.59	7	8.46	4	8.44
New Zealand	8	7.39	8	7.43	15	5.50	7	8.29	43	6.14	50	6.86	2	8.84	3	8.67
Estonia	9	7.18	6	7.52	63	4.05	10	7.85	39	6.24	37	7.71	4	8.62	7	8.25
Hong Kong SAR, China	10	7.09	10	7.33	56	4.21	8	8.25	10	6.89	15	8.49	10	7.96	34	6.47
Spain	11	6.99	17	7.08	16	5.36	15	6.81	20	6.65	13	8.55	15	7.52	25	6.96
Latvia	12	6.97	9	7.43	39	4.51	21	6.23	37	6.29	2	9.10	14	7.63	17	7.61
Belgium	13	6.97	36	6.63	35	4.68	13	7.15	22	6.63	35	7.76	13	7.66	6	8.26
Slovenia	14	6.96	35	6.64	7	5.78	33	5.49	26	6.54	8	8.74	16	7.44	10	8.09
Cyprus	15	6.94	57	6.08	17	5.14	9	8.06	57	5.67	4	8.82	19	7.10	15	7.73
Portugal	16	6.89	22	6.95	8	5.77	18	6.40	28	6.52	11	8.59	23	6.91	23	7.08
Italy	17	6.85	16	7.08	14	5.52	30	5.68	11	6.86	7	8.74	22	6.96	22	7.09
Israel	18	6.78	26	6.83	72	3.29	11	7.82	25	6.54	48	7.04	11	7.79	9	8.11
Croatia	19	6.77	25	6.89	33	4.78	28	5.84	3	7.23	5	8.82	25	6.75	24	7.06
Czechia	20	6.73	14	7.23	43	4.45	26	5.94	36	6.32	27	8.23	17	7.42	18	7.54
Hungary	21	6.72	12	7.25	27	4.90	23	6.11	48	5.98	9	8.63	33	6.31	13	7.88
Slovak Republic	22	6.65	38	6.61	58	4.20	25	5.95	34	6.35	6	8.75	24	6.80	12	7.88
Malta	23	6.59	48	6.34	42	4.48	14	6.97	16	6.79	62	6.40	20	7.07	11	8.06
Poland	24	6.52	18	7.03	57	4.20	36	5.44	19	6.66	17	8.48	21	7.01	30	6.80
Malaysia	25	6.43	19	6.98	21	4.99	19	6.36	24	6.61	38	7.70	34	6.30	41	6.05
Georgia	26	6.40	58	6.06	25	4.93	29	5.74	50	5.93	16	8.48	30	6.38	21	7.31
Mauritius	27	6.39	50	6.32	9	5.68	22	6.13	8	6.94	53	6.76	27	6.49	35	6.44
Bulgaria	28	6.37	15	7.15	28	4.85	17	6.45	59	5.49	22	8.34	35	6.26	42	6.04
Vietnam	29	6.37	11	7.30	5	5.84	27	5.85	54	5.77	33	7.90	41	5.88	44	6.02
Bahrain	30	6.36	43	6.45	71	3.39	24	6.05	62	5.35	25	8.26	18	7.15	14	7.86
Greece	31	6.33	52	6.26	6	5.80	31	5.57	12	6.85	49	6.98	26	6.61	38	6.26
Serbia	32	6.31	29	6.77	38	4.52	41	5.15	1	7.87	31	7.97	38	6.04	48	5.89
Romania	33	6.30	27	6.78	36	4.63	42	5.07	14	6.80	34	7.83	28	6.43	33	6.54
Indonesia	34	6.29	5	7.55	22	4.99	60	4.41	40	6.23	20	8.37	45	5.67	29	6.80
Uzbekistan	35	6.15	65	5.73	52	4.30	64	4.31	4	7.19	3	8.83	55	5.14	19	7.51
Costa Rica	36	6.12	33	6.64	11	5.64	45	5.02	55	5.73	28	8.10	29	6.43	53	5.30

Annex 2: Adaptation Economy Index Results

Country name	Adaptation Economy Index		Economic Resilience		Risk Expectations and Behavioural Change		Financial Market Strength		Entrepreneurship, Innovation, and Technological Diffusion		Infrastructure Regulation and Standards		Governance Efficiency and Integrity		Social Cohesion	
	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Turkiye	37	6.11	66	5.73	46	4.42	38	5.33	42	6.19	21	8.35	40	5.89	27	6.85
Philippines	38	6.06	40	6.49	2	6.49	58	4.51	66	5.12	26	8.26	46	5.58	46	5.99
Morocco	39	6.06	28	6.78	41	4.50	50	4.71	33	6.37	18	8.45	48	5.46	40	6.13
Uruguay	40	6.03	23	6.93	24	4.94	52	4.67	70	4.99	66	6.01	12	7.76	26	6.88
Mexico	41	5.97	21	6.96	29	4.82	57	4.55	53	5.83	14	8.51	39	5.90	56	5.23
North Macedonia	42	5.95	62	5.79	32	4.78	34	5.47	5	7.17	55	6.68	43	5.75	45	6.01
Namibia	43	5.91	42	6.46	20	5.02	46	4.99	68	5.05	32	7.92	51	5.32	32	6.58
Kazakhstan	44	5.90	68	5.45	70	3.42	53	4.65	30	6.49	40	7.59	32	6.32	20	7.41
Armenia	45	5.89	51	6.29	60	4.14	35	5.45	31	6.43	42	7.56	36	6.23	57	5.14
Colombia	46	5.88	41	6.47	18	5.05	54	4.65	21	6.64	46	7.29	37	6.17	62	4.92
Peru	47	5.88	31	6.71	10	5.67	55	4.64	27	6.53	24	8.30	50	5.35	70	3.96
Senegal	48	5.87	46	6.38	23	4.95	16	6.61	51	5.86	54	6.72	53	5.25	52	5.33
Ecuador	49	5.80	44	6.43	13	5.54	61	4.37	38	6.28	29	8.06	49	5.43	65	4.49
Benin	50	5.79	54	6.24	47	4.39	51	4.69	46	6.08	23	8.32	59	4.76	43	6.03
Togo	51	5.78	39	6.57	66	3.90	20	6.33	13	6.84	36	7.71	68	3.86	54	5.26
Bosnia and Herzegovina	52	5.77	32	6.66	30	4.81	48	4.75	47	6.05	56	6.68	57	5.06	37	6.38
Jordan	53	5.72	4	7.58	64	3.97	44	5.04	56	5.69	47	7.13	44	5.70	61	4.94
Moldova	54	5.58	55	6.12	67	3.83	63	4.34	15	6.79	67	5.97	31	6.34	49	5.69
Ghana	55	5.55	72	4.39	49	4.34	40	5.21	60	5.48	30	8.03	56	5.14	39	6.25
El Salvador	56	5.54	49	6.34	19	5.04	56	4.60	63	5.32	44	7.38	58	5.03	59	5.11
Tunisia	57	5.53	47	6.35	55	4.22	67	3.99	9	6.91	65	6.05	52	5.26	47	5.91
Azerbaijan	58	5.53	59	5.98	69	3.54	59	4.41	23	6.62	45	7.35	42	5.82	60	4.97
Botswana	59	5.40	61	5.87	48	4.38	39	5.29	52	5.86	60	6.44	47	5.58	66	4.43
Burkina Faso	60	5.36	69	5.10	26	4.91	65	4.11	44	6.11	61	6.44	67	4.04	28	6.82
Cote d'Ivoire	61	5.32	53	6.25	61	4.11	49	4.74	29	6.51	58	6.66	61	4.64	67	4.35
Tanzania	62	5.31	37	6.61	37	4.54	66	4.07	61	5.36	52	6.83	63	4.51	55	5.26
Cambodia	63	5.30	13	7.25	12	5.63	43	5.05	69	5.01	69	5.34	66	4.24	63	4.61
Kyrgyz Republic	64	5.30	71	4.79	54	4.23	32	5.49	49	5.94	64	6.08	54	5.15	51	5.44
Nepal	65	5.18	45	6.42	45	4.43	37	5.35	67	5.12	70	5.30	62	4.52	58	5.13
Tajikistan	66	5.13	64	5.76	68	3.80	68	3.94	41	6.22	68	5.36	64	4.44	36	6.40
Bangladesh	67	5.08	67	5.70	65	3.91	69	3.87	65	5.20	57	6.68	60	4.67	50	5.55
Pakistan	68	5.05	56	6.10	62	4.08	72	3.20	18	6.69	51	6.85	65	4.26	68	4.20
Cameroon	69	5.00	63	5.76	44	4.43	47	4.99	58	5.66	63	6.13	69	3.85	69	4.15
Madagascar	70	4.77	60	5.92	59	4.14	71	3.77	64	5.31	59	6.54	70	3.81	72	3.91
Congo, Rep.	71	4.52	24	6.91	40	4.50	70	3.87	72	4.26	72	4.21	71	3.30	64	4.57
Congo, Dem. Rep.	72	4.26	70	4.83	53	4.29	62	4.36	71	4.94	71	4.64	72	2.83	71	3.91