

UN High-Level Panel on MVI for SIDS - Consultations with IFIs and MDBs
Statement by ADB

1. Introduction

ADB is utilizing a vulnerability index for allocation of additional grant resources of the Asian Development Fund to SIDS during the ADF 13 cycle which covers the years 2021-2024.

We are welcoming the development of the multidimensional vulnerability index (MVI). We agree on the principles of multidimensionality, universality, exogeneity, evidence-based and simplicity and have the following three comments on the methodology of the MVI.

2. Overall framework of MVI

The framework and structure of the MVI with structural vulnerability and structural resilience as two components and each with own economic, environmental and social dimensions looks clear from a conceptual point.

For several of the indicators, however, it appears less clear if they indeed reflect vulnerability or resilience. Examples are connectivity (remoteness) and population size and density which are categorized as resilience, but perhaps could equally be understood as measures of vulnerability, rather than the capacity of countries to withstand, absorb, recover from or minimize the adverse effects of shocks and stressors.

The comprehensive framework of both structural vulnerability and structural resilience with three dimensions each resulting in an overall number of 27 indicators in combination with some ambiguity about the grouping of indicators may eventually lower simplicity, robustness and transparency of the MVI.

3. Weights for different concepts of vulnerability and resilience

As Louise explained, the nine concepts for vulnerability and resilience do not have separate weights, while their impact on countries may vary substantially in magnitude. For example, the exposure to natural hazards for SIDS may have much bigger adverse impact on GDP than exposure to fluctuations in international trade and financial flows for non-SIDS. This may eventually lead to an underestimate of the vulnerability of SIDS.

4. Stability of the index

For purposes of country classifications and allocation of concessional resources over the medium-term, it is essential to have a reasonably stable index, irrespective of the frequency of updates, in order to ensure predictability of short- and medium term country allocations and meaningful country programming. A major reason why most existing vulnerability and especially fragility indices cannot be used for the purpose of resource allocation is excess volatility of the indices.

It would therefore be critical in order to assess the ability of the MVI to be applied for allocation of concessional resources to review retrospective MVI scores (for example for the past 10 years) to assess volatility of the MVI scores over time.