

Attachment 1: MVI Indicator Suggestion Form

The MVI is a composite index measuring structural vulnerability and structural (lack of) resilience at the national (member state) level. The selected indicators relate to concepts which have been shown to directly increase vulnerability or resilience in one of three dimensions – economic, environmental, or social. The selected indicators meet the principles and criteria agreed upon by the Panel (for example: multidimensionality, universality, exogeneity, data availability and data quality). Any indicators added must also meet these criteria.

The Panel Secretariat kindly requests that suggestions of new or substitute indicators be offered using this form.

1. Name of indicator, units, database where it is disseminated and maintained, including web address

Quadratic mean of battle-related death deaths per 100,000 inhabitants due to internal conflicts within the country. <u>https://acleddata.com/data-export-tool/</u>

2. Pillar, dimension, and concept where indicator should be located within the MVI framework

This indicator should be added to inform the "Spillover effects or regional violence" concept, under social vulnerability.

3. Is your suggested indicator an addition or replacement?

This indicator is a complement to indicator 11 on Regional conflict-relate death (excluding own country's data).

Provide a short justification focussing on the relationship of the indicator to structural vulnerability or structural resilience (<u>100 words</u>)

Example:

 <u>export concentration</u>: Indicator measures vulnerability to (negative) changes in export volumes/values.

[Please include empirical evidence on whether the variable measures a concept which is inherent or inherited]

There is overwhelming scientific evidence that internal conflicts cannot be considered as the sole result of bad policy-making (see for instance <u>Feindouno and Wagner, 2020</u>). On the contrary, the dynamic of conflicts is fuelled by a number of structural factors that are largely not embodied in other indicators contained in the MVI so far. One key finding of scientific literature is that passed internal violence is one of the root causes of future conflicts. Indicators on regional violence should therefore be extended to own country's data.

5. Provide a simple Theory of Change (250 words)

Example: Theory of change for export concentration

- Export revenue supports (i) import capacity (terms of trade effect), (ii) fiscal balance, because developing country governments tend to rely on export taxes (e.g., mineral rents and tourism taxes), and (iii) external debt service (because developing countries need to rely on external capital).
- The more diversified a country's export structure, the smaller the effect on the economy from an externally driven negative export price shock (caused by a fall in demand).
- Conversely, the less diversified a country's export structure, the more the country is exposed to a fall in demand for one of its exports and therefore the higher the damage to income, wealth, and living standards that an externally-driven export value fall can have.

[Briefly discuss any literature on the evidence for the Theory of Change, including the assumptions behind the Theory of Change]

- The more a country has been exposed to violence in the past, the more it is prone to fall into a spiral of violence that fuels itself other time. The root causes of this spiral can sometimes be traced back to decades, if not centuries ago.
- Some structural demographic factors also play a key role in fueling internal violence (religious/ethnic/class grievances)

- Distribution of natural resources and economic structure constitute another exogenous factor that largely determines the likeliness of conflicts within a given country and is completely out of the government's hands.

6. Indicate which developing countries have missing data

The indicator is widely available throughout developing countries.

*Please take note of the following rules:

- Indicator has to be structural in nature
- There has to be clear evidence relating the indicator to the concept and dimension
- UN data source must be prioritised
- The MVI will not be based on variables that present too many missing values, not more than 15 data points