

**Interregional Preparatory Meeting of SIDS for SIDS4**  
**30 August – 1 September 2023**  
**Praia, Cabo Verde**

**Session 2: Financing the SIDS Agenda**

**Thursday 31 August 2023, 11:15 AM – 1:00 PM**

**Background Note**

**The proposed MVI Framework**

The proposed MVI framework, has been designed to be a new quantitative benchmark, measuring structural vulnerability and structural resilience, using quadratic mean. Currently, there is no international, widely accepted, quantitative benchmark to measure structural vulnerability or lack of resilience across multiple dimensions of sustainable development at the national level. The rationale behind its construction is that countries characterized by structural risks leading to diminished well-being, merit special assistance, particularly if they lack inherent resilience.

The proposed Framework is two layered, consisting of a global assessment of structural vulnerability and structural resilience (the index) and a systematic and in-depth vulnerability-resilience country profiles that complement the assessment of the MVI, termed Vulnerability and Country Resilience Profiles (VRCP). A country may (if they so desire) undertake to develop a vulnerability and VRCP to guide cooperation and assistance. It is to be noted that the present MVI results are expressed in scores, a low score does not mean that a country is not exposed to or is immune from the effects of external shocks.

It should also be noted that the proposed MVI is not a general index of lack of development, policy performance deficiencies or the general structural handicaps to growth. It is also not an index that captures any single vulnerability, for example, social, economic, environmental or climate vulnerabilities. It is multidimensional and universal, although this does not mean that every specific factor of vulnerability has been/has to be introduced individually in the MVI, for it be effective. It is in effect the translation of a highly complex phenomenon into a simplified version of reality.

**The Vulnerability and Resilience Country Profiles (VRCP)**

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The VRCP is a deeper, country-level diagnosis of a country's vulnerability and resilience conditions in order to enable the identification of key policy and other actions to build resilience, including appropriately costed responses. It can also, should a country choose to use it as such, provide a framework for managing and channeling international assistance to ensure that countries can better manage their vulnerabilities and build resilience to sustain progress and achieve irreversible gains. Linking the VRCP to the MVI, recognizes that there are a variety of country contexts behind similar levels of vulnerability and country-specific pathways to close the vulnerability-resilience gap.

The VRCP objectives are to:

- Provide a detailed, multi-dimensional vulnerability and resilience characterization at national level
- Articulate and recommend priority, integrated, and costed interventions for resilience building at national level.
- Enhance, inform, and contribute to the formulation, implementation, and monitoring cycle of National Development Plans.

In effect the VRCP is the vehicle through which countries can move from the assessment by the index toward the formulation of appropriate policy and by extension the selection and prioritization of investments that are required to promote development objectives while also strengthening the country's internal resilience capacity. In that way, the VRCP functions not only as an assessment tool, but also for the deployment of policies within a coherent, consistent framework that can be monitored, and provide a pathway from where a given country is to where this country intends to be as per its national sustainable development goals.

The detailed vulnerability and resilience characterization will be driven by an "extended dashboard" of indicators that are based on national priorities and available data. Indicators may be structural or non-structural and may reflect both vulnerability and/or resilience conditions. By tracking these areas and through the development of actionable road maps the VRCP could provide entry points for IFIs, MDBs and other development partners to

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complement national efforts towards resilience building, through inter alia smarter and better targeted resource allocations.

**Towards consensus on the MVI**

Securing consensus and broad support for the MVI framework is of critical importance, as this will be the first step in galvanizing action toward its use. It will also inject the right momentum into the ongoing preparatory process of the Fourth International Conference on Small Island Developing States and other internationally agreed conferences, processes and meetings. The international community has advocated for the inclusion of vulnerability in determining eligibility for development assistance including concessional finance, ODA, and debt relief and the MVI is a credible complement to current approaches.

The proposed MVI framework, inclusive of the MVI and its components and the VRCP should, at the outset, be agreed as the basis on which the General Assembly will work toward consensus. Consequently, any possible further work to improve the framework (if needed) should be based on the proposed framework.