Assessment of the UN Development System's consideration of Multidimensional Vulnerability and potential use and applicability of the MVI

Final Report

April 2025

Prepared by Simona Marinescu, Ph.D.
for UN DESA and UN-OHRLLS

Motto - "If not vulnerability-informed and resilience building-focused, development is not sustainable"

Simona Marinescu, Ph.D., Senior Consultant

CONTENT

Acronyms and Abbreviations

AOSIS - Alliance of Small Island States
CCA - Common Country Analysis
DFA- Development Finance Assessment
EVI – Economic and Environmental Vulnerability Index
FAO - Food and Agriculture Organization
GNI – Gross National Income
GPEDC - Global Partnership for Effective Development Cooperation
HAI – Human Assets Index
IATI - International Aid Transparency Initiative
IFI – International Financial Institution
INFF - Integrated National Financing Framework
LDC - Least Developed Country
LLDC - Landlocked Developing Country
MDB – Multilateral Development Bank
MVI - Multidimensional Vulnerability Index
OECD - Organization for Economic Cooperation and Development
UN- OHRLLS - Office of the High Representative for Least Developed Countries, Landlocked Developing Countries and Small Island Developing States
RCO - Resident Coordinator Office
RCS - Resident Coordinator System
SDGs - Sustainable Development Goals
VNR – Voluntary National Review
VRCP - Vulnerability-Resilience Country Profile
UNCT - United Nations Country Team
UNCTAD - United Nations Conference for Trade and Development
UNDCO - United Nations Development Coordination Office
UNDESA - United Nations Department for Economic and Social Affairs
UNDRR - United Nations Office for Disaster Risk Reduction
UNDP - United Nations Development Programme
UNDS - United Nations Development System
UNEP - United Nations Environment Programme

UNESCO - United Nations Educational, Scientific and Cultural Organization
UNFPA - United Nations Population Fund
UNICEF - United Nations International Children's Emergency Fund
UNSDCF - United Nations Sustainable Development Cooperation Framework (Cooperation Framework)
UNSDG - United Nations Sustainable Development Group
UNSPN- United Nations Strategic Planner Network
WHO - World Health Organization

Acknowledgment

This report has been produced with the valuable guidance of colleagues in the UN Department for Economic and Social Affairs (DESA), the UN Development Coordination Office (DCO) and the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States (OHRLLS). Expert contributions were also provided by various UN organizations, Resident Coordinator Offices, UN Country Teams and the UN Strategic Planning Network. Dialogues with Member States, the Alliance of Small Island Developing States and non-UN organizations highlighted emerging expectations of new planning, programming and financing approaches at the dawn of the multidimensional vulnerability-informed sustainable development era.

I. Executive Summary

Our planetary system has undeniably entered the age of vulnerability, a reality starkly highlighted in the 2020 Human Development Report[1] titled *The Next Frontier: Human Development and the Anthropocene.* This new era is characterized by unprecedented socio-economic and environmental challenges, and geopolitical tensions which collectively threaten global stability and sustainability. Transformative action is urgently needed to mitigate these risks, including resolving to mitigate countries' *multidimensional vulnerabilities* that expose them to growing but differentiated harm.

The Multidimensional Vulnerability Index (MVI) as proposed by the High-Level Panel on the development of a MVI proposes a major shift in development thinking by enabling the measurement of countries' structural vulnerabilities and (lack of) structural resilience, thereby allowing for the inclusion of vulnerability considerations in the assessment of a country's progress towards sustainable development to guide and improve effectiveness of international development cooperation.

In its Final Report, the High-Level Panel on the development of a MVI stated that "the MVI is built on the notion that the risk of harm to a country's sustainable development does not emanate only from exposure to exogenous shocks and stressors but also from the structural capacity of the country to withstand such shocks and stressors"[2]. By distinguishing between structural and non-structural vulnerabilities and resilience gaps, all countries and their partners can better calibrate policy and finance to effectuate positive change, reduce global inequality and leave no one behind on the way to sustainable development.

On 13 August the UN General Assembly adopted the Final Report of the High-Level Panel on the development of the MVI by resolution A/RES/78/322 further inviting "the international community to consider how best multidimensional vulnerability could be reflected in existing practices and policies for debt sustainability and development support, including access to concessional finance" and called upon the UN system to test the MVI in their specific area of work. Subsequently, in the Pact for the Future, adopted by the 79th UN General Assembly (UNGA) in A/RES/79/1[3], Member States called on the international financial organizations, international organizations and multilateral development banks to consider the MVI as a complement to their policies and practices, as appropriate.

[1] https://hdr.undp.org/content/human-development-report-2020
[2] https://www.un.org/ohrlls/sites/www.un.org.ohrlls/files/final_mvi_report_1.pdf, page 14, para 12
[3] https://documents.un.org/doc/undoc/gen/n24/272/22/pdf/n2427222.pdf

I.1. General considerations

1. The MVI consists of a two layered structure, comprising a universal level quantitative assessment measuring structural vulnerabilities and resilience factors hindering countries' development progress and Vulnerability-Resilience Country Profile (VRCP). The VRCP is a more detailed, tailored and individualized characterization of vulnerability and resilience factors, including non-structural resilience, to further enable countries and their development partners to track progress of their efforts in mitigating adverse consequences of structural vulnerabilities and strengthening resilience to shocks and disasters.

I.2. The assignment

2. This assessment has been commissioned by UNDESA and OHRLLS in accordance with para 13 of UNGA resolution A/RES/78/232. The paper aims to present how multidimensional vulnerability is currently considered by the United Nations system, explore the potential uses and application of the multidimensional vulnerability index to inform the intergovernmental process.
3. The research conducted for this assessment employed a wide range of information and data sources including (1) a desk review of strategic planning and programme management policies across UN organizations and the guidelines supporting the development and management of the UN Sustainable Development Cooperation Framework (Cooperation Framework) by the UN Resident Coordinator System jointly with the UN Country Teams (UNCTs), (2) two dedicated questionnaires, one for UN organizations and one for the UNRC system respectively, (3) direct conversations with UN Funds and Programmes and (4) consultations with the UN Strategic Planning Network.

4. The assessment found that, at present, no UN organization refers in its planning, programming and delivery to multidimensional structural vulnerabilities and lack of resilience as defined by the MVI, all indices currently used measuring both structural and non-structural factors defining a country's context and determining its development pathway. As such, in this study, to respond to the task in para 13 of A/RES/78/232, vulnerability encompasses both structural and non-structural factors that influence a system's conditions, heightening its susceptibility to losses and hindering its long-term stability.

5. The analysis underpinning this assessment aimed to answer three questions:
    - Is the UN system currently considering multidimensional vulnerability in its planning, programming and policy advisory services provided to developing

countries? If yes, what measurements of such are being employed and do they differ from the MVI definition of multidimensional vulnerability?

- Is the MVI as it stands today seen as relevant to various country contexts? If yes or no, what are the main substantiating factors in each case?
- How likely is it that the UN system, through its organizations, will be able to employ the current Index in its work and advocate for its use in engaging host countries and development partners?

I.3. Main findings

6. ***Concepts and definition:*** A review of the consideration of multidimensional vulnerability across the UN system found that, in their vast majority, UN organizations – both members of the UN Development System and beyond – base their planning, programming, policy advisory services and delivery on addressing country priorities stemming from ample context analyses and multistakeholder consultations and validation. While vulnerability is generally understood by the UN System, as the propensity of the system to experience losses, multidimensional vulnerability varies in definitions and practices across the UN system based on the organization's specific mandate. No commonly used concept of multidimensional vulnerability exists in the UN system let alone a measurement to focus on structural vulnerabilities and lack of resilience alone as defined by the High-Level Expert Panel in their Final Report on the MVI.

7. ***Multidimensional vulnerability in the analytical approach to planning, policy advisory and programming:***

   7.1. At the global level, UN organizations operate on multi-year strategic plans aligning with global agendas such as, *inter-alia*, the 2030 Agenda, Paris Agreement, Sendai Framework, New Urban Agenda and, to be further considered, the recently adopted Pact for the Future. These plans are further complemented by regional and country programmes and strategies. The underpinning context analyses of such instruments draw on data analytics and AI tools to process a large body of studies and reports, scenario analyses and simulation models, predictive analytics and foresights as well as the classical problem tree. Use of independent terminal evaluations of the concluding plans and programmes is also a corporate requirement for UN organizations and the main source of evidence of results and lessons learned to inform new planning cycles.

   With over 70% of the UNSDG member organizations ending their strategic plans in either 2025 (19 UN organizations) or 2026 (another 7), global context analyses and

multistakeholder consultations are in progress. This presents an opportunity for dedicated consideration to the MVI as adopted by A/RES/78/322. Yet, apart from WHO, no other UN organization has committed to pilot testing the MVI and the VRCP in the design of their strategic plans and monitoring frameworks. To a large extent, the reason behind the limited consideration given to the MVI and the VRCP is the novelty of those tools and the absence of a distinct mandate given to the UN organizations by their respective governing bodies to consider testing and using the MVI and the VRCP in their work. Insufficient awareness regarding these new tools and their potential role in making development cooperation more effective is also among the drivers of the slow uptake by the UN system.

7.2. At country level, such multi-year strategic plans and complementing regional programmes translate into country programmes and strategies that align with the UN Sustainable Development Cooperation Framework, a multi-year development plan for the joint-UN assistance under the leadership of the UN Resident Coordinator. In designing the CF, a Comprehensive Country Analysis (CCA) is jointly conducted by the UN Country Team under the leadership of the UN Resident Coordinator, drawing on internal and external analytical sources as a combination of qualitative and quantitative assessments for baseline setting and formulation of theories of change. The CCA takes into consideration composite metrics such as the HDI, MPI, PCI, GINI coefficient, SDG indicators, Health indices, EVI, HAI as well as income indicators such as the GNI per capita. None of those indices distinguishes between structural and non-structural vulnerabilities, exposure to risk and lack of resilience, in their vast majority the indicators used being dynamic, rather than static, in nature. Static variables are considered a given that UN interventions cannot alter through short- and medium-term interventions. The selection of strategic priorities in programming is mainly informed by socio-economic and environmental flows and trends that better capture dynamic changes occurring over time.

While CCAs consider in their root cause analyses the structural conditions defining the development context under consideration and their impact on the country's performance, no CCA or UN organization-specifically assesses how the inherent features pertaining to geography, geology, natural endowment and exposure alone determine a country's development trajectory. UNDRR's three-pillar risk framework– hazards, exposure, vulnerability- employs such static indicators along with flow metrics to assess disaster risk and inform disaster risk reduction policies and practices including through dedicated disaster tracking systems, such as Desinventar which is adopted in 113 countries.. No similar framework exists for non-disaster shocks such as health- or economy- related crises. The adoption of the MVI will enable UN agencies to assess the broader impact of structural vulnerabilities beyond disaster risk

and recognize a country's propensity to losses whether it experiences disasters and shocks or not.

While UN organizations retain the analytical liberty to use indices that are most relevant to their mandates, when operating together through joint programmes - an important instrument for a coherent UN response to local challenges and needs and a requirement under the UN reform as per A/RES/72/279 – employing a common approach to multidimensional vulnerability and resilience may improve the quality of their work.

Summarizing, UN organizations may integrate the MVI in their results-based management (RBM) toolbox for quality of programming to secure higher value for money as follows:

- **Identifying structural vulnerabilities and lack of resilience** - By adding the MVI to other metrics used in designing Country Programmes and Strategies, UN organizations will identify and quantify the structural vulnerabilities of relevant countries and choose theories of change that factor in such vulnerabilities and the additional cost they entail. The results frameworks that accompany Country Programmes will be strengthened by better setting Impact and Outcome level targets that are realistic and calibrated to the country's context.

- **Setting priorities**: By highlighting the most vulnerable areas, the MVI enables UN organizations to prioritize its resources and efforts where they are needed the most in order to offset as much as possible the impact of structural vulnerabilities and lack of resilience on the country's investment in sustainable development. Central focus should be on data to guide resilience work.

- **Monitoring and Evaluation (M&E)**: The MVI provides a baseline against which progress can be measured. By regularly updating the index, UN organizations can track changes in structural resilience over time, assess the effectiveness of its interventions, and make data-driven adjustments to their programmes and strategies.

- **Resource allocation**: The MVI can inform decisions on the allocation of financial and technical resources. By demonstrating the specific needs and vulnerabilities of different countries, UN organizations can advocate for appropriate funding and support from international donors and partners. By factoring in the MVI in programmes and strategies, funds mobilized in the

multilateral system will implicitly consider the MVI in spending and delivery of results.

- **Policy development**: Insights from the MVI can guide the development of evidence-based policies and programs that factor in the root causes of vulnerabilities and lack of resilience and direct change where change is possible. A data-centric approach, adoption of technologies, prioritizing regional approaches in the energy transition, food system transformation and other forms of regionally integrated value chains could enhance countries capacities to develop sustainably by collectively offsetting impacts of structural vulnerabilities wherever the individual approach cannot return sustainable results.

- **Advocacy**: The MVI can be used to advocate for changes in the international financial architecture, both institutionally and from a policy standpoint. By showing that vulnerability is not solely linked to income levels, the UN organizations can push for a more equitable access to concessional financing to enhance its effectiveness.

8. ***Multidimensional Vulnerability in the pursuit of the SDGs*** –The SDG indicator framework includes targets for the 17 SDGs, baselines being primarily set at country level in national SDG monitoring and evaluation frameworks. There has been no consideration given to countries' differentiated capabilities to advance the SDGs based on their distinct circumstances nor has the differentiated SDG progress to date been analyzed from an inherent vulnerability perspective. Despite countries such as LDCs, LLDCs and SIDS being among the farthest behind in meeting the SDG targets, to date, limited consideration has been given to determining whether there is any correlation between structural vulnerabilities and lack of resilience on one hand and the slow or reversed SDG progress on the other hand. Further, no assessment has been undertaken in various vulnerable contexts to identify the differentiated cost of the SDGs that is due to structural features such as geography and natural endowment. The topic of how geography measured inter-alia through location, climate, and population density influences a country's development potential has been the subject of a limited number of analyses published to date, one of which being the 1999 Harvard Kennedy School (HKS) paper titled "Geography and Economic Development"[4]. The HKS' paper concludes that geography has a measurable, long-term impact on the country's development potential with economies under certain temperature and geological profile being among the lowest performers. Owing to its exogenous nature, the MVI

[4] https://www.hks.harvard.edu/centers/cid/publications/faculty-working-papers/geography-and-economic-development

may be used to better understand how the make-up and interplay of structural features impact development progress measured, for instance, through the SDGs and further compare the cost of unit of progress among countries in the same income group and typology and across. By doing so, UN organizations can generate valuable learning for the multilateral development cooperation community to refine its approaches and enhance impact of investments in the SDGs.

9. ***Multidimensional Vulnerability and Graduation-*** The assessment of economic and environmental vulnerabilities has been an important component of the LDCs graduation process over the last 30 years. The three graduation criteria out of which at least two must be met twice for the graduation recommendation to be made by the Committee for Development Policy and to be taken note of by the UNGA are *GNI per capita*, the *Human Asset Index* and the *Economic and Environmental Vulnerability Index*. A dedicated measurement of *structural vulnerabilities and (lack of) structural resilience* to demonstrate a graduating LDC's continued susceptibility to losses may be instrumental in making the case forneeds-based, adequate access to concessional finance beyond graduation, regardless of the level of GNI per capita. While LDC graduation itself generally has very limited impacts if any on concessional finance, their inherent circumstances of graduating LDCs will continue to hinder progress regardless of how their income per capita evolves post-graduation. . The MVI could offer valuable insights to countries concerned and their development partners on the drivers of a country's vulnerability allowing them to better structure support programmes. The VRCP could enable better assessments of resilience building needs during any "smooth transition" that a graduating LDC undergoes, should they choose to do so. As a universal metric that quantifies structural vulnerabilities and (lack of) structural resilience, the MVI is meant to ensure that development cooperation prior, during and post-graduation is calibrated to countries' needs for financial and non-financial assistance.

10. ***Multidimensional Vulnerability and the Beyond GDP agenda-*** The UN is currently undergoing policy work to inform the Beyond GDP agenda and tailor its work not only based on the GNI per capita but also the country's natural wealth measured though capital, human and produced capitals. Once the Beyond GDP approach is clearly defined, the opportunity should be taken to examine the compatibility of the two frameworks and how they may complement each other.

11. ***Multidimensional Vulnerability and Effective Development Cooperation*** – At present, effectiveness of development cooperation is defined by the 4 principles – country ownership, inclusiveness, results focus, mutual accountability - of the Global Partnership for Effective Development Cooperation (GPEDC) and qualitatively

assessed through the 10-indicator Monitoring Framework[5]. There is no reference to multidimensional vulnerability as a determining factor for the effectiveness of development cooperation either in the principles or in the monitoring framework of the GPEDC despite mounting evidence that delivery of cooperation and achieving results are highly dependent on the country's specific circumstances.. While a revision of the Monitoring Framework has been long in the making including in the lead up to the 2022 High-Level Meeting of GPEDC, the systematic inclusion of multidimensional vulnerability is yet to be considered. The MVI and the VRCP could be valuable tools that could maximize the impact of development cooperation through a recognition of the structural features that expose countries to losses and reduce their development potential and the additional cost to sustainable development While the GPEDC is an intergovernmental agreement and collaboration platform to advance development cooperation and increase value for money, the joint UNDP-OECD support team to the GPEDC Steering Committee can promote the use of the MVI and VRCP in the GPEDC monitoring system.

12. ***Multidimensional Vulnerability and Financing for Development*** – In early 2022, in his SDG Stimulus[6], the United Nations Secretary-General proposed access to concessional financing by vulnerable countries based on the MVI as a complement to the GNI per capita. Furthermore, in its August 2022 working paper titled Multidimensional Vulnerability and Sovereign Debt[7], UNDESA proposes the use of the MVI in debt sustainability including for the identification of financing gaps, guiding resource allocation, supporting debt restructuring and advancing development cooperation by shedding light on sovereign debt as a result of structural vulnerabilities and lack of resilience. Within the broader reform of the international financial architecture, the United Nations - including through the joint Chief Executives Board (CEB)[8] in which the leadership of the IMF and the WB is present- has been a strong advocate for the revision of eligibility criteria to consider a country's multidimensional vulnerabilities and enable access to concessional finance beyond graduation. The MDBs in their Vision Statement at the Paris Summit on the New Financing Pact in June 2023 committed to drawing on the work of the United Nations on the MVI and considering multidimensional vulnerability in concessional finance Also, in the Evolution Roadmap outlining its reform, the World Bank commits to the same. To date, no common definition of multidimensional vulnerability exists in the engagement of the UN system with the IFIs. The upcoming 4th International Conference on Financing for Development offers an opportunity to position the MVI

[5] https://www.effectivecooperation.org/dashboard/monitoring-framework
[6] https://www.un.org/en/sdg-stimulus
[7] https://desapublications.un.org/working-papers/multidimensional-vulnerability-and-sovereign-debt
[8] https://unsceb.org/board-members

and the VRCP as changing agents in development finance fully recognized by multilateral organization and bilateral partners.

I.4. Conclusions and recommendations

13. The findings of the current assessment point to opportunities for coordinated action to mainstream multidimensional vulnerability in the work of the United Nations and utilize the MVI and VRCP as tools in programming and delivery at a time when the reform of the multilateral system including the IFIs is high on the global agenda. Several recommendations to the interim-Secretariat of the MVI, the UNSDG member organizations and other relevant actors are presented below. Those recommendations refer to the UN system and other multilateral organizations. Advancing ownership over these new tools in the UN system and the broader development cooperation community is a prerequisite for further adoption of the MVI by the Member States.

14. ***Recommendations for the interim Secretariat of the MVI's consideration:***

(R1) *As Secretariat of the High-Level Panel that produced the MVI and interim Secretariat of the MVI in accordance with A/RES/78/322, UNDESA and OHRLLS may consider several action points as follows:*

a. *UNDESA and OHRLLS to develop a strategy for the UN system to guide individual organization's understanding and ownership of the MVI and enable its further testing, use and application in view of the inclusion of the MVI in the QCPR 2025-2028. The awareness and ownership building effort could consider involving at country level the UNRC system, which, in time, can bridge the MVI adoption efforts of the UNCT with the country's ownership and use of the index.*

b. *Under the guidance of UNDESA and OHRLLS and with the UNDCO's concurrence, the Joint SDG Fund could provide a distinct line of financing as part of their "engine room" to support the RCOs and UNCTs in mainstreaming multidimensional vulnerability in joint programming. The strategy may consider including guidance on engagement with host countries and development partners to further advance adoption of the MVI.*

c. *UNDESA and OHRLLS to further engage with the Committee on Development Policy and explore use of the MVI and VRCP in the context of graduation of countries from the LDC category.*

d. *UNDESA and OHRLLS to establish an MVI Inter-Agency Consultative Group as a community of practice and begin consultations with UN organizations about*

to start preparations for their new Strategic Plans, Strategies and Frameworks (over 70% of the UNSDG member organizations) and agree on a common approach for the use of the MVI and the VRCP in the design and implementation of these new plans.

e. *UNDESA and OHRLLS to undertake or commission further testing of the relationships, including statistical correlations, between the MVI (as a whole and/or individual indicators) on one hand and other quantitative metrics of development and vulnerabilities (MPI, PCI, HDI, HAI, EVI, SDG index, individual SDG indicators, etc.), in collaboration with custodian agencies and providers of such metrics. Such analysis could provide valuable insights into the development pathways of LDCs, former LDCs, SIDS, LLDCs and other country groups. Identifying correlations both in terms of levels and changes over time could demonstrate the importance of the Index for better policies and programmes by and for such countries. It may also provide useful information that could offer important inputs into the work of the Independent Expert Advisory Panel to improve the MVI and increase its relevance.*

f. *f. With UNDESA and OHRLLS assistance, UNDCO to (1) review and revise policy guidance for the use of the MVI and VRCP in the conduct of the CCA and in the development of the theory of change for the CF and for joint programmes as well as in monitoring implementation and results and (2) call on the ITU and UNDP to develop an AI tool for Multidimensional Vulnerability to facilitate computation and adoption of the MVI and VRCP in context analyses and programme response as well as in the graduation and impact assessments conducted by UNCTAD and DESA respectively and in VNRs as appropriate.*

g. *UNDESA, UNEP and the CEB to consider commissioning further testing of the correlations between the MVI and the level and rate of change in national wealth measured as the sum of natural, human and produced capitals. Confirming that the MVI is inversely correlated with the country's capability to sustain wealth would be an important validation of the index robustness and its relevance in the effort to move* ***beyond GDP*** *in measuring development progress. More specifically, testing correlations between the MVI and the change in natural capitals over time could demonstrate that, in vulnerable contexts, growth in GDP outpaces growth in natural capital or even leads to a decline in natural assets due to structural constraints including limited resources.*

(R2) *For the long-term and with the aim to have the MVI and the VRCP adopted by the broader multilateral system and the Member States as new tools aiming to enhance quality of development cooperation, UNDESA and OHRLLS may consider:*

a. More proactively interacting with the IFIs to ensure they consider the MVI and VRCP within the changes in practices that the ongoing reform and the Evolution Paper consider pursuing with regards to the future of concessional finance. G20 offers a similar avenue for such consultations.

b. Using the platform of the 4th International Conference for Financing for Development to ensure the intergovernmental process is provided with relevant information on the potential use of the MVI as a complement to the GNI per capita for access to concessional finance (see note in Annex 3). While the consideration of the MVI in access to finance is an endeavor driven by the intergovernmental process, the interim Secretariat and the future MVI Secretariat are playing an important role with the aim to facilitate consensus over further consideration of the index in development finance by all stakeholders.

c. *Engaging with the Global Partnership for Effective Development Cooperation Steering Committee and the Joint Support Team (OECD, UNDP) to consider including in its 10 indicator Monitoring Framework a distinct indicator on the use of the MVI in planning, programming and disbursing the Official Development Assistance.* ***The adoption of multidimensional vulnerability-informed development cooperation as a new quality standard can be at the Development Cooperation Forum[9] in March 2025 (see note in Annex 4).***

15. ***Recommendations to the UNSDG including the Resident Coordinator System:***

(R3) a. *The adoption of the MVI and the VRCP by the UN system is a policy choice that the UN should consider in order to improve effectiveness of programmes and projects. By testing the index in various country contexts, the UN can make a significant contribution to the work of the Independent Expert Advisory Panel to enhance the robustness and applicability in planning, programming and financing of sustainable development. Similar approaches have been taken in internalizing other multidimensional indices including the HDI and the MPI. Identifying correlations between the MVI and the HDI and MPI will provide valuable insights to custodian organizations as to what changes in human development and poverty levels such structural characteristics are generating.*

[9] https://sdg.iisd.org/events/un-development-cooperation-forum/

b. *Further identifying correlations between the MVI, HDI and MPI could guide a policy and programme response to increase effectiveness of development cooperation in advancing human and socio-economic development.*

(R4) *While preserving their analytical freedom in defining multidimensional vulnerability as relevant to the organization's mandate, the UN organizations should be advised to layer the assessment of vulnerability starting with the foundational analysis using the MVI and the VRCP. Such an approach would level the field among UN agencies in understanding the country context and how structural features determine the country's overall socio-economic, environmental, political and geopolitical performance. The CCA and its annual updates can greatly gain in quality if placing higher emphasis on structural vulnerabilities and resilience deficits and their impact on the country's development trajectory.*

(R5) *Further testing of the MVI – SDG Index correlations by the UN system can provide additional information to countries and to the global review mechanism of the 2030 Agenda as to what structural factors drive the slow or negative progress and how the trend could be reversed. The testing should consider (1) the MVI as a whole, (2) the structural vulnerability pillar (SVI) and (3) the structural resilience index (SRI) of the MVI and their correlations with individual SDGs. Such an analysis could be included in the accompanying pieces of the country's Voluntary National Reviews.*

(R6) *The CCA, the CF, the Resource Mobilization Strategy and the Integrated National Financing Framework (INFF) may be of higher relevance to the country, the UN and other partners if better integrated. The INFF can factor in the cost of delivering the SDGs under specific structural circumstance. Given that the SDGs represent national development plans in each country, costing the SDGs to date using national SDG M&E frameworks and budget execution data as part of the INFF could give an indication of the investment made per unit of progress. Comparing findings among countries with similar or different levels of the MVI will make a strong case as to why differentiated financing is needed and why the GNI per capita is not the right criterion for access to development cooperation.*

(R7) *The UNSDG may consider starting the process of revision of the organization specific FRRs in consultation with relevant governing bodies to better align financing with countries' differentiated needs. More specifically, the FRRs may consider including the MVI as a complement to the GNI per capita and the population size indicators that are currently used. Such an approach will allow UN organizations to make distinct financial allocations to programme countries based*

on their actual needs beyond income and population size metrics which may not reflect accurately the development gaps and challenges to be addressed.

(R8) *The adoption of the MVI by the UN system should further cluster countries in accordance with their placement in a certain range of multidimensional vulnerability. The UN offer across UN organizations and jointly as UNCT should consider the MVI profile of the country in the content, sequencing and financing flagship initiatives (see the six signature solutions of UNDP). Such strong UN ownership of the MVI will further encourage other development actors and the IFIs to take a similar approach. This can be tested in the context of the new Strategic Plans (70% of which are to be renewed in 2025 and 2026) and the new Cooperation Frameworks. Some of the RCOs whose new CFs are now under development should also be encouraged to take such an approach.*

(R9) *UNSDG with UNDESA and OHRLLS guidance to develop policy guidelines for a multidimensional vulnerability – sensitive approach to development, following the conflict-sensitive guidance, to ensure UN system's interventions do not further exacerbate adverse impacts of structural vulnerabilities and resilience deficits beyond natural hazards. This guidance can build on ongoing work in relation to vulnerability, exposure, and impacts of disasters, informed by disaster-related statistics as appropriate.*

(R10) *The UN should advocate at all levels a risk & vulnerability approach in defining countries' eligibility to SDG-, climate-, environment- and other vertical financing as well as in raising and managing debt including through redefined credit ratings. A paper to substantiate the need for a risk & vulnerability – informed access to and management of financial resources should be prepared for the upcoming 4th International Conference on Financing for Development.*

(R11a) *Various metrics inform to date project design and implementation in the UN system, their performance varying from context to context. As more and more multilateral organizations including the UN (Funds and Programmes, IFAD), vertical funds (GEF) and the IFIs (MDBs) adopted Performance-based Allocation Systems (PBAS) which put together two analytical pieces – country's Needs and the portfolio Performance – using the MVI to determine the Needs would allow a more standardized, data-centric approach across country typologies and per capita income level. Considering the MVI in the Needs assessment based on which financial allocations are being made would also allow analyzing and better understanding performance drivers over time between countries with the same MVI scores.*

(R11b) Strengthening the systematic collection and utilization of disaggregated data on disaster impacts, exposure, and vulnerability is central to leveraging the MVI as an effective tool for evidence-based policymaking. Disaster data is critical not only for mitigating future disaster risks but also for guiding strategic investments in resilience and supporting timely, inclusive recovery. To this end, support for the establishment and operationalization of national disaster loss tracking systems should be prioritized to enable countries to harness the full potential of the MVI in advancing sustainable development and risk-informed decision-making.

(R11c) Many UN organizations have adopted AI tools to strengthen their Results Based Management systems. By processing large bodies of data from previous planning cycles and mining independent evaluations, the AI can generate robust theories of change, intelligent KPIs and predictive analytics for future programmes drawing on previous planning and programming cycles. Such RBM systems are subject to regular reviews and amendments to strengthen accountability and programme effectiveness. Enhancing existing AI tools to include the MVI could considerably expedite the testing and adoption of the MVI in country programming including through:

- ***Data collection and analysis**: AI can automate the collection and processing of large datasets from various sources including satellite imagery, disaster exposure and impact data, big data, administrative data etc. ensuring that the MVI is based on the most current and comprehensive data available.*

- ***Predictive analytics**: AI can help predict future impacts of structural vulnerabilities and lack of resilience by analyzing trends and patterns in the data. This can assist policymakers in anticipating and mitigating potential risks before they become critical issues and further position the MVI as an important preventive tool.*

- ***Visualization and communication**: AI-powered tools can create intuitive visualizations and dashboards that make the MVI data more accessible and understandable for decision-makers and the public. This can enhance transparency and support advocacy efforts*

- ***Integration with other indices and measurement systems**: AI can facilitate the integration of the MVI with other decision-support indices, systems and*

databases, ensuring that vulnerability assessments are considered in a wide range of policy and programmatic areas.

- ***Continuous improvement through inputs to the Independent Expert Advisory Panel**: AI can continuously monitor and evaluate the performance of the MVI in driving programme results and policy changes, suggesting improvements and updates based on new data and feedback.*

(R11c) In its Human Development Report (HDR) commissioning and oversight role, UNDP sheds light annually on matters of global significance that are shaping human development and shifting trends in the life of the people - planet system. In 2014, the Human Development Report titled "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience" specifically addressed the issue of vulnerability and human resilience. The report highlighted how vulnerability threatens human development and emphasized the need for systematic approaches to address these vulnerabilities through policy changes and social norms. Two important initiatives could position the MVI as a relevant metric to a country's development: (1) A dedicated Human Development Report to structural vulnerabilities and lack of resilience to analyze how they drive differentiated progress and affect global inequalities and (2) Systematically include the MVI in the analysis of the annually computed HDI and of its evolution over time to highlight the role that such structural characteristics determine quality of life and pace of progress across continents, regions and subregions.

***(R12)** Relevance of the MVI in anticipating humanitarian crises can be further explored as particular structural features are indicative of heightened propensity to harm, loss and damage caused by both rapid and slow onset disasters. In the context of climate change, a thorough assessment of potential future losses and implications for livelihoods and the environment could be instrumental in the design of preventive and response policies.*

16. A more granular description of the findings of this assessment including the information collected from the Resident Coordinators Offices and the UNCTs and the UNSDG member organizations through interviews and the dedicated questionnaires is presented in the body of this report.

II. Assessment of UN system's consideration of multidimensional vulnerability

II.1. Introduction to the assignment and methodology

1. Commissioned by the United Nations Department of Economic and Social Affairs (UNDESA) and the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries, and Small Island Developing States (UN-OHRLLS) as per para 13 of A/RES/78/232, this assessment illustrates how the United Nations system currently addresses multidimensional vulnerability in its work from planning to programming and delivery of results.

2. The assignment covers two leading topics (1) the UN system's consideration of multidimensional vulnerability at present and (2) the potential use and application of the MVI and VRCP moving forward.

3. In the UN system's consideration of multidimensional vulnerability, crowdsourcing of information from corporate policies pertaining to planning and programming that UN organizations operate with, dedicated questionnaires to UN organizations and the RC system, interviews with and written inputs from various parts of the UN system were employed. Over 62 UN Country Teams including operating in Multi-Country Offices and the majority of the 37 UNSDG member organizations provided inputs into the report through interviews and or written answers to the relevant questionnaires (see Annexes)

4. As, to date, no UN organization has used a definition of multidimensional vulnerability drawing on structural features alone, for the purpose of this study, vulnerability encompasses both structural and non-structural factors that influence a system's conditions, heightening its susceptibility to losses. While vulnerability has been the main focus of development cooperation for over six decades, the call for the development of a globally accepted vulnerability assessment came for the first time in 1992 at the United Nations Conference on Environment and Development where the SIDS' special case for development was coined. Follow-up calls have been made by SIDS in 1994, in the Barbados Programme of Action for the Sustainable Development of SIDS 1994-20024 and was endorsed by the General Assembly in resolution 49/122.

5. The MVI as developed by the High-Level Expert Panel on the development of a MVI is based on 5 principles: *multidimensionality, universality, exogeneity, evidence-based and simplicity.* To preserve its exogeneity, the MVI encompasses structural vulnerabilities and resilience deficits, which in their essence are difficult to change with the instruments that governments and partners have at hand but are equally relevant in identifying systemic issues that can be successfully addressed.

6. In view of the potential use and application of the MVI by the multilateral system including as a complement to the GNI per capita for developing countries to access concessional finance, taking stock of the current practices in considering multidimensional vulnerability in the UN system will provide valuable insights and set the stage for a smooth transition to vulnerability-informed sustainable development.

7. The first part of the assessment report aimed to answer three questions:

   - Is the UN system currently considering multidimensional vulnerability in its planning, programming and policy advisory services provided to developing countries? If yes, what measurements of such are being employed?
   - Is the MVI as it stands today seen as relevant to various country contexts? If yes or no, what are the main substantiating factors in each case?
   - How likely is it that the UN, through its organizations, be able to employ the current Index in its work and advocate for its use in engaging host countries and development partners?

8. Given that the adoption of the MVI Resolution by the UNGA took place only on 13 August 2024, many UN organizations and UNCTs have had little time before this assessment to study the High-Level Panel Final Report and define ways to make use of the MVI and VRCP in their practices.

9. In the preparation of the second part of the report, consultations included the IFIs as well as several development partners and international organizations to better define ways in which the UN system can be instrumental in building ownership over the MVI and VRCP in the broader development cooperation community.

10. As a universal metric, as the Final Report of the High-Level Panel indicated, the MVI is meant to be a complement to the GNI/capita and measure its volatility caused by the countries' inherent (structural / exogenous) vulnerabilities and lack of resilience.

11. The Multilateral Development Banks have committed at the Paris Summit to reviewing access to concessional financing based on multidimensional vulnerability "taking into account the United Nations workstream in that regard" (para 4.c. of MDB's Vision Statement).

12. The World Bank Evolution Roadmap as approved by the Development Committee on 12 Oct 2023 at the Marrakech Fall meetings of the IMF/WB also refers to

vulnerability as a potential parameter to be considered in the eligibility criteria for access to concessional financing (art. 46).

13. At the 4th International Conference for SIDS, the Government of Antigua and Barbuda, UNDESA, the Caribbean Development Bank, the Global Environment Facility, and the Commonwealth Secretariat held a panel discussion over MVI-testing and usage in a dedicated event on Wednesday, 29 May. Other UN agencies including WHO, UNDRR, UNOPS and others committed to testing the MVI within their mandates and in their programme and policy advisory services context.

14. On 22 September 2024 at the Summit of the Future, the UN Member States adopted the Pact for the Future[10] which in para 77 (f) calls on "the international financial institutions, international organizations and multilateral development banks to consider structural vulnerability and invite them to consider using the multidimensional vulnerability index, as appropriate, as a complement to their existing practices and policies in line with their respective mandates".

15. Given the inherent, structural nature of the variables captured and used in computing the Index, the MVI maps characteristics that define a country's **geographic, socio-economic and environmental identity** and provides a comprehensive foundation of information and data to allow relevant organizations to map challenges ahead that are less elastic to income-related dynamics**.**

II.2. Main findings

16. Ever since the first mention, the notion of vulnerability has been used in almost all official statements, resolutions, strategic plans and programmes of the United Nations. The 2030 Agenda for Sustainable Development includes 22 references to vulnerability, 12 in the Paris Agreement, 21 in the Sendai Framework, 18 in the Antigua and Barbuda Agenda for SIDS and 22 in the Pact for the Future in its current iteration. Some 126 reports and resolutions[11] published in the UN Official Document System over the last 10 years are dedicated to forms of multidimensional vulnerability without a common definition of what the notion entails. Under stress, the intrinsic or induced multidimensional vulnerability translates into losses whose magnitude depends on the range and combinations of various dimensions of vulnerability. Yet, efforts to measure and address compounding vulnerabilities lacked consistency and are seriously underfunded and, at times, uncoordinated due

[10] https://www.un.org/sites/un2.un.org/files/sotf-pact_for_the_future_adopted.pdf
[11] https://documents.un.org

to the complexity of the matter and the long-term commitment it requires, far beyond the timeframes that governments and partners operate with. Several analyses - including of the preexisting vulnerabilities of social and financial systems that increased the impact of the COVID-19 pandemic[12] and of the vulnerabilities of food systems[13] in the lead up to the Food System Summit- point to this mismatch between systemic vulnerabilities, which generate and amplify losses over time, and the response mechanisms of Governments and the development cooperation community that are timebound and, more often than not, lack continuity. The Final MVI Report of the High-Level Panel argues that continuity in addressing impacts of structural vulnerabilities requires a commonly accepted measurement and its mainstreaming in context analysis, multi-cycle planning, programme and project delivery and access to the necessary financing.

Vulnerability and LDC Graduation

17. For decades, vulnerability has been considered a feature of low performing countries. The concept of vulnerability being associated with Least Developed Countries (LDCs) dates back to the early 1970s. The UN officially recognized the category of LDCs in 1971. This classification was created to identify countries that faced severe structural impediments to sustainable development, including economic vulnerabilities, low income, and weak human assets. The recognition of these impediments was intended to help mobilize international support and resources to assist these countries in overcoming their development challenges.

18. Since 2000, UNCTAD has produced vulnerability profiles for countries considered for graduation upon request by the Committee for Development Policy (CDP). UN General Assembly resolution A/RES/59/209 titled *Smooth transition strategy for countries graduating from the list of least developed countries* further mandated UNCTAD to produce *Vulnerability Profiles* (VPs) "to identify countries weaknesses and potential risks" that could affect the country's transition and prospects for sustainable development. The VPs are crucial for helping countries to navigate the challenges of graduation from the LDC category and pursue a vulnerability-informed transition. The VPs form part of the additional information considered by CDP before recommending a country for graduation, together with (i) graduation *ex-ante impact assessments* produced by DESA, (ii) views by relevant governments and (iii) a series of other indicator computing and additional analyses. Given the inclusion of income, economic and environmental vulnerabilities and human assets

[12] https://www.tiiproject.com/wp-content/uploads/2020/12/AddressingSystemicSocialRisk-ARoadmap-12-7-2020_FINAL.pdf
[13] https://www.un.org/sites/un2.un.org/files/2021/04/unfss_at5_synthesis_propositions_round1.pdf

as graduation criteria, the VPs are multidimensional assessments combining quantitative and qualitative analyses and providing valuable information for a smooth transition in the graduation process. The VPs are produced for LDCs only as they approach graduation.

19. With the MVI being developed to make the case for vulnerable countries' continued access to affordable finance regardless of the GNI per capita and the VRCP to monitor countries' ability to overcome structural vulnerabilities and strengthen resilience, one of the questions this assessment aims to answer is what role, if any, could the MVI play in the graduation process for countries ranking high on the index.

20. Through the consultations held in the production of this assessment, several ways in which the MVI and the VRCP could be made relevant to the graduation process have been identified as follows:
    a. For all 45 LDCs, assess correlations between the country's MVI and each graduation criterion to be met to better understand how structural vulnerabilities and resilience gaps affect the country's graduation prospects.
    b. Assess correlations between the MVI and the graduated country's performance during the transition process to extract lessons for future transition strategies.
    c. Consider using the VRCP in the development of the Vulnerability Profile, which currently doesn't have a standard structure / methodology.

    Several distinct scenarios regarding use of the MVI in the integration process have been proposed among the recommendations for future action.

Consideration of multidimensional vulnerability in measuring what counts (the Beyond GDP agenda)

21. In recent years, there has been a growing interest in finding alternatives to the Gross Domestic Product (GDP) for measuring a country's well-being and its development potential. In his statement[14] on *Our Common Agenda*, the United Nations Secretary-General called the excessive reliance on GDP a "glaring blind spot in how we measure economic prosperity and progress".

22. Policy Brief 4 *Valuing What Counts: Framework to Progress Beyond Gross Domestic Product* accompanying *Our Common Agenda* emphasizes the importance of the stock of wealth in determining the country's development potential rather than

[14] https://www.un.org/en/content/common-agenda-report/summary.shtml

the GDP alone. Several analyses including the Changing Wealth of Nations[15] biennial reports of the World Bank have shown that multidimensional vulnerabilities erode over time a country's wealth. UNEP's reports including the Global Environment Outlook, the Emission Gaps, Global Biodiversity Outlook present compelling examples as to how structural vulnerabilities lead to declining natural capitals, one of the three components of national wealth. Further testing of how the MVI relates to the changing wealth of countries could provide important information into how structural vulnerabilities and resilience gaps affect the country's assets and long-term development potentials.

23. In the Pact for the Future as adopted by the General Assembly on 22 Sep 2024 (A/RES/79/1), in **Action 53, Member States committed to developing "a framework on measures of progress on sustainable development to complement and go beyond gross domestic product". The MVI and the VRCP could be useful tools to track and quantify changes in the stock of wealth and further define optimal financing mechanisms to underpin sustainable development in response to actual needs, regardless of and beyond the country's GDP.**

UNSDG organizations' general consideration to vulnerability

24. In their vast majority, UN Sustainable Development Group (UNSDG) resident and nonresident organizations operate on the basis of multi-year ***strategic plans, strategies*** **and** ***frameworks*** that operationalize the 2030 Agenda and its SDGs as well as all of the other globally adopted goals. UN organizations strategic plans, strategies and frameworks further translate into global, regional and country programmes, and projects and policy advisory services to developing countries. A full list of ongoing Strategic Plans and Frameworks is enclosed in ***Annex 1.*** Those global strategic plans set baselines and five- year targets in generating benefits to people, the economy and the planet. More specifically, such benefits take a rights approach and include, *inter-alia*, access to basic social services such as health and education, social protection, nutritious food, clean energy and adequate housing, clean, healthy and sustainable environments, democratic governance, peace and security, digital access and opportunities, disaster risk reduction and climate adaptation. In their vast majority, the envisioned results are meant to make people, the economy and the environment at all levels less vulnerable and more resilient to disasters and shocks.

25. In their design, these corporate strategic planning frameworks employ ***mixed methods research*** approaches drawing on foresight and problem tree / causality

[15] https://www.worldbank.org/en/publication/changing-wealth-of-nations/about

analysis basing their theories of change and selection of strategic priorities on a combination of ***quantitative and qualitative assessments***. Many of the context analysis used in strategic planning are qualitative in nature, the various indices being combined with other sources of information including wide stakeholder consultations, evaluations, and studies.

26. Structural vulnerabilities which are in their vast majority mirroring *root causes*[16] identified in the context analysis, while acknowledged, are rarely targeted in the strategic plan or programme due to their exogenous nature and the long time needed for impact mitigation, far longer than the timeframe of UN-led interventions.

27. A thorough context analysis of those strategic plans and the support documents used in the preparatory process revealed a high focus on ***risk analysis*** and ***risk management*** with much less consideration for tracking and addressing systemic vulnerabilities, which are ultimately determining how extensive the losses incurred by the system will be when risks materialize. In line with the Sendai Framework (2015-2030), sustainable development is premised on adequate consideration to and monitoring and management of risks. **This paper argues that, without (i) understanding structural and non-structural vulnerabilities, (ii) factoring them in theories of change and (iii) taking a targeted approach in the allocation of resources, development - if it happens - will never be sustainable.** Both ***risks*** and ***vulnerabilities*** create pressures on a country's complex socio-economic and environmental system and, by not considering both categories into planning, programming and delivery, sustaining development gains may be difficult. Most importantly, ***the multidimensionality*** of vulnerabilities characterizing a country system calls for a coherent, joint UN response that must go beyond just joint planning and programming into actual joint action.

28. **Out of the 37 UN organizations strategic plans, strategies and frameworks, 19 are set to end in 2025 and another 7 in 2026. With 70% of such strategic plans about to be renewed, introducing the MVI as a new tool for country analysis and the VRCP as a core component of the progress monitoring frameworks come at an opportune time.**

29. The **UN Strategic Planning Network** (UNSPN) comprising 432 staff of UN agencies working in results-based management represents an important platform of expert consultations in the United Nations for continued investment in quality planning and programming. The network is co-chaired by UNFPA and the UN Secretariat and will have its annual meeting in November 2024 in Rome. The

[16] https://sdgintegration.undp.org/theory-change-methodological-brief

introduction of the MVI was received with high interest and a follow up meeting is planned to take place after the 79th UNGA. The inclusion of the MVI and VRCP in the UNSPN toolbox is being considered by the member organization of the network in view of the reflection of the MVI in the QCPR 2025-2028 to facilitate system wide integration of these instruments in future planning, programming and results-based management (RBM) more broadly.

Multidimensional vulnerability in joint planning and programming (RCS, UNCT)

30. In translating UN strategic plans and frameworks in country programmes and projects, local context analyses across the people, planet, prosperity, partnership and peace pillars of the 2030 Agenda are being developed starting with the *Common Country Analysis (CCA)*, a joint UN Country Team exercise that informs the UN Sustainable Development Cooperation Framework (CF) - the multi-year joint planning and implementation framework of the UNCT.

31. The development of the CCA follows a guidance note[17] that the UNDCO put together within the policy companion papers informing the preparatory process of the CF[18]. The guidance encourages each UNCT – under the leadership of the RC- to produce a local methodology as needed and employ regional and global UN assets to meet UNSDG-set quality standards. At its core, the guidance note is process oriented, giving each UNCT the freedom to draw on a series of tools made available on the System Thinking and Dynamic Simulation Models[19] platform in developing context analysis. It is not clear to what extent the RCOs are using such models since, in their overwhelming majority, they answered NO to the question as to whether they are using a locally developed methodology in the conduct of the CCA. As per UNDRR's responses to the questionnaire put forward by this assessment, a Multidimensional Risk Analysis informs the CCA and, subsequently, the CF. The CCA draws on UNCT member's specific context analyses, some of those employing multidimensional indices including the MPI, HDI, PCI, GRI and others.

32. A thorough review of the key resources for the CCA and CF hosted on the UNSDG platform concludes that they are primarily designed to guide the formulation of the theory of change rather than to facilitate a context analysis. While an SDG-based

[17] https://unitednations.sharepoint.com/:w:/r/sites/UNSDCF_CP/_layouts/15/Doc.aspx?sourcedoc=%7B2D5279D6-DDDE-4FBF-8140-9036099ECE0B%7D&file=Chapter%202.1_Develop%20methodology%20and%20workplan.docx&action=default&mobileredirect=true

[18] UN Sustainable Development Cooperation Framework Policy Guidance

[19] https://sdgintegration.undp.org/knowledge-bank?field_enablers_tid=All&field_category_name_value%5b%5d=30&field_tool_function_value=All&field_accelerator_tool_value=1

risk framework and the LNOB approach to the context analysis are being used, no dedicated tool for a multidimensional vulnerability analysis is in place. Expanding the package of resources for the UNCT to include the VRCP as a framework for the CCA and for monitoring the CF may be worth pursuing moving forward.

33. The CCA is further complemented by UN organization specific qualitative analysis of the country's main challenges and opportunities as relevant to their specific mandates. Both the CCA and the organization specific context analyses focus primarily on induced vulnerabilities that can be addressed through policy and programme while noting structural vulnerabilities and resilience deficits as given features of the country that cannot easily be altered with programme and policy. In designing the theory of change for their specific Country Programmes, UN organizations expand the CCA analysis to zoom into areas of primary relevance to their mandates. For instance, while the design of the UNICEF Country Programme of Cooperation (normally with a 5-year duration) is integrally linked to the Cooperation Framework which is underpinned by the CCA diagnosis exercise, to ensure high relevance and effectiveness, UNICEF's Country Offices also undertake a Situation Analysis (SitAn) to understand the situation of children in the country. The SitAn integrates a causality analysis and informs the theory of change that is believed to produce the targeted results (outputs) agreed upon with the Government and included in the UNICEF's Country Programme Document (CPD).

34. Basing formulation of the Country Programme Document (CPD) and related programmes on risk analysis and risk mitigation plans is a corporate requirement and a quality safeguard by all Funds and Programmes[20] whereas identifying vulnerabilities and distinguishing between structural and non-structural features does not have to date a standard approach. The current practice in country programming consists of various parallel processes of data gathering and analysis, evaluations, stakeholder consultations and desk reviews to identify entry points for development interventions that are agency relevant. For integrated action, a better understanding of how inherent vulnerabilities of the people, the economy and the environment systems interact is needed. Both the CPD and the projects prioritize interventions that respond to underlying and immediate, rather than root, causes identified in the context analysis as those can be more effectively addressed through policies, programmes and capacity development in the short and medium-term. While the SDG risk framework presents an analysis of what could hinder or reverse progress, there is no assessment as to how structural vulnerabilities and resilience gaps as identified by the MVI affect course of sustainable development.

[20] Programming Quality Assurance and Risk Management | UNDP SES Toolkit

35. Taking a combined risk and vulnerability - informed approach to development would reduce both short and long-term adverse impacts of disasters and shocks and create higher returns on development investment. By not conducting at the outset of a planning process a thorough multidimensional vulnerability analysis going beyond the system's deficiencies relevant to each organization's mandate, the UN system may operate on insufficient information as to how vulnerabilities interact and what their distinct and combined role is in hindering progress. For example, multidimensional poverty (UNDP)[21], child poverty (UNICEF)[22], health vulnerability and adaptation assessments (WHO)[23] analyses are using a wide range of variables in computing relevant indices, combining inherent and induced vulnerabilities without determining their differentiated contribution to the problem. **Testing how inherent vulnerabilities and resilience gaps as captured in the MVI relate to poverty and inequality trends, health vulnerabilities and debt burden could offer valuable insights regarding corrective policy measures that could unleash the power of the system to adjust course.**

36. With the UN increasingly using AI tools for system modeling, data gathering and processing and programme formulation and implementation (see OCHA AI for Humanitarian Assistance and Crisis Response, WHO AI Healthcare and Disease Surveillance, UNDP AI for Sustainable Development, UNEP AI for Climate Action and Environmental Protection, DPPA AI for Peace and Security, FAO AI for Food Security, Global Pulse AI for Data Analysis and Monitoring), context analyses have reached a high level of complexity in establishing causality, integrating the MVI in the country assessment framework being a matter of a policy decision.

37. Regardless of the methodology used in country programming, allocation of resources follows agency specific *Financial Rules and Regulations (FFRs) as approved by their governing bodies* which cap core allocations to pre-set levels based on the country's GNI per capita and the population size. This approach aligns with the OECD DAC eligibility criteria for access to development cooperation. Since the GNI per capita overlooks structural vulnerabilities, the core resources allocated to developing countries are not calibrated to address systemic issues. Non-core or programme resources are earmarked to portfolios or projects that align with the country's priorities, but their financial envelops are usually too low to generate sustainable change. Hence, the large transitions that countries have committed to through, inter-alia, the 2030 Agenda, the Paris Agreement and the Pact for the Future require access to sustainable financing to sustain the gains achieved on ODA. To

[21] https://indicators.report/indicators/i-3/
[22] https://www.unicef.org/social-policy/child-poverty
[23] https://www.who.int/teams/environment-climate-change-and-health/climate-change-and-health/capacity-building/toolkit-on-climate-change-and-health/vulnerability

ensure development finance responds to the country's actual needs stemming from their structural vulnerabilities and resilience gaps, several steps may be considered:

a. Multidimensional vulnerability-informed development to be set as a quality standard in development cooperation. From the Paris Declaration on Aid Effectiveness to the Global Partnership for Effective Development Cooperation[24] and beyond, the quality criteria pertaining to development cooperation are reflected in the 10-indicator Monitoring Framework[25]. A distinct indicator to measure the extent to which the MVI determines access to development cooperation could encourage application of the index by all parties involved.

b. Within the broader reform of the international financial architecture, increased volume and performance of development finance are key success parameters. To maximize impact of finance for development, quality of planning, programming and delivery is of fundamental importance. In this context, UN organizations may undertake the revision of their FFRs to consider both the GNI per capita and the MVI in the allocation of core resources and, implicitly, in programme and project design and implementation. Although core resources are diminishing, they are still important as seed financing and catalytic instruments for resource mobilization.

c. By including the MVI in the FRRs and in quality programming, the UN system could further advocate the designation of multidimensionally vulnerable countries for which the IFIs should not limit allocation of concessional resources. In their vast majority, the IFIs are signatories to UN Sustainable Development Cooperation Frameworks.

38. Asked about their approach to multidimensional vulnerability, all UN organizations participating in this exercise provided compelling evidence of clarity in concepts and definitions behind various forms of vulnerability as well as use in their planning and programming processes. However, the most comprehensive mapping of external and internal destabilizing factors in a system's functioning is UNDRR's three pillar risk framework of *hazard, exposure and vulnerability* (see Annex 4) which, while used for disasters alone, could very well be replicated to other forms of shocks. At present, the results frameworks used in strategic planning, global, regional and country programmes and projects do not track the extent to which UN organizations contribute to reduced impacts of structural vulnerabilities and resilience gaps. The

[24] https://www.effectivecooperation.org/
[25] https://www.effectivecooperation.org/4thMonitoringRound

MVI with its 26 indicators could be used as a marker to distinguish between projects whose principal purpose is to reduce impacts of structural vulnerabilities versus other projects in which responding to multidimensional vulnerability is a secondary or third objective (see the Rio markers as an example).

39. The UN system (RCOs & UNCTs) in 62 countries (see *Table 1*) and territories participating in this assessment and including all key typologies (LDCs, LDCS/LLDCs, SIDS, LLDCs, MICs, HICs) replied in their vast majority that no specific methodology has been developed for their CCAs, some referring to the use of the Multidimensional Risk Analysis (UNDRR)[26], SDG Risk Analysis (UNDCO), locally developed vulnerability profiles or even AI tools to automate to the extent possible the complex undertaking of drawing a clear picture of the country's context and its challenges at a certain moment in time.

40. Over 30% of the RCOs/UNCTs responded NO to the question regarding the consideration given to multidimensional vulnerability in their CCAs mainly referring to the absence of a specific multidimensional vulnerability framework to guide the analysis. It is in this context that the VRCP could be recommended to DCO for further use in CCA and CF production and monitoring.

41. Less than 40% of the UNCTs interviewed have an Integrated National Financing Framework in place which, while not ideal, presents an opportunity for the new generation of INFFs to integrate an analysis as to how structural vulnerabilities and resilience gaps affect the overall cost of the country's sustainable development.

42. With the exception of two RCOs, all of the others (97%) assessed the relevance of the MVI to their context either total or partial which is an important primary validation for the index to receive.

43. Less than half of the RCOs (47%) answered NO to the question as to whether they consider testing the MVI in their country context. Two of the reasons behind the slow uptake of the index are the limited awareness among the UNCT members regarding this new tool on one hand and the need to consult with the Government on the way forward on the other hand. Some considered partial testing of the MVI to help UNDESA and OHRLLS validate the relevance of various indicators to the work of the UN and the global agendas being implemented. Some of the RCOs pointed to the lack of clarity as to what purpose the MVI will serve. In the absence of such clarity, the use of the index may remain limited. All indices currently used in the UN system are accompanied by methodologies and policy briefs guiding the

[26] https://www.undrr.org/media/48470/download?startDownload=20240916

users from data collection to computation and utilization in planning, programme design, implementation and evaluation.

Table 1 – RCO/UNCT responses to questionnaire

Source: RCOs answers to Questionnaire designed by author

44. Detailed information regarding the consideration given to multidimensional vulnerability by various organizations in the UN system is presented in the body of this report.

II.2.1. Multidimensional vulnerability as considered by various UN organizations

UNDP's consideration to multidimensional vulnerability

45. The United Nations Development Programme integrates multidimensional vulnerability into its work in several ways. Vulnerability analysis is an important component of the formulation process for its strategic planning and programming as:
    a. a quality safeguard
    b. a guiding input into the underpinning theories of change and the identification of strategic priorities and
    c. in the selection of the three directions of change to which the six signature solutions are being tailored. More specifically, UNDP's three directions of change - structural transformation, leaving no one behind, and resilience building- differentiate among countries based on the level of MPI and the presence of fragility. Overall, while risk analysis is embedded in all its frameworks, it is multidimensional vulnerability measured through the MPI, the HDI and the MVI (for SIDS) that guides UNDP's positioning.

46. The United Nations Development Programme (UNDP) defines multidimensional vulnerability as the susceptibility of individuals, communities, and systems to various risks and shocks across multiple dimensions, including economic, social, environmental, and institutional factors.

47. The organization uses multiple indices in planning and programming to inform its interventions across its broad mandate. None of such indices distinguishes between structural and endogenous or self-inflicted vulnerabilities.

In essence, those are:

a. The Multidimensional Poverty Index (MPI):
The MPI measures poverty beyond income-based metrics. The Index identifies multiple deprivations at the household level across three key dimensions: health, education, and standard of living. The MPI shows both the incidence of nonincome multidimensional poverty (a headcount of those in multidimensional poverty) and its intensity (the average deprivation score experienced by poor people). Based on deprivation score thresholds, people are classified as multidimensionally poor, in severe multidimensional poverty or vulnerable to multidimensional poverty.

b. **Multidimensional Vulnerability Index (MVI):**
The MVI is used to account for long-term structural vulnerabilities and recent weaknesses of Small Island Developing States recent weaknesses such as those exacerbated by the COVID-19 pandemic. It includes indicators across economic, social, environmental and institutional dimensions.

c. **Human Development Index (HDI):**
The HDI measures average achievements in key dimensions of human development: health, education, and income. It helps in understanding the broader context of a country's development.

d. Climate Change Vulnerability Mapping:
This involves identifying and mapping current and future vulnerabilities to long-term climate change. It helps in designing appropriate policies and interventions at the sub-national level.

e. Enterprise Risk Management (ERM):
UNDP's ERM framework aligns with the ISO 31000:2018 standard and includes risk identification, analysis, evaluation, treatment, and continuous monitoring.

h. **Social Vulnerability Assessment Tools:**
These tools are used to integrate issues of climate, disaster risk, and energy at the country level, focusing on building resilience and ensuring sustainable development. The framework includes 30 socio-economic, demographic, and environmental indicators[27] .

[27] https://adaptation-undp.org/sites/default/files/resources/social_vulnerability05102017_0.pdf

i. **The Digital Social Vulnerability Index (DSVI)** was included to leverage advanced technologies like geographic information systems (GIS) and machine learning (ML) to provide a more comprehensive and high-resolution analysis of social vulnerabilities by identifying the exact location, distribution, and underlying drivers of social vulnerabilities, offering a more detailed and accurate representation compared to traditional methods. This tool is particularly useful for understanding community resilience to natural disasters, social shocks, and climate change.

48. In its Strategic Plan 2022-2025, UNDP offers six signature solutions - Poverty & Inequality, Governance, Resilience, Environment, Energy, Gender Equality- tailored to three different contexts: (1) countries in structural transformation, (2) countries with high incidence of poverty and exclusion, and (3) countries in crisis. Three enablers including digitalization, strategic innovation and development finance are being employed towards achieving results. As the organization is about to begin preparations of its new Strategic Plan 2026-2029, it may consider differentiating among contexts based on their level of multidimensional vulnerability as measured by the MVI.

49. While through various indices UNDP develops context analysis including as part of the CCA and builds its Country Programme Documents to address vulnerabilities affecting people and the environment, the allocation of core resources continues to be made on the basis of the country's GNI per capita as per the organization's Financial Rules and Regulations (FFRs).

50. In its Human Development Report (HDR) commissioning and oversight role, UNDP sheds light annually on matters of global significance that are shaping human development and shifting trends in the life of the people - planet system. In 2014, the Human Development Report titled "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience" specifically addressed the issue of vulnerability. The report highlighted how vulnerability threatens human development and emphasized the need for systematic approaches to address these vulnerabilities through policy changes and social norms. While primarily identifying endogenous vulnerabilities, the report touched upon physical realities limiting people's access to services and exposing them to hazards. A dedicated HDR to structural vulnerabilities to further highlight how they determine a country's development trajectory would be of critical importance in raising awareness on the MVI and its purpose to give unobstructed access to concessional finance to vulnerable nations.

UNICEF's Approach to Multidimensional Vulnerability

51. The United Nations Children's Fund (UNICEF) defines vulnerability as the state of being at risk of harm or adverse outcomes due to a variety of factors, including economic, social, health, environmental, and political conditions.

52. Vulnerability, especially for children, is understood as being multidimensional, which means that it encompasses not only material poverty but also a lack of access to essential services like education, healthcare, clean water, protection from violence, and social support.

53. UNICEF addresses vulnerability from a multidimensional perspective, recognizing that children face a variety of overlapping risks that are interconnected. The organization emphasizes not only the survival of children but also their development, protection, and participation in society, which requires addressing vulnerabilities beyond basic material deprivation.

54. Key aspects of vulnerability according to UNICEF, which combine structural with non-structural variables, include:
    a. Poverty and Deprivation: Children living in poor households are particularly vulnerable to a range of negative outcomes, including malnutrition, lack of education, and exposure to violence.
    b. Health and Nutrition: Vulnerability is also closely linked to poor health conditions. Children lacking access to healthcare services or proper nutrition face increased risks of disease and early death.
    c. Social and Cultural Factors: Social inequalities, such as gender discrimination, racial or ethnic marginalization, and exclusion of children with disabilities, further exacerbate children's vulnerabilities.
    d. Environmental and Conflict Factors: Children living in areas affected by natural disasters, climate change, or conflict are vulnerable due to displacement, lack of basic services, and the breakdown of community and family structures.

UNICEF's approach to multidimensional vulnerability involves addressing these multiple, interrelated factors to improve children's overall well-being.

55. UNICEF's Geographic Multidimensional Vulnerability Analysis highlights key vulnerabilities affecting children, including disparities in access to education, healthcare, and social protection, using geographic mapping to ensure more efficient resource allocation. By focusing on multidimensional vulnerability, UNICEF tailors

its programs to ensure that the most marginalized children receive the help they need across all areas of well-being.

56. Another key tool used by UNICEF is the Multidimensional Vulnerability Index (MVI), which helps identify the most vulnerable populations by considering multiple factors across multiple dimensions:
    1. Education: Access to education, school attendance, and educational attainment.
    2. Health: Access to healthcare, nutrition, and child mortality rates.
    3. Living Standards: Housing conditions, access to clean water and sanitation, and electricity.
    4. Economic Stability: Employment status, income levels, and economic security.
    5. Social Protection: Access to social services and support systems.
    6. Connectivity: Access to technology and the internet, especially for educational purposes.

57. UNICEF has recently conducted a review of the use of multidimensional poverty measures concluding that:
    1. Multidimensional poverty measures are essential: The report highlights the importance of using multidimensional poverty measures to capture the multiple deprivations that children and families experience.
    2. Limitations of income-based measures: Income-based measures alone are insufficient to capture the full extent of poverty, as they do not account for non-monetary deprivations such as access to education, healthcare, and sanitation.
    3. Variability in multidimensional poverty measures: The report notes that different multidimensional poverty measures can produce varying results, emphasizing the need for careful selection and application of these measures.
    4. Importance of context: The report stresses that the choice of multidimensional poverty measure should be context-specific, taking into account the local poverty context, data availability, and policy priorities.
    5. Use of multidimensional poverty measures in policy and programming: The report concludes that multidimensional poverty measures can inform policy and programming decisions, particularly in areas such as social protection, education, and healthcare.

UNFPA's Approach to Multidimensional Vulnerability

58. UNFPA defines multidimensional vulnerability as the overlapping and intersecting factors that create risks and hardships for individuals, particularly women, adolescents, and marginalized groups. These vulnerabilities are not limited to one area of life but span across different domains such as health, **education, economic stability, and safety affecting overall well-being.**

59. Key Aspects of Multidimensional Vulnerability in UNFPA's approach:

1. **Reproductive Health and Rights:** Lack of access to sexual and reproductive health services is a key dimension of vulnerability. This includes barriers to contraception, safe childbirth, and education on sexual health, which can result in poor health outcomes and perpetuate cycles of poverty.
2. **Gender Inequality:** Women and girls face vulnerabilities related to gender-based violence, discriminatory social norms, and limited decision-making power. These intersect with other factors, such as poverty and geographic location, to deepen their disadvantages.
3. **Economic Vulnerability:** Poverty and lack of economic opportunities compound vulnerabilities, particularly for women, who often face economic exclusion and limited access to education and employment, exacerbating their reliance on unsafe practices.
4. **Humanitarian Crises:** In contexts of conflict or natural disasters, vulnerabilities are heightened due to displacement, loss of livelihoods, and increased exposure to violence, particularly sexual and reproductive violence.
5. **Intersectionality:** Vulnerability is often multidimensional because it is shaped by multiple factors, including age, disability, ethnicity, and geographic location. For example, young girls in rural areas may face compounded risks due to a lack of health services and limited protection from harmful practices.

60. In UNFPA’s work, addressing multidimensional vulnerability means targeting the complex and intersecting needs of individuals and groups through comprehensive programs that improve access to sexual and reproductive health services, promote gender equality, and provide protection in crisis situations. It does not use a composite index to define such vulnerabilities rather relying on well-established metrics.

61. UNFPA incorporates multidimensional vulnerability into its planning and programming by addressing intersecting risks and challenges that individuals face, particularly focusing on sexual and reproductive health, gender equality, and

marginalized populations. The approach aims to ensure that interventions are inclusive, equitable, and tailored to the complex needs of vulnerable groups. A few examples include:

a. **Humanitarian Programming:** In humanitarian crises, UNFPA applies a multidimensional lens to identify and assist the most vulnerable groups, such as women, girls, and adolescents. By considering factors like access to healthcare, exposure to gender-based violence, and displacement, UNFPA develops programs that prioritize reproductive health services, safe childbirth, and protection from violence. For example, in conflict zones like Syria and Yemen, UNFPA ensures the delivery of dignity kits and psychosocial support to women facing multiple vulnerabilities.
b. **Population Risk and Resilience Framework:** UNFPA has developed the Population Risk and Resilience Assessment Framework to address vulnerability in the context of climate change and disasters. This framework helps governments assess how demographic factors, including reproductive health needs and social inequalities, intersect with risks like natural disasters. By using this tool, countries such as Malawi and Indonesia can better plan for crises and ensure the needs of vulnerable populations are met during recovery efforts.
c. **Focus on Gender-Based Violence (GBV) and Reproductive Health:** A significant part of UNFPA's work involves addressing gender-based vulnerabilities, such as GBV, child marriage, and female genital mutilation (FGM). Programs in countries like Ethiopia and Sudan integrate services to prevent GBV with sexual and reproductive health support, recognizing that these issues are interconnected and require a comprehensive approach. In these regions, multidimensional vulnerability is a core element of both prevention and response efforts, ensuring that interventions are culturally sensitive and address various social and economic
d. **Youth and Adolescents:** UNFPA's programs for adolescents consider the multiple dimensions of vulnerability faced by young people, particularly in terms of access to sexual and reproductive health services, education, and protection from harmful practices. In sub-Saharan Africa, for example, UNFPA has rolled out programs that integrate comprehensive sexuality education (CSE) with youth-friendly health services, aimed at reducing adolescent pregnancies and promoting gender equality.
e. **Data-Driven Approaches:** To ensure effective programming, UNFPA uses data to assess multidimensional vulnerability across countries. By collecting and analyzing demographic data, UNFPA can identify the most vulnerable populations and develop targeted interventions. This data-driven approach is

key to the organization's work in family planning, maternal health, and combating GBV.

62. By integrating multidimensional vulnerability into its programs, UNFPA ensures that its interventions are responsive to the specific needs of different population groups, considering the complexities of gender, age, disability, and socio-economic status in their efforts to promote reproductive health and gender equality.

63. It is important to note that various Executive Boards and other governing mechanisms verify the alignment of the Country Programme Documents (CPDs) with the UNSDCF Results Framework without consideration for the findings of the CCA. As such, unless a multidimensional vulnerability marker is being introduced and reflected in the CF Results Framework, the extent to which the CF addresses multidimensional vulnerabilities and the specific contributions that CPDs make is impossible to track.

UN WOMEN's consideration to multidimensional vulnerability

64. UN WOMEN defines multidimensional vulnerability as a concept that captures the various ways in which individuals or groups may be vulnerable to poverty, inequality, and other forms of deprivation. This concept recognizes that vulnerability is not solely determined by income or economic factors, but also by social, cultural, and institutional factors. More specifically, multidimensional vulnerability "refers to the multiple and interconnected ways in which individuals or groups may be vulnerable to poverty, inequality, and other forms of deprivation. It encompasses not only economic vulnerability but also social, cultural, and institutional vulnerabilities that can limit individuals' or groups' ability to achieve their full potential and exercise their rights."

65. Dimensions of multidimensional vulnerability include:
    1. **Economic vulnerability:** Limited access to resources, income, and employment opportunities.
    2. **Social vulnerability:** Limited access to education, healthcare, and social services.
    3. **Cultural vulnerability:** Limited recognition and respect for cultural identity, language, and practices.
    4. **Institutional vulnerability:** Limited access to justice, participation in decision-making, and protection from violence and discrimination.
    5. **Environmental vulnerability:** Limited access to natural resources, clean environment, and climate change mitigation and adaptation measures.

66. **UN WOMEN** uses a range of indices, indicators and tools to analyze multidimensional vulnerability, including:
    a) **The Multidimensional Poverty Index (MPI):** Developed by the Oxford Poverty and Human Development Initiative (OPHI), the MPI measures poverty across multiple dimensions, including health, education, and living standards.
    b) **The Gender Inequality Index (GII):** Developed by the United Nations Development Programme (UNDP), the GII measures gender inequality across three dimensions: reproductive health, empowerment, and labor market participation.
    c) **The Social Institutions and Gender Index (SIGI):** Developed by the Organisation for Economic Co-operation and Development (OECD), the SIGI measures the extent to which social institutions, such as laws, social norms, and practices, discriminate against women.
    d) **Surveys and assessments:** UN WOMEN conducts surveys and assessments to gather data on women's experiences of vulnerability, including the Women's Empowerment in Agriculture Index (WEAI) and the Gender Equality and Women's Empowerment (GEWE) framework.

67. **Additionally, in analyzing multidimensional vulnerability, UN WOMEN uses a series of static indicators such as:**

    a) Percentage of population living below the international poverty line ($1.90/day)
    b) Percentage of women with secondary education
    c) Percentage of women in paid employment
    d) Percentage of women with access to healthcare
    e) Percentage of women experiencing violence
    f) Percentage of women with access to justice
    g) Percentage of women participating in decision-making processes

Such indicators enable a quantitative assessment and a comprehensive picture of multidimensional vulnerability and help UN WOMEN to identify areas where women and girls are most vulnerable**.**

World Food Programme's consideration to multidimensional vulnerability

68. The World Food Programme (WFP) defines multidimensional vulnerability as a concept that captures the various ways in which individuals or households may be vulnerable to food insecurity, malnutrition, and other forms of deprivation. More

specifically, multidimensional vulnerability "refers to the multiple and interconnected factors that affect an individual's or household's ability to access and utilize food, including economic, social, environmental, and institutional factors. It encompasses not only food insecurity but also other forms of deprivation, such as malnutrition, poverty, and lack of access to basic services."

69. WFP identifies several dimensions of multidimensional vulnerability, including:
    a) **Food insecurity:** Limited access to sufficient, safe, and nutritious food.
    b) **Malnutrition:** Limited access to nutritious food, leading to undernutrition, micronutrient deficiencies, or overweight and obesity.
    c) **Poverty:** Limited access to resources, income, and employment opportunities.
    d) **Social exclusion:** Limited access to education, healthcare, and social services.
    e) **Environmental degradation:** Limited access to natural resources, clean environment, and climate change mitigation and adaptation measures.
    f) Institutional vulnerability: Limited access to justice, participation in decision-making, and protection from violence and discrimination.

70. WFP uses a range of indices, indicators and tools to analyze multidimensional vulnerability, including:
    a) The Food Insecurity Experience Scale (FIES): A survey-based tool that measures the severity of food insecurity experiences.
    b) **The Household Dietary Diversity Score (HDDS):** A survey-based tool that measures the variety of foods consumed by households.
    c) **The Multidimensional Poverty Index (MPI):** Developed by the Oxford Poverty and Human Development Initiative (OPHI), the MPI measures poverty across multiple dimensions, including health, education, and living standards.
    d) **The Vulnerability Analysis and Mapping (VAM) framework:** A toolkit that provides a comprehensive framework for analyzing and mapping vulnerability.
    e) **Surveys and assessments:** WFP conducts surveys and assessments to gather data on households' experiences of vulnerability, including the WFP's Vulnerability Assessment and Mapping (VAM) surveys.

71. Some of the indicators used by WFP to measure multidimensional vulnerability include:
    a. Percentage of population experiencing severe food insecurity
    b. Percentage of children under 5 years old suffering from stunting

c. Percentage of households with limited dietary diversity
d. Percentage of population living below the international poverty line ($1.90/day)
e. Percentage of households with limited access to sanitation and hygiene facilities
f. Percentage of population experiencing social exclusion

82. WFP uses the concept of multidimensional vulnerability to:
    a) Target assistance: WFP uses vulnerability analysis to identify the most vulnerable populations and target assistance to those who need it most.
    b) Design programs: WFP designs programs that address multiple dimensions of vulnerability, such as food assistance, nutrition support, and livelihoods programs.
    c) Monitor and evaluate: WFP uses vulnerability indicators to monitor and evaluate the impact of its programs on reducing multidimensional vulnerability.
    d) Advocate for policy change: WFP uses vulnerability analysis to advocate for policy changes that address the root causes of multidimensional vulnerability.

83. By using a multidimensional vulnerability approach, WFP aims to provide more effective and sustainable solutions to address the complex needs of vulnerable populations.

Food and Agriculture Organization's approach to multidimensional vulnerability

84. There is a great degree of overlap between FAO's and WFP's concepts and measurement of multidimensional vulnerability due to complementary mandates and common goals. Although they both operate with similar definitions and measurement tools for multidimensional vulnerability, there are some key differences as to how they internalize such information and devise their assistance to countries in need.

85. Key differences in concepts and analytical approach to multidimensional vulnerability include:
    a) **Food security:** WFP tends to focus on the availability and access dimensions of food security, while FAO takes a more comprehensive approach, including utilization and stability dimensions.

b) **Vulnerability:** WFP's vulnerability analysis tends to focus on immediate humanitarian needs, while FAO's vulnerability analysis takes a more long-term perspective, considering structural and systemic vulnerabilities.
c) **Resilience:** WFP emphasizes building resilience through emergency response and relief operations, while FAO focuses on building resilience through sustainable agriculture practices and policy support.
d) **Sustainable agriculture:** FAO places a strong emphasis on sustainable agriculture practices, such as agroecology and climate-smart agriculture, while WFP's focus is more on emergency response and relief operations.

86. While WFP is primarily a humanitarian organization focusing on reversing immediate impacts of disasters and shocks on food availability, FAO works to strengthen resilience in the face of systemic issues affecting agriculture, fisheries, forestry and rural development and transform food systems for food security and nutrition for all.

87. The indicators used by FAO uniquely to measure *multidimensional vulnerability* include:
    a) Agricultural Stress Index (ASI): Measures the impact of climate-related shocks on agricultural productivity and food security.
    b) Crop Condition Index (CCI): Assesses the health and productivity of crops, providing early warnings of potential crop failures.
    c) Livestock Health Index (LHI): Evaluates the health and productivity of livestock, providing insights into the vulnerability of pastoralist communities.
    d) Fisheries Vulnerability Index (FVI): Assesses the vulnerability of fisheries and fishing communities to climate change, overfishing, and other threats.
    e) Forest Dependency Index (FDI): Measures the dependence of communities on forest resources, including timber, fuelwood, and non-timber forest products.
    f) Rural Poverty Index (RPI): Assesses the poverty levels of rural populations, including income, education, and access to basic services.
    g) Climate Risk Management Index (CRMI): Evaluates the capacity of communities to manage climate-related risks, including climate information, early warning systems, and climate-resilient agriculture practices.
    h) Water Scarcity Index (WSI): Measures the availability and accessibility of water resources, including surface water, groundwater, and precipitation.
    i) Land Degradation Index (LDI): Assesses the extent and severity of land degradation, including soil erosion, salinization, and nutrient depletion.

j) Biodiversity Index (BI): Evaluates the health and resilience of ecosystems, including species richness, habitat fragmentation, and ecosystem services.
k) FAO supports the integration of those indices into existing data systems, such as national statistical systems, to facilitate data analysis and use in decision making.

UN Office for Disaster Risk Reduction (UNDRR)'s approach to multidimensional vulnerability

88. Operating as the UN system's focal point for disaster risk reduction and custodian of the Sendai Framework and its implementation, monitoring and review of progress, UNDRR's approach rests on two pillars, namely on data and data systems, and on disaster policy. Both areas of work entail providing technical support to countries to deepen understanding of risk knowledge and inform dialogue and actionable policy through a comprehensive approach to risk management.

89. On data, UNDRR provides open-source software for countries to track event-based disaster impacts called Desinventar that is used in 113 countries around the world. A second-generation version is under development that will go beyond disaster impact events to capture and catalogue hazardous events. This enhanced system will support multiple applications, including assessing climate impacts, informing risk-informed planning and financing, promoting inclusive resilience and recovery, and tracking progress against global targets. Other data-related endeavours of relevance include the Sendai Framework Monitor and the Early Warnings for All dashboard.

90. On policy thought, UNDRR develops concepts, frameworks and knowledge products among other tools to equip UN organizations and countries with the necessary information and capacity to manage disaster risk and prevent harmful impacts of natural hazards. Building on these to pillars, UNDRR approaches multidimensional vulnerability through a comprehensive framework that recognizes vulnerability as a complex phenomenon, shaped by multiple interacting factors. The approach goes beyond a narrow focus on exposure to hazards, and emphasizes how social, economic, environmental, and institutional factors interact to determine vulnerability levels. The three-pillar framework of *Hazards - Exposure - Vulnerability* that UNDRR is using to reflect how human, physical and social assets incur losses due to vulnerabilities when exposed to hazards and disasters is included in Annex 2.

91. Vulnerability, according to UNDRR, is the condition determined by physical, social, economic, and environmental factors or processes, which increase the susceptibility of a community to harmful impacts of hazards. Multidimensional vulnerability reflects the idea that people's vulnerability is not homogenous; it depends on various dimensions, such as:
    a) **Physical vulnerability:** Refers to the susceptibility of built environments (e.g., infrastructure, buildings) to damage from hazards.
    b) **Social vulnerability:** Encompasses factors such as poverty, health, education, gender, and other social conditions that influence individuals' or groups' capacity to prepare for, respond to, and recover from disasters.
    c) **Economic vulnerability:** Focuses on individuals' and communities' livelihoods, income levels, employment conditions, and financial resources that influence their ability to withstand and recover from disasters.
    d) **Environmental vulnerability:** Considers how degradation of natural ecosystems, pollution, and resource depletion can exacerbate exposure and reduce resilience.
    e) **Institutional vulnerability:** Involves weaknesses in governance, policy frameworks, and institutional capacity to reduce disaster risk and manage disaster response.

92. Under pinned by data, the key aspects of UNDRR's Multidimensional Vulnerability Approach include:
    a) **Systems Perspective:** Vulnerability is considered across interrelated systems (social, economic, political, environmental) rather than isolated factors. This holistic approach helps identify cascading effects of disasters.
    b) **Risk Assessment:** UNDRR promotes comprehensive risk assessments that factor in multiple dimensions of vulnerability. These assessments inform disaster risk reduction (DRR) strategies and policies to build resilience.
    c) **Inclusion and Equity:** UNDRR emphasizes that vulnerability varies across populations, with marginalized groups (e.g., women, children, disabled individuals, ethnic minorities) often being more vulnerable. The multidimensional approach ensures that DRR strategies address the unique vulnerabilities of these groups.
    d) **Context-Specific:** Recognizing that vulnerability varies widely across contexts (geographic, cultural, political), the UNDRR approach emphasizes locally tailored solutions for managing risks.
    e) **Resilience-Building:** The focus is not only on reducing vulnerability but also on building resilience by addressing the root causes of vulnerability, such as poverty, inequality, and lack of access to resources.

93. UNDRR uses the broad concept of multidimensional vulnerability in:
    a) Disaster Risk Reduction Strategies: Governments and organizations use the multidimensional vulnerability framework to develop risk reduction strategies that address various dimensions of vulnerability, promoting comprehensive and inclusive approaches to disaster preparedness, response, and recovery.
    b) Monitoring and Reporting: UNDRR supports the collection of data on vulnerability and risk, which is used to monitor progress toward national DRR policy priorities, guiding investments in resilience measure, and facilitates reporting against global DRR targets, such as those outlined in the Sendai Framework for Disaster Risk Reduction (2015-2030).
    c) Capacity Building: The approach is also used to enhance the capacity of national and local governments, civil society, and communities to understand and address their specific vulnerabilities.
    d) By using this multidimensional approach, the UNDRR ensures a more comprehensive understanding of vulnerability and effective measures for reducing disaster risk at multiple levels.

94. The UNDRR does not rely on a single index to measure multidimensional vulnerability, but capitalize on insights from its various disaster data systems to inform multiple indicators and indices across various dimensions of vulnerability. These indices are used to assess vulnerability in relation to exposure to hazards, adaptive capacity, and other socioeconomic and environmental factors that determine the level of harm that a country system may incur in case disaster risks materialize. Some of the widely used indices and frameworks that align with UNDRR's aforementioned multidimensional approach include:

    1. The **INFORM Risk Index (Index for Risk Management)** whose custodian is the European Commission is a global, open-source tool that measures the risk of humanitarian crises and disasters. It is often used by UNDRR and other organizations to understand multidimensional risk, including vulnerability. The index is based on three key dimensions:
        i. Hazard & Exposure: Natural hazards, human-induced hazards, and exposure levels.
        ii. Vulnerability: Socioeconomic vulnerability (e.g., poverty, development levels, inequality) and vulnerable groups (e.g., children, elderly, gender-related vulnerabilities).
        iii. Development and deprivation levels (e.g., Human Development Index, poverty rates):
            a. Inequality (e.g., GINI index)
            b. Health conditions (e.g., life expectancy, access to healthcare)

c. Lack of Coping Capacity: Institutional factors, including the ability to respond to and recover from disasters, governance, and access to resources.

2. **Human Development Index (HDI)** while not developed specifically for disaster risk, the Human Development Index (HDI) is widely used as a vulnerability-related indicator by UNDRR. It measures key dimensions of human development such as Life expectancy (health), Education level (access to knowledge), Gross national income per capita (standard of living). Countries with lower HDI scores tend to have higher vulnerability to disasters, as they have fewer resources to prevent and recover from hazards.

3. **The Multidimensional Poverty Index (MPI)** measures poverty across several dimensions (health, education, and living standards) and can be used to identify the vulnerabilities that stem from poverty. This index includes indicators such as:
    a. Child mortality and nutrition (health)
    b. Years of schooling and school attendance (education)
    c. Access to clean water, sanitation, electricity, housing conditions (living standards)

    UNDRR incorporates the MPI in its multidimensional assessment to identify how poverty exacerbates disaster vulnerability.

4. **The Social Vulnerability Index (SVI)** assesses how demographic, social, and economic characteristics affect communities' ability to respond to and recover from disasters. Common indicators used in this index include:
    1. Income levels and poverty rates
    2. Age (elderly, children)
    3. Race/ethnicity, gender
    4. Disabilities
    5. Housing quality and crowding
    6. Access to transportation and healthcare

This index is often used to tailor DRR measures to specific vulnerable populations, ensuring that disaster response strategies are inclusive.

5. **The Climate Risk Index (CRI)** measures the impacts of weather-related events such as storms, floods, and heatwaves. The CRI is often used in conjunction with vulnerability indices to assess how climate-related hazards intersect with multidimensional vulnerabilities. Indicators include:
    1. Number of deaths due to extreme weather events
    2. Economic losses (as a percentage of GDP)

3. Number of people affected

This index helps in understanding which countries or regions are most vulnerable to the impacts of climate change.

6. **The Disaster Risk Reduction Capacity Assessments (local indices)** - At the national or local level, countries and communities, often with the support of UNDRR, develop custom vulnerability and risk indices as part of their disaster risk reduction (DRR) capacity assessments. These indices often focus on local vulnerability factors, such as:
    1. Housing and infrastructure resilience
    2. Access to early warning systems
    3. Local governance and institutional capacity
    4. Social protection systems

7. **The Sendai Framework Monitor -UNDRR** tracks progress toward the Sendai Framework for Disaster Risk Reduction (2015-2030), which includes specific indicators and targets for reducing disaster risk and vulnerability that feeds into four SDG targets. These indicators are used by countries to measure their progress in reducing disaster losses and strengthening resilience. Key targets related to vulnerability include:
    1. Target A: Reducing disaster mortality.
    2. Target B: Reducing the number of affected people.
    3.
    4. Target D: Reducing damage to critical infrastructure.
    5. Target G: Availability and Access to Early Warning Systems

    Data collected through the Sendai Framework Monitor helps assess multidimensional vulnerability by tracking how well countries are addressing the factors that contribute to disaster risk.

95. In summary, UNDRR measures multidimensional vulnerability by leveraging disaster data and links that with a combination of global indices (such as INFORM Risk Index, HDI, and MPI) and local assessments. These indices, which are not solely exogenous in nature, integrate factors related to social, economic, environmental, and institutional vulnerabilities, allowing for a holistic view of how different dimensions of vulnerability contribute to disaster risk. While uniquely relevant to disaster risks, the approach of UNDRR can very well be used for managing other forms of risks including those leading to pandemics and financial and economic shocks.

WHO's consideration to multidimensional vulnerability

96. A series of dedicated metrics are being used to measure vulnerability and resilience within national health systems.
97. Multidimensional vulnerability, in the WHO framework, refers to the cumulative risk faced by individuals or communities due to the interaction of various vulnerabilities such as:
    a) **Health-related vulnerability:** Involves the population's susceptibility to diseases, lack of access to healthcare, and existing health conditions (e.g., chronic diseases, malnutrition, immunocompromised states).
    b) **Social vulnerability:** Factors like poverty, education, housing, gender, age, and disability, which determine the level of risk a population faces during health crises or disasters.
    c) **Environmental vulnerability:** The exposure to environmental hazards (e.g., polluted water, air quality issues, climate change effects) that may exacerbate health risks.
    d) **Economic vulnerability:** The financial instability of individuals or communities, which limits access to essential services like healthcare, nutrition, and safe housing.
    e) **Institutional vulnerability:** Weaknesses in the healthcare system, governance, and public health infrastructure that hinder an effective response to emergencies and disasters

WHO's Use of Multidimensional Vulnerability across its mandate

Emergency Preparedness and Response

98. WHO uses the concept of multidimensional vulnerability to identify populations that are most at risk during public health emergencies, such as pandemics, epidemics, and natural disasters. In its Health Emergency and Disaster Risk Management (Health EDRM) framework, WHO emphasizes addressing vulnerabilities across various dimensions to reduce health risks during emergencies. For instance, during the COVID-19 pandemic, WHO highlighted the multidimensional vulnerabilities of certain populations, such as the elderly, people with pre-existing health conditions, and those in low-income settings. By focusing on social determinants of health, WHO designed interventions that prioritized these groups, such as improving access to healthcare, social protection, and information.

Social Determinants of Health Framework

99. WHO's **Social Determinants of Health**[28] work considers the multidimensional nature of vulnerability by focusing on how socioeconomic factors, living conditions, and access to resources affect health outcomes and the causes (structural determinants) of the differential experiences of vulnerability conditions (daily living conditions) across the population impacting health equity. Through a Health in All Policies and social epidemiology approach, WHO aims to reduce health inequities by addressing root causes of health inequities, related to economic systems, structural discrimination and societal infrastructure, which result in poverty, inadequate unaffordable housing, and poor educational outcomes, in particular for disadvantaged populations.

100. WHO works with countries to develop and implement strategies, policies and models that help ministries of health and local governments to play an active role in intersectoral/multisectoral action for health equity, identifying, preventing and mitigating adverse impacts of these social determinants, with the aim of achieving greater health equity across populations.

Vulnerability and Risk Assessments

101. WHO employs health vulnerability and capacity assessments including vulnerability and adaptation assessments to evaluate the health system's ability to manage risks while identifying vulnerable populations. These assessments are often done before emergencies to strengthen health systems and reduce the impact of health crises.

102. The Strategic Toolkit for Assessing Risks (STAR) was launched in 2021 to enable risk assessments related to all-hazards health emergencies. This toolkit is comprehensive and easy to use to assess risks to guide actions, inform planning, and provide evidence to strategies and policies for better prevention, preparedness, response and recovery. This is critical for 'whole-of-society actions' for emergencies and disasters.

103. Estimating disaster risk and underlying risk factors by assessing severity of hazards, vulnerability of locations and population groups and existing local response capacities is critical to optimally develop, implement and scale up Health Emergency and Disaster Risk Management (EDRM) policies and programmes.

Health Equity Focus

[28] https://www.who.int/health-topics/social-determinants-of-health#tab=tab_1

104. WHO integrates multidimensional vulnerability into its work on health equity, aiming to reduce disparities in health outcomes by focusing on populations living in vulnerable conditions. This involves working on policies that address the intersecting vulnerabilities faced by groups such as women, children, ethnic minorities, and people with disabilities.

105. WHO's Global Health Equity Monitor tracks health inequalities by focusing on various dimensions like income, education, geographic location, and sex, providing insights into how these factors combine to affect vulnerability and health outcomes.

Climate Change and Health

106. WHO also uses multidimensional vulnerability in the context of climate change, where it assesses how environmental and socioeconomic factors interact to affect health outcomes. For example, disadvantaged populations, such as those living in low-income areas or regions prone to climate hazards, are more susceptible to health issues like heat stress, vector-borne diseases, and malnutrition.

107. WHO's Climate and Health Country Profiles evaluate climate-sensitive health risks while identifying the multidimensional vulnerabilities of populations to inform climate adaptation policies in the health sector.

Pandemic Preparedness and Vulnerability Mapping

108. WHO uses multidimensional vulnerability to guide pandemic preparedness and response, particularly by mapping the most vulnerable populations. Vulnerability mapping involves analyzing health, socioeconomic, and environmental data to pinpoint regions and populations that are most at risk during pandemics. For example, during the Ebola crisis and the COVID-19 pandemic, WHO used vulnerability assessments to design vaccination campaigns, allocate resources, and deliver healthcare services to populations facing multiple dimensions of vulnerability.

Dynamic Preparedness Metric (DPM)

109. In 2022, WHO published the Dynamic Preparedness Metric (DPM) dashboard to support country preparedness for health emergencies and in 2024 it published the DPM report. The DPM can inform countries of their preparedness

status and support prioritization and implementation of specific actions to improve capacities.

110. By providing a dynamic, evidence-based, risk-based metric the DPM signals a shift in the paradigm of measuring and acting for preparedness. The DPM varies from the multiple indices that currently exist to measure a country's health emergency preparedness status which are cross-sectional, do not reflect current and changing risks, particularly as demonstrated by the COVID-19 pandemic, and are not linked to implementable actions. The DPM addresses the gap in linking risk to action for health emergency preparedness.

111. The DPM is a composite measure that provides preparedness risks for five syndromes for all 196 State Parties to the International Health Regulations. These risks are determined by aggregating indicators across three main conceptual risk dimensions (hazard, vulnerability and capacity), using multisector open-source data to perform up-to-date contextual assessments.

112. In the vulnerability dimensions, the DPM includes measures of socio-economic vulnerability (focusing on economy and inequality), population vulnerability (focusing on population movement, health status, demography and comorbidity and human behaviour) and climate and ecosystem vulnerability (non-biological hazards, climate change and land use).

113. The DPM is accessed through an online dashboard which provides advanced analytical solutions for exploiting the richness and complexity of the information included in the DPM model for country, regional and global profiles. The dashboard links users who are involved in decision-making, policy or strategic development, direct implementation or funding for capacity-building activities of IHR, health security and preparedness directly to relevant risks.

114. The DPM differs from other preparedness tools by taking a more holistic approach to risk, and being designed to be able to reflect changes in risk over short periods of time.

115. The DPM complements existing tools, such as the Strategic Toolkit for Assessing Risk by providing updated and comparable information on the hazards, vulnerability and capacities within a country. It has also been identified as key tool in the in the WHO Global Architecture for Health Emergency Preparedness, Response and Resilience to measure, monitor and prioritize risks.

116. Main social groups addressed in WHO's application of Multidimensional Vulnerability include

a. Refugees and Migrants: WHO emphasizes the multidimensional vulnerabilities of refugees and migrants, who often face barriers in accessing healthcare due to legal status, socioeconomic conditions, language, and cultural differences. WHO works with countries to provide equitable healthcare to these populations by addressing their complex needs.
b. Non-communicable Diseases (NCDs): WHO applies a multidimensional lens in its work on NCDs, focusing on how social, economic, and environmental factors (e.g., poverty, education, access to healthy food) interact to increase vulnerable conditions and susceptibility to diseases like diabetes, heart disease, and cancer.
c. Children and Women: WHO emphasizes the multidimensional vulnerability of children and women, especially during emergencies and disasters. The organization promotes interventions that address the specific health needs of these groups while considering their social and economic disadvantages.
d. Aging Populations: WHO applies the multidimensional vulnerability concept in its work with aging populations, recognizing that older individuals are vulnerable not only due to age-related health issues but also due to social isolation, poverty, and inadequate access to healthcare.

117. In summary, WHO's concept of *multidimensional vulnerability* encompasses the various interacting factors that contribute to the susceptibility of individuals and populations to poor health outcomes, especially in crises. It uses this framework to guide emergency preparedness, response, and health equity initiatives, ensuring that the needs of the most vulnerable populations are addressed comprehensively. The MVI choice of indicators gives highly relevant inputs into the health profile analysis that WHO conducts at country level. WHO was the first organization to commit to further testing the MVI.

Health system resilience indicators:

118. In 2024, WHO issued an updated set of indicators to measure the resilience of health systems. The report entitled "Health system resilience indicators: an integrated package for measuring and monitoring health system resilience in countries[29]" provides a comprehensive compendium of foundational indicators and guidance for measuring and monitoring health system resilience at national, subnational and health facility levels. This applies an integrated approach with a focus on sustainable capacity to achieve universal health coverage and health

[29] https://www.who.int/publications/i/item/9789240088986

security with due consideration of multi-sectoral accountability for public health. It includes 64 core health system resilience indicators across all building blocks of the health system, and is applicable and adaptable to various contexts including Small Island Developing States. Countries do not need to measure all 64 core indicators at the same time, rather, they are encouraged to select from this list according to their gaps, priorities and status in measuring health system resilience. The document provides step-wise guidance and guiding principles to support countries in prioritizing and selecting from the health system indicators as appropriate for their context, leveraging and strengthening existing national health information system, rather than creating a parallel mechanism. The tool serves as a global reference for partners and countries that have indicated interest in, and are moving forward, in selecting and embedding selected indicators in their information systems. Given the applicability of the package to various country contexts and its all-hazards approach, a follow-up document is being developed by WHO to demonstrate how to adapt the resilience indicators to address health impacts of climate change linking with the WHO climate resilience framework.

UNCTAD's role in defining and assessing vulnerability

119. Within its mandate, the United Nations Conference for Trade and Development (UNCTAD) assists countries in enhancing their trade performance and trade-enabled development in the context of globalization. As reflected in its mission statement, UNCTAD works to maximize trade, investment, and development opportunities for developing countries and assist them in their efforts to integrate into the global economy on an equitable basis. In performing its responsibilities, UNCTAD conducts research and analysis, builds policy consensus, and provides technical assistance and capacity building.

120. Given the strong relationship between trade performance and indebtedness, UNCTAD has expanded its work over years to monitor global debt, introduce principles of responsible sovereign borrowing and lending, and advocate and seek policy solutions for sustainable debt management. As a member of the Global Crisis Response Group working to address the Food, Fuel, Finance crisis, UNCTAD has worked on a global legal framework for debt restructuring to avoid a global recession. Its Debt Management and Financial Analysis System (DMFAS) helps countries to manage their debt effectively by providing technical assistance and tools for recording and reporting reliable debt statistics.

121. UNCTAD was a strong proponent of the inclusion of debt as one of the vulnerability indicators in the MVI. In the consultations held in the development of this report, UNCTAD informed of its ongoing work to test the MVI in one of its

debt restructuring products that is under development. The explanatory note of UNCTAD's position on the current MVI is attached as Annex 4.

122. Potential way forward: As the MVI was developed to enable vulnerable countries to access concessional finance beyond graduation, it is of great utility if UNCTAD can test the correlations between the MVI and the level of debt that the country is facing. It would be even more important to demonstrate that there is no statistical correlation between the GNI per capita and the level of debt.

UNCTAD's consideration to multidimensional vulnerability in the context of LDC graduation

123. In support of the Committee for Development Policy's work, UNCTAD has produced vulnerability assessments for countries proposed for graduation since 2000 with the first batch released in 2003. As per UN General Assembly resolution A/RES/59/209, UNCTAD is mandated to produce Vulnerability Profiles (VPs) for countries proposed for graduation by the Committee for Development Policy as part of the so-called graduation assessment.

124. The UNCTAD Vulnerability Profiles are analytical assessments prepared for countries that are in the process of graduating from the Least Developed Countries (LDC) category. While not standardized in their structure, the Vulnerability Profiles serve a series of purposes as follows:

a) **Assessment of preparedness** - The profiles evaluate a country's readiness for graduation by examining the three "graduation criteria": the per capita income, the human assets, and the economic and environmental vulnerability.
b) **Identification of Vulnerabilities** and how they impact the graduation process - The profiles identify areas of vulnerability based on factors like the economy, social development, environmental challenges etc.
c) **Policy Recommendations** propose policy measures and actions to help countries manage the transition and continue progressing after graduation.
d) **Support for Strategy Formulation** by assisting national authorities in formulating strategies to build resilience and achieve sustainable development.

It is not clear what relevance the three graduation criteria actually hold for the country's post-graduation development performance.

125. The Vulnerability Profiles are crucial for helping countries to navigate the challenges of graduation from the LDC category and ensuring they continue to

develop sustainably. They are complemented by graduation *ex-ante impact assessments* produced by DESA, views by relevant governments and a series of other indicator computing and additional analysis which together form the "graduation assessment".

126. By analyzing the graduation process including the VPs, a few findings stand out:

a. The "graduation criteria" with the three indicators - GNI per capita, Human Assets Index and the Economic and Environmental Vulnerability Index- include indicators measuring both inherent and induced vulnerabilities. It is therefore difficult to identify what contribution each of those categories would have had in the country's performance towards meeting the graduation criteria. The EVI is a subset of the MVI, but graduation is not decided based on progress against one index alone.

b. The Vulnerability Profiles are not using a standard structure and make difficult the comparison among the various countries that are candidates for graduation. While each country is a distinct case and must be analyzed distinctly, they all generate lessons that need to be systematized in knowledge production linked to the graduation process.

c. The ex-ante impact assessment led by DESA analyzes changes in the country's participation in trade (accession to the Special Arrangement for Sustainable Development and Good Governance (GSP+), reduction in trade-related capacity-building and technical assistance etc.), access to development cooperation and participation in international fora that graduation will lead to and the broader externalities that such changes will create. The ex-ante impact assessment does not project the medium and long-term development trajectory that the country will have post-graduation and the determining factor that structural vulnerabilities and resilience deficits will play in the structural transformation that the country embarks on.

127. A possible way forward is to consider various potential uses of the MVI and scenarios for how the MVI can inform and benefit the graduation process:

d. Test the correlations between the MVI and the HAI and EVI in general to understand correlations and determine the timing and the differentiated cost of graduation for various LDCs deriving lessons from previous graduations.

e. Advocate contextualization of the duration of the "smooth transition" for countries in a certain range of the MVI.

f. Advocate graduation without changing terms of access to development cooperation for countries within a certain range of the MVI. Differently

phrased, countries will continue to be recommended for graduation, but into a special category for which access to concessional financing will change at a much slower pace or will not change until the specific MVI enters into a lower range

g. Use the VRCP in the development of the Vulnerability Profile, which currently doesn't use a standard structure / methodology

128. To improve the MVI and expand its use for the graduation process, UNDESA can provide to the Independent Expert Advisory Panel the results of dedicated tests regarding correlations between the MVI as a value or as a set of individual indicators and the GNI per capita, Human Assets Index, and EVI prior to graduation to see how:

- The multidimensional vulnerability as measured by the MVI affects the GNI per capita, the HAI and the EVI and the graduation trajectory.
- The social structural vulnerability and social structural resilience (which are not among the indicators of the graduation criteria) relate to the economic and environmental vulnerability. Such testing could shed light on the social determinants of economic growth and environmental sustainability.

UNEP's consideration to Multidimensional Vulnerability

129. The United Nations Environment Programme (UNEP) integrates *multidimensional vulnerability* into the framework of its Strategy for 2022-2025 titled "For People and Planet" to address the interconnected crises of climate change, biodiversity loss, and pollution through integrated approaches.

130. Key Elements of the Strategic Plan include:

a) Interconnected Crises: The plan acknowledges that climate change, biodiversity loss, and pollution *(the triple planetary crisis)* are deeply interconnected and exacerbate vulnerabilities. Addressing these issues holistically is crucial for reducing multidimensional vulnerability.

b) Science-Based Decision Making: UNEP emphasizes the importance of science in understanding and addressing *vulnerabilities* including using data science and research to inform policies and actions.

c) Inclusive and Equitable Approaches: The strategy highlights the need for inclusive actions that consider the *vulnerabilities* of different communities, especially those most affected by environmental changes.

d) Digital Transformation: UNEP aims to leverage digital technologies to enhance transparency, inclusivity, and innovation in addressing environmental challenges.

e) Global Collaboration: The plan underscores the importance of global partnerships and collaboration to effectively tackle *multidimensional vulnerabilities* and promote sustainable development.

By incorporating these elements, UNEP's Strategy 2022-2025 aims to create resilient and sustainable systems that can better withstand and adapt to various environmental and socio-economic challenges.

131. In measuring *multidimensional vulnerability* driving biodiversity loss and depreciation of vital ecosystem services due to specific hazards and stressors, UNEP uses both dedicated metrics and qualitative assessments, the latter including the Global Outlook, the Emission Gap assessments, Regional Thematic assessments (air pollution, waste management), Environmental Impact assessments etc., Environmental Performance reviews etc. As focusing on the natural capital component of a country's wealth, indices utilized in assessing the state of the environment are primarily combining exogenous variables. For example, the Environmental Vulnerability Index (EVI) that UNOPS produced in partnership with the South Pacific Applied Geoscience Commission (SOPAC) combines 50 indicators, all measuring incidence of natural phenomena that intensify pressure on the environment system.

132. UNEP is also considering the development of a Multidimensional Biodiversity Index to measure biodiversity health. The index will further determine most critical priorities for policy and financing support. As the MVI considers the environment as one of the three pillars of both structural vulnerabilities and resilience, testing correlations between the MVI and the EVI and soon the MBI could provide valuable insights as to how non-environmental indicators could indicate environmental vulnerabilities.

Multidimensional vulnerability and the changing wealth of nations (beyond GDP agenda)

133. In recent years, there has been a growing interest in finding alternatives to the Gross Domestic Product (GDP) for measuring a country's well-being and its development potential. This is because the GDP and its growth rates do not adequately reflect the development gaps that the country experiences. In his statement on *Our Common Agenda,* the United Nations Secretary- General called the excessive reliance on GDP a "glaring blind spot in how we measure economic prosperity and progress".

134. As an annual indicator that measures the monetary value of all finished goods and services produced within a country's borders, the GDP focuses on economic activity and flow of income rather than the full stock of a country's assets.

135. More specifically, the GDP measures the *flow* of economic activity, not the stock of assets by capturing the value of production and consumption within a given period. While it includes the value of physical goods and services, the GDP does not account for the depreciation of assets or the depletion of natural resources. Calculated annually (or quarterly, it only reflects the economic output over that period.

136. In summary, the GDP presents a series of limitations in reflecting the status of the country's socio-economic and environmental system:

a) It does not measure the total stock of a country's assets, such as natural resources, human capital, or infrastructure.
b) It does not account for sustainability or long-term economic health. For example, a country could experience high GDP growth while depleting its natural resources unsustainably.
c) The GDP does not capture social well-being, income distribution, or quality of life.

137. In essence, while measuring the economic output and the overall economic performance in a year's time, the GDP as the country's produced capital in a given year does depend on the natural and human assets of the country and the changes they incur overtime while not providing any measurement of their performance. As often quoted, Cambridge University economist Sir Partha Dasgupta in his *The Economics of Biodiversity Review* stated that the GDP may be "indispensable in short-run macroeconomic analysis and management [but] it is wholly unsuitable for ... identifying sustainable development."

138. The alternative measures to GDP that account for the country's stock and the resulting potential for sustainable development include the:

a. **Inclusive Wealth Index (IWI) -** introduced by UNEP in 2012 and reflected into Inclusive Wealth Reports- which measures natural, human, and produced capital, providing a more comprehensive view of a country's wealth and sustainability.
b. **Comprehensive Wealth Index** comprising

1. **Produced capital**: roads, railways, ports, houses, machinery, and a wide variety of other manufactured assets and physical infrastructure.
2. **Financial capital** stocks, bonds, and other financial assets.
3. **Natural capital**: marketable natural resources (such as forests) and mineral deposits (including hydrocarbons). It also includes ecosystems of all kinds that produce essential goods and services not captured by markets.
4. The collective knowledge, skills, and capabilities of the population make up the **human capital**—the result of lifelong learning in both formal and informal settings.
5. **Social capital**: norms and behaviors that define interactions between members of society, including such fundamental elements as rights, laws, social inclusion, exchange, and governance

c. **Human Development Index (HDI):** This index considers life expectancy, education, and per capita income to assess overall development and well-being.
d. **Genuine Progress Indicator (GPI):** GPI adjusts GDP by considering factors like income distribution, environmental costs, and social well-being.

139. Given the imperfections presented above, relying solely on the GDP per capita or GNI per capita as indicators of development progress and criteria for access to concessional finance is inadequate, significantly misrepresenting a country's needs and undermining country's efforts to build resilience and achieve sustainable development.

140. The Multidimensional Vulnerability Index is a set of 23 indicators measuring variables exogenous in nature such as inherent economic, environmental and social features that determine a country's propensity to losses. Everything else equal, the structural vulnerabilities can explain different levels of decline in natural, human and produced assets among countries. Given the exogeneity of the MVI variables, to reduce impacts on their wealth of structural vulnerabilities, countries need access to affordable finance regardless of the level of their GDP.

141. By combining specific indicators, the Multidimensional Vulnerability Index reveals the relationship between a country's wealth status and its development potential measured through both change in wealth and GDP under given and emerging circumstances including hazards, geographic position and human mobility.

142. An analysis of the relationship between GDP and changes in wealth led by UNEP revealed that the GDP often outpaces wealth growth. This discrepancy is

primarily due to the rapid expansion of goods and services driven by increasing demand, which, in the absence of widely adopted green growth models, leads to the depletion of natural resources and faster depreciation of produced capital.

143. According to the High-Level Panel's report, the Multidimensional Vulnerability Index (MVI) aims to unpack how structural vulnerabilities and resilience deficits impact the relationship between changes in national wealth and the GDP in a certain period of time and further inform as what better measurements of development progress we should jointly consider to have a more accurate perspective on the state of the planet and our humanity.

II.2.2. Global Environment Facility's consideration to multidimensional vulnerability and the MVI

144. Since its establishment in 1991, the Global Environment Facility (GEF) implements Country Engagement Strategies to empower countries to program GEF funds with country priorities at the center and through various coordinated, complementary and interconnected activities, such as upstream technical dialogues, national dialogues, expanded constituency workshops, constituency meetings, stakeholder empowerment series and thematic workshops. The facility operates on a 4-year cycle. Every four years, the GEF undergoes a replenishment process where donor countries pledge funds to support its environmental projects1. The most recent replenishment, GEF8, was finalized in June 2022 with pledges totaling $5.33 billion for the period 2022-2026.

145. To strengthen relevance to country contexts, the GEF put forward a vulnerability index in its GEF-8 replenishment negotiations in 2021-2022. This was to replace the income-based GDP index. The proposed index at the time of the GEF-8 replenishment combined the Economic and Environmental Vulnerability Index (EVI) from UNDESA and the Human Development Index from UNDP. This was tested and internally discussed. Although the index was not included in the allocation system, the GEF's governing body asked the Secretariat to continue exploring options moving forward. As a result, GEF has a mandate to reflect vulnerability in its allocation system for the upcoming replenishment cycle.

146. With an official mandate from its governing body to test vulnerability into its allocation system, work is in progress in the GEF team to evaluate the current methodologies and datasets on "vulnerability" to assess suitability, sensitivity, relevance, impact, and limitations. This assessment will include a review of the

latest status of the MVI and its operationalization to inform a decision of the GEF's governing body- the GEF Council - at the upcoming GEF-9 replenishment for full integration of the index in the context analyses and country engagement strategies moving forward. The GEF wishes to be considered as a source of inputs into the work of the Independent Expert Advisory Panel given the financial nature of its operations and its role in the Financial Mechanisms of the Paris Agreement, the Convention on Biological Diversity and beyond.

III. Conclusions and Recommendations

(C1) To address the uneven level of familiarity with the MVI and the VRCP within the UN system which ultimately undermines efforts to mainstream those tools in planning, programming and delivery, several immediate steps may need to be considered by mandated organizations under the coordination of the interim Secretariat of the MVI.

Recommendations for the interim Secretariat of the MVI's consideration:
(R1) *As Secretariat of the High-Level Panel that produced the MVI and interim Secretariat of the MVI in accordance with A/RES/78/322 UNDESA and OHRLLS may consider several action points as follows:*

(R1) *As Secretariat of the High-Level Panel that produced the MVI and interim Secretariat of the MVI in accordance with A/RES/78/322, UNDESA and OHRLLS may consider several action points as follows:*

a. *UNDESA and OHRLLS to develop a strategy for the UN system to guide individual organization's understanding and ownership of the MVI and enable its further testing, use and application in view of the inclusion of the MVI in the QCPR 2025-2028. The awareness and ownership building effort could consider involving at country level the UNRC system, which, in time, can bridge the MVI adoption efforts of the UNCT with the country's ownership and use of the index.*

b. *Under the guidance of UNDESA and OHRLLS and with the UNDCO's concurrence, the Joint SDG Fund could provide a distinct line of financing as part of their "engine room" to support the RCOs and UNCTs in mainstreaming multidimensional vulnerability in joint programming. The strategy may consider including guidance on engagement with host countries and development partners to further advance adoption of the MVI.*

c. *Concerns have been raised that a distinct, new measurement of multidimensional vulnerability through the MVI that departs from the*

"graduation criteria" and the potential introduction of the VRCP framework that does not follow the traditional content of the UNCTAD-led Vulnerability Profiles used in the "graduation assessments" for the LDC transition to middle-income may confuse country classification and entitlements to development cooperation. Given the MVI structure, multiple options for positioning the index in the graduation process arise. UNDESA and OHRLLS should further engage with the Committee on Development Policy and explore use of the MVI and VRCP in the context of graduation of countries from the LDC category.

d. *UNDESA and OHRLLS to establish an MVI Inter-Agency Consultative Group as a community of practice and begin consultations with UN organizations about to start preparations for their new Strategic Plans, Strategies and Frameworks (over 70% of the UNSDG member organizations) and agree on a common approach for the use of the MVI and the VRCP in the design and implementation of these new plans.*

e. *UNDESA and OHRLLS to undertake or commission further testing of the relationships, including statistical correlations, between the MVI (as a whole and/or individual indicators) on one hand and other quantitative metrics of development and vulnerabilities (MPI, PCI, HDI, HAI, EVI, SDG index, individual SDG indicators, etc.), in collaboration with custodian agencies and providers of such metrics. Such analysis could provide valuable insights into the development pathways of LDCs, former LDCs, SIDS, LLDCs and other country groups. Identifying correlations both in terms of levels and changes over time could demonstrate the importance of the Index for better policies and programmes by and for such countries. It may also provide useful information that could offer important inputs into the work of the Independent Expert Advisory Panel to improve the MVI and increase its relevance.*

f. *With UNDESA and OHRLLS assistance, UNDCO to (1) review and revise policy guidance for the use of the MVI and VRCP in the conduct of the CCA and in the development of the theory of change for the CF and for joint programmes as well as in monitoring implementation and results and (2) call on the ITU and UNDP to develop an AI tool for Multidimensional Vulnerability to facilitate computation and adoption of the MVI and VRCP in context analyses and programme response as well as in the graduation and impact assessments conducted by UNCTAD and DESA respectively and in VNRs as appropriate.*

g. *UNDESA, UNEP and the CEB to consider commissioning further testing of the correlations between the MVI and the level and rate of change in national wealth*

measured as the sum of natural, human and produced capitals. Confirming that the MVI is inversely correlated with the country's capability to sustain wealth would be an important validation of the index robustness and its relevance in the effort to move ***beyond GDP*** *in measuring development progress. More specifically, testing correlations between the MVI and the change in natural capitals over time could demonstrate that, in vulnerable contexts, growth in GDP outpaces growth in natural capital or even leads to a decline in natural assets due to structural constraints including limited resources.*

(C2) The uptake of the MVI as a metric determining access to concessional finance beyond graduation as a complement to the GNI per capita requires significant advocacy efforts backed by research to demonstrate the relevance of the index to better programming, SDG progress and higher value for money.

(R2) *For the long-term and with the aim to have the MVI and the VRCP adopted by the broader multilateral system and the Member States as new tools aiming to enhance quality of development cooperation, UNDESA and OHRLLS may consider:*

a. More proactively interacting with the IFIs to ensure they consider the MVI and VRCP within the changes in practices that the ongoing reform and the Evolution Paper consider pursuing with regards to the future of concessional finance. G20 offers a similar avenue for such consultations.

b. Using the platform of the 4th International Conference for Financing for Development to inform the intergovernmental process on the potential use of the MVI as a complement to the GNI per capita for access to concessional finance (see note in Annex 3) with the aim to facilitate consensus over further consideration of the index in development finance.

c. *Engaging with the Global Partnership for Effective Development Cooperation Steering Committee and the Joint Support Team (OECD, UNDP) to consider including in its 10 indicator Monitoring Framework a distinct indicator on the use of the MVI in planning, programming and disbursing the Official Development Assistance.* ***The adoption of multidimensional vulnerability-informed development cooperation as a new quality standard can be proposed at the 28th Steering Committee Meeting of the Global Partnership[30] at the Development Cooperation Forum[31] in March 2025 (see note in Annex 4).***

---

[30] https://www.effectivecooperation.org/event/28th-steering-committee-meeting-global-partnership
[31] https://sdg.iisd.org/events/un-development-cooperation-forum/

(C3) UN organizations have a common understanding of vulnerability as a system's propensity to experience harm under certain conditions that can be structural or self-inflicted in nature. There is no distinct consideration for *structural vulnerabilities* alone which are usually treated in strategic thinking and planning as root causes of problems stemming from culture, geography and natural endowment. The MVI draws on such defining features which, given their inherent nature, are difficult to alter through the policies and instruments that Governments operate with or the short and medium term UN-supported interventions. Those inherent circumstances determine if and how a country can advance on its sustainable development agenda and should be considered in the allocation of international public resources such as ODA and the vertical funds. While countries can aspire to graduate from lower classes of income, they can never graduate from their inherent characteristics and the limitations they impose. The MVI aims to make the case that, by discontinuing access to affordable financing for countries characterized by highly constraining structural vulnerabilities, global inequality will continue to deepen. In their responses, the majority of the UNSDG organizations participating in this exercise mentioned that the mandate given by the UN General Assembly is to test and pilot the MVI on a voluntary basis. Some mentioned that the IFIs should first adopt the MVI as the main purpose of the index is to amend eligibility criteria based on which MDBs and other financial institutions offer concessional finance today. In the absence of any institutional practice in classifying countries based on their levels of multidimensional vulnerability rather than their GNI per capita alone and without clarity as to how such structural vulnerabilities impact human development, poverty reduction, climate resilience and structural transformation efforts, UN organizations are far from ready to adopt these new tools.

Recommendations:

(R3) a. *The adoption of the MVI and the VRCP by the UN system is a policy choice that the UN should consider in order to improve effectiveness of programmes and projects. By testing the index in various country contexts, the UN can make a significant contribution to the work of the Independent Expert Advisory Panel to enhance the robustness and applicability in planning, programming and financing of sustainable development. Similar approaches have been taken in internalizing other multidimensional indices including the HDI and the MPI. Identifying correlations between the MVI and the HDI and MPI will provide valuable insights to custodian organizations as to what changes in human development and poverty levels such structural characteristics are generating.*

b. *Further identifying correlations between the MVI, HDI and MPI could guide a policy and programme response to increase effectiveness of development cooperation in advancing human and socio-economic development.*

(C4) The use of the MVI and the VRCP across the UNCT as standard tools will build ownership across UNSDG member organizations and enable better contextualization of offer to country's inherent circumstances.

Recommendation:

(R4) *While preserving their analytical freedom in defining multidimensional vulnerability as relevant to the organization's mandate, the UN organizations should be advised to layer the assessment of vulnerability starting with the foundational analysis using the MVI and the VRCP. Such an approach would level the field among UN agencies in understanding the country context and how structural features determine the country's overall socio-economic, environmental, political and geopolitical performance. The CCA and its annual updates can greatly gain in quality if placing stronger emphasis on structural vulnerabilities and resilience deficits and their impact on the country's development trajectory.*

(C5) Structural vulnerabilities and resilience deficits are both responsible for immediate losses in case of rapid onset adverse events as well as for long-term constraints in a country's ability to develop sustainably and may be the main driver of slow SDG progress. A study conducted in 2021[32] identified that the majority of the MVI indicators as measurements of structural vulnerabilities are inversely correlated with SDG progress. Latest SDG progress assessments showed very slow even reversed move on some of the goals. Analyzing more granularly what the hindering factors are in the implementation of the 2030 Agenda as we passed the midterm mark is of critical importance. Equally important is to identify absorption capacity issues that structural vulnerabilities and lack of resilience are causing in general and in specific SDG areas with the aim to propose tailored financing instruments to countries' specific contexts and capabilities.

Recommendation:

(R5) *Further testing of the MVI – SDG Index correlations by the UN system can provide additional information to countries and to the global review mechanism of the 2030 Agenda as to what drives the slow or negative progress and how the trend could be reversed. The testing should consider (1) the MVI as a whole, (2) the structural*

[32] https://files.unsdsn.org/WP_MVI_Sachs%20Massa%20Marinescu%20Lafortune_FINAL_cVeeBVmKSKyYYS6OyiiH.pdf

vulnerability pillar (SVI) and (3) the structural resilience index (SRI) of the MVI and their correlations with individual SDGs. Adding testing of the MVI against delivery rate or unspent resources against various SDGs can provide information regarding correlations between structural vulnerabilities and lack of resilience and the country's absorption capacity as a whole and in distinct SDG areas. Such an analysis could be included in the accompanying pieces of the country's Voluntary National Reviews and can be of great relevance to tailoring financing instruments to countries contexts and capacities.

(C6) At country level, multiple context analyses, development planning and financing frameworks are being produced and used, none of which taking into distinct consideration specific structural vulnerabilities and resilience deficits whose long-term implications including costs have been largely ignored. Employing the MVI across such frameworks will help differentiate the fiscal effort needed in the pursuit of the SDGs in countries with different levels of structural vulnerabilities and lack of structural resilience. Using a common metric to compute structural vulnerabilities will enable quality analyses of policies and development finance solutions that lead to different outcomes in countries with a similar level of the MVI.

Recommendation:

(R6) *The CCA, the CF, the Resource Mobilization Strategy and the Integrated National Financing Framework (INFF) may be of higher relevance to the country, the UN and other partners if better integrated. The INFF can factor in the cost of delivering the SDGs under specific structural circumstance. Given that the SDGs represent national development plans in each country, costing the SDGs to date using national SDG M&E frameworks and budget execution data as part of the INFF could give an indication of the investment made per unit of progress. Comparing findings among countries with similar or different levels of the MVI will make a strong case as to why differentiated financing is needed and why the GNI per capita is not the right criterion for access to development cooperation.*

(C7) In its global, regional and country analyses, planning and programming, each UN agency notes context specific structural vulnerabilities - population size, land (including arable land) size and elevation, natural resources, remoteness and exposure to climate change etc. - as static parameters defining a country's case for development. However, due to organization specific Financial Rules and Regulations (FFRs) adopted by relevant governing bodies (Executive Boards, General Conferences, Assemblies etc.), allocation of core resources is based on the country's income per capita. Core resources have been

in decline for many years. To supplement such resources and cover the operational expenses of a country office that can implement the Country Programme and related projects, UN organizations charge an overhead of 8% on grants coming from developed countries and 3% from developing countries. No consideration is given either by the providers of resources or by the UN as a recipient to the additional cost that programme delivery entails in vulnerable contexts. For instance, in 2018, in the Making Development Cooperation Work for SIDS study, the OECD concluded that delivering ODA in SIDS is 4.7 times more expensive than in other contexts, particularly due to the structural vulnerabilities that characterize those small island countries.

Recommendation:

(R7) *The UNSDG may consider starting the process of revision of the organization specific FRRs in consultation with relevant governing bodies to better align financing with countries' differentiated needs. More specifically, the FRRs may consider including the MVI as a complement to the GNI per capita and the population size indicators that are currently used. Such an approach will allow UN organizations to make distinct financial allocations to programme countries based on their actual needs rather than on the income and population size metrics which do not reflect accurately the development gaps and challenges to be addressed.*

(C8) Both core and non-core (programme) funding is usually directed at addressing underlying and immediate causes rather than root causes of problems in the causality analysis mainly because UN-led interventions consist of policy and capacity development that can yield results in shorter periods of time. However, tailoring such interventions to various contexts based on multidimensional vulnerability as measured by the MVI may increase effectiveness of UN work. The UNDP's approach that tailors its six signature solutions upfront recognizing that change takes place differently in contexts with high MPI and fragility is a good model to follow.

Recommendation:

(R8) *The adoption of the MVI by the UN system should further cluster countries in accordance with their placement in a certain range of multidimensional vulnerability. The UN offer across UN organizations and jointly as UNCT should consider the MVI profile of the country in the content, sequencing and financing flagship initiatives (see the six signature solutions of UNDP). Such strong UN ownership of the MVI will further encourage other development actors and the IFIs to take a similar approach. This can be tested in the context of the new Strategic Plans (70% of which are to be renewed in 2025 and 2026) and the new Cooperation Frameworks. Some of the RCOs whose new CFs are now under development should also be encouraged to take such an approach.*

(C9) Emphasis on addressing root causes is often placed in fragile contexts where underlying vulnerabilities are exacerbated by radical changes in social norms and relationships, values and behaviors that affect power dynamics and undermine peace and stability, all of which demanding long-term dedicated attention to reach sustainable results. Without peace and predictable stability, very little else can be achieved. UN has developed a significant body of knowledge in support of a conflict-sensitive approach to development that considers the multiplier impacts of exacerbating factors such as disasters, climate change, and socioeconomic shocks. Similarly, structural vulnerabilities and resilience deficits as captured in the MVI should be treated as root causes of slow development and a common approach be taken by the UN system as to how to strengthen relevance in multidimensionally vulnerable settings.

Recommendation:

(R9) *UNSDG with UNDESA and OHRLLS guidance to develop policy guidelines for a multidimensional vulnerability – sensitive approach to development, following the conflict-sensitive guidance, to ensure UN system's interventions do not further exacerbate adverse impacts of structural vulnerabilities and resilience deficits beyond natural hazards. This guidance can build on ongoing work in relation to vulnerability, exposure, and impacts of disasters, informed by disaster-related statistics as appropriate.*

(C10) Consideration of multidimensional vulnerability in the work of the UN is far less standardized in analysis and policy and programme response than the approach to multidimensional risk. A heavy risk-centered approach to development, while diminishing losses, has not addressed the issue of mid- and long- term unrealized potentials. While made aware of hazards and adverse events, countries also need recognition for their systemic limitations and structural features they can never graduate from. By holding governments accountable for their development progress without acknowledging their specific case and providing them with differentiated means to offset impacts of what they cannot easily change, the approach to sustainable development lacks equity and justice.

Recommendation:

(R10) *The UN should advocate at all levels a risk & vulnerability approach in defining countries' eligibility to SDG-, climate-, environment- and other vertical financing as well as in raising and managing debt including through redefined credit ratings. A paper to substantiate the need for a risk & vulnerability – informed access to and management of financial resources should be prepared for the upcoming 4th International Conference on Financing for Development. Engaging with the IFIs on*

vulnerability-informed access to concessional finance can happen within the CEB in which both the IMF and the WB are members.

(C11) There are numerous data sources relating to the causes of vulnerability including climate hazards, disaster impacts, and exposure. Multidimensional indices capturing systemic issues that are UN system-wide recognized and utilized (Multidimensional Poverty Index, Human Development Index, Gender Inequality Index, Productive Capacity Index just to name a few) and agency specific multidimensional indices (Environmental Performance Index, Child Poverty Index, Multidimensional Biodiversity Index, Food Insecurity Multidimensional Index etc.) all of which combining exogenous and endogenous variables in their computing. No testing of how they relate to one another has been conducted. By advancing understanding of determinants of poverty, child poverty, disaster risks, low human development, declining biodiversity etc. that are structural in nature, we can devise change more effectively.

Recommendation:

(R11a) Various metrics inform to date project design and implementation in the UN system, their performance varying from context to context. As more and more multilateral organizations including the UN (Funds and Programmes, IFAD), vertical funds (GEF) and the IFIs (MDBs) adopted Performance-based Allocation Systems (PBAS) which put together two analytical pieces – country's Needs and the portfolio Performance – using the MVI to determine the Needs would allow a more standardized approach across country typologies and per capita income level. Considering the MVI in the Needs assessment based on which financial allocations are being made would also allow analyzing and better understanding performance drivers over time between countries with the same MVI scores.

(R11b) Strengthening the systematic collection and utilization of disaggregated data on disaster impacts, exposure, and vulnerability is central to leveraging the MVI as an effective tool for evidence-based policymaking. Disaster data is critical not only for mitigating future disaster risks but also for guiding strategic investments in resilience and supporting timely, inclusive recovery. To this end, support for the establishment and operationalization of national disaster loss tracking systems should be prioritized to enable countries to harness the full potential of the MVI in advancing sustainable development and risk-informed decision-making.

(R11c) Many UN organizations have adopted AI tools to strengthen their Results Based Management systems. By processing large bodies of data from previous planning cycles and mining independent evaluations, the AI can generate robust theories of change, intelligent KPIs and predictive analytics for future programmes drawing on previous planning and programming cycles. Such RBM systems are subject to regular reviews and amendments to strengthen accountability and programme effectiveness. Enhancing existing AI tools to include the MVI could considerably expedite the testing and adoption of the MVI in country programming including through:

- *Data collection and analysis: AI can automate the collection and processing of large datasets from various sources incluidng satellite imagery, big data, administrative data etc. ensuring that the MVI is based on the most current and comprehensive data available.*

- *Predictive analytics: AI can help predict future impacts of structural vulnerabilities and lack of resilience by analyzing trends and patterns in the data. This can assist policymakers in anticipating and mitigating potential risks before they become critical issues and further position the MVI as an important preventive tool.*

- *Visualization and communication: AI-powered tools can create intuitive visualizations and dashboards that make the MVI data more accessible and understandable for decision-makers and the public. This can enhance transparency and support advocacy efforts*

- *Integration with other indices and measurement systems: AI can facilitate the integration of the MVI with other decision-support indices, systems and databases, ensuring that vulnerability assessments are considered in a wide range of policy and programmatic areas.*

- *Continuous improvement through inputs to the Independent Expert Advisory Panel: AI can continuously monitor and evaluate the performance of the MVI in driving programme results and policy changes, suggesting improvements and updates based on new data and feedback.*

(R11d) In its Human Development Report (HDR) commissioning and oversight role, UNDP sheds light annually on matters of global significance that are shaping human development and shifting trends in the life of the people - planet system. In 2014, the Human Development Report titled "Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience" specifically addressed the issue of

vulnerability and human resilience. The report highlighted how vulnerability threatens human development and emphasized the need for systematic approaches to address these vulnerabilities through policy changes and social norms. Two important initiatives could position the MVI as a relevant metric to a country's development:

(1) A dedicated Human Development Report to structural vulnerabilities and lack of resilience to analyze how they drive differentiated progress and affect global inequalities and

(2) Systematically include the MVI in the analysis of the annually computed HDI and of its evolution over time to highlight the role that such structural characteristics determine quality of life and pace of progress across continents, regions and subregions.

(C12) UN organizations also conduct multidimensional vulnerability analyses in the form of *qualitative assessments* and case studies which, instead of using indices alone, also draw on stakeholder consultations and expert interviews, field visits and other such mechanisms of gathering information. Examples of qualitative assessments include the UN Women Rapid Assessment Tool[33] to identify vulnerabilities of women, men, girls and boys in conflict settings, UNICEF qualitative assessments to understand vulnerabilities and needs of children and their families, especially in emergency contexts, and DPPA[34]'s and UNDP's qualitative assessments for community engagement in peace building.

Recommendation:

(R12) Relevance of the MVI in anticipating humanitarian crises can be further explored as particular structural features are indicative of heightened propensity to harm caused by both rapid and slow onset disasters. In the context of climate change, a thorough assessment of potential future losses and implications for livelihoods and the environment could be instrumental in the design of preventive and response policies.

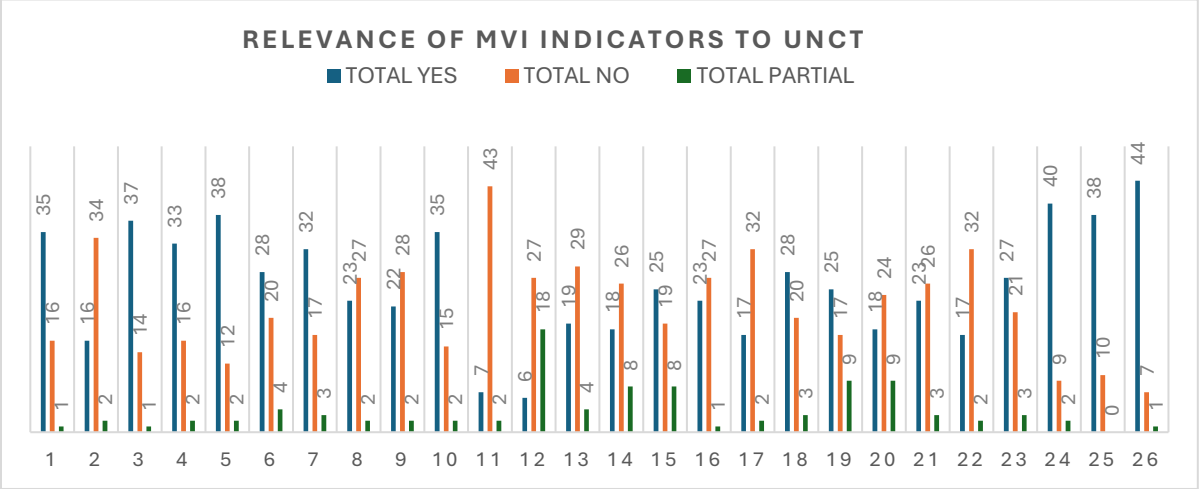
IV. Potential use and applicability of the MVI and the VRCP – a roadmap for the UN system & partners

1. This chapter summarizes proposals for the use and applicability of the MVI and the VRCP introducing a more granular timeframe to ensure a coherent approach within the UN and beyond the UN to all development partners and developing countries as main beneficiaries.

[33]https://www.unwomen.org/sites/default/files/Headquarters/Attachments/Sections/Library/Publications/2020/Rapid-assessment-tool-to-evaluate-GEWE-results-in-humanitarian-contexts-Guidance-note-en.pdf
[34] https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/un_

2. The proposed roadmap is premised on an all-UN effort to successfully complete the first advanced attempt to reform the development cooperation system from the introduction of ODA in 1969 which is the adoption of the MVI.

3. The survey referring to the relevance of the 26 MVI indicators which received responses from 62 RCOs/UNCTs - some of which operating in Multi-Country Office (MCO) contexts- returned a mixed picture (see graph below). With the exception of WHO and the GEF Secretariat, no other UN agency committed to testing and using the MVI at this stage.



Source: Computed by the author based on survey conducted from 15 Aug to 30 Sep 2024

4. Most recently, the IFIs in their review of the Performance-based Allocation Systems took interest in the inclusion of a measurement of multidimensional vulnerability in the assessment of a country's needs and the analysis of the portfolio performance, the two components of the PBAS. An exchange on the MVI and its potential consideration by the IFIs was hosted in Rome by IFAD on 20 Nov 2024 in their annual PBAS meeting.

5. To align all practices in the UN towards the goal of a structural vulnerability and lack of resilience-informed pursuit of sustainable development, extensive changes in corporate policies and practices are needed, an effort that can significantly benefit from a strong commitment of the UN System Chief Executives Board for Coordination (CEB) and its two subordinate bodies: the High Level Committee on Policy (HLCP) and the High-Level Committee on Management (HLCM).

6. As 2025 and 2026 mark the beginning of a new multi-year planning cycle for UNSDG member organizations, accompanied by the development of new UN Sustainable Development Cooperation Frameworks and Country Programme

Documents, it becomes critically important to provide guidance on how the MVI and the VRCP can enhance the quality of the UN's work globally. This need is amplified by the significant shifts occurring in multilateral cooperation and development assistance.

7. While the governance system of the MVI is still to be established, the interviews and analyses underpinning the findings and conclusions of this report identified a series of misunderstanding as to what the Index is and what is not. While its main purpose is to ensure development cooperation considers a data-informed differentiated approach drawing on the context specific structural vulnerabilities, the Index may become contentious if its computing involves organizations that also assist countries in reversing impacts of underpinning vulnerabilities. It is therefore important that the selection of the Secretariat give adequate consideration to such risks and shield the index from any form of political pressure and programmatic interference. Proper budgeting of the Secretariat and empowerment to bridge the UN and the IFIs in this important undertaking and critically needed.

IV.1. Requirements to be met by June 2025

- MVI governance and custodianship in place
- UN system's familiarity with the index and testing models and results documented
- Advanced country ownership and governance of national MVI
- MVI data collection, development of time series, computing and correlations with other indices tested
- Country specific VRCP design and usability options identified

IV.2. UNSDG member organizations

Short to mid-term

8. UN organizations' HQs to recognize the MVI in the new Strategic Plans as a tool to (1) distinguish between structural and non-structural vulnerabilities and lack of resilience to better target the latter and (2) guide the organization's specific offer as reflected in the overarching theory of change and the strategic priorities to close the vulnerability – resilience gap.
9. Test correlations between the MVI and other relevant indices to identify non-inherent factors driving vulnerabilities and target them through programme design and delivery.
10. Country Offices to use the MVI structure to determine the country's score through qualitative ratings – High, Medium, Low - in the absence of robust data and as a preliminary approach to computing the index.

11. Country Offices to work jointly within the UNCT framework to develop the country's specific VRCP and use it to monitor programme implementation and the SDG progress.
12. Country Offices and regional hubs to design the new Country Programme Documents, Strategies, and Frameworks using the MVI structure and the VRCP in selecting strategic priorities and defining the theory of change.
13. Test correlations between the MVI and the programme delivery rate to understand hos structural features affect a country's absorption capacity and identify approaches that can maximize spending.
14. Test relevance of each of the 26 indicators of the MVI to the specific work of the organization to inform the Independent Expert Advisory Panel on further revisions and strengthening of the index.
15. Reflect on the use of the MVI in the Annual Reports to their governing bodies and the reports on the QCPR.

Long-term

16. Develop corporate guidelines for structural vulnerability and lack of resilience – based planning and programming as a quality standard. Generate distinct analysis and reporting to governing bodies based on VRCPs as a results tracking tools.
17. UNDP to include in the Human Development Report an analysis of MVI-adjusted HDI.

IV.3. RCOs/UNCT & DCO

Short to mid-term

18. Conduct needs assessments for ownership, custodianship, adoption, computing of the MVI at country level and determine assistance needed. Within the budget envelope for the design and management of the Cooperation Frameworks as well as through distinct initiatives supported by the Joint SDG Fund and or bilateral partners, host workshops with local universities to increase awareness and foster debate on the relevance of the MVI and its potential use. Involve local academia in research and testing of the index.
19. Build the 2025 CCA on the structure of the MVI signaling out structural features and expanding it to include non-structural vulnerabilities and lack of resilience into the country specific VRCP.
20. Introduce the MVI and its role in improving development cooperation to the *aid coordination committees at country level* and advocate further testing of the index by the development partners.
21. Initiate inclusion of the national MVI in the Voluntary National Reviews (VNRs) and assist governments to develop the VRCP to be relevant to the SDG tracking. By

connecting multidimensional vulnerabilities and lack of resilience to the SDG progress, the UN system can make the case for the use of the MVI in SDG financing.

22. Foster dialogues and commission studies to link the national MVI to debt servicing and restructuring.

Long-term

23. Integrate the MVI and the VRCP in corporate guidelines for the UNSDCF and joint programming from analysis to design, implementation and evaluation as standard practice.

IV.4. UN system's engagement in intergovernmental processes

Short to mid-term

24. Position the MVI in the upcoming GPEDC 28th Steering Committee meeting on 26-27 Nov 2024 and at the next high-level ministerial providing options for the inclusion of the MVI in the GPEDC Monitoring Framework (UNDP, OECD, DESA DCF).
25. Include the MVI in the LLDC3 outcome document following the model of ABAS (OHRLLS)
26. Advocate for the inclusion of the MVI and the VRCP as new tools to improve development cooperation in the outcome document of FFD4 (DESA FSDO, UNDP).
27. Advocate inclusion of the MVI in the new QCPR 2025-2028 (DESA)
28. Initiate dedicated discussions on the MVI at the HLPF (DESA HLPF) drawing on country VNR reporting. Identify champions and nurture innovation.
29. Conduct analysis of the MVI and VRCP's relevance and utility in the LDC graduation process (DESA EAPD)

Long-term

30. Provide research-based advisory inputs to intergovernmental processes - from engagement with the Executive Boards to Secretariat services to various intergovernmental bodies – on structural vulnerabilities and lack of resilience and their impact on peace and security, development and human rights and freedoms along North-South, South-South, East-East axes. Promote structural vulnerability and lack of resilience- informed new global goals and access to development cooperation.

IV.5. Interim MVI Secretariat (DESA and OHRLLS)

Short to mid-term

31. Lead a series of dedicated workshops to provide guidance to UNSDG / UNRC system on the proposed testing and applicability of the MVI as per the above
32. Establish the MVI/VRCP Community of Practice to include IACGs as well as external partners
33. Include the MVI in the Monitoring and Evaluation frameworks of Doha PoA, ABAS, LLDC3 to enable analyses of correlations between the MVI score and the results achieved and derive further conclusions regarding relevance and impact of interventions to specific contexts.
34. Position the MVI in the FFD4 outcome, G20 priorities for the South-African presidency, reform of the IFIs, COP30 etc.
35. Develop custodianship scenarios for Secretariat placement and function as per A/RES/78/322.
36. Define a role for the National Focal Points of LDCs, LLDCs and SIDS to promote the MVI at national level in collaboration with the UNCTs.
37. In collaboration with Regional Commissions and regional DCOs, assist the UNCTs in the development of national data collection systems and time series production on a dedicated platform to the MVI.
38. Produce a methodology to enable the change in eligibility criteria to consider both the GNI per capita and the MVI for access to development cooperation and climate finance including vertical funds as per A/RES/78/232, A/RES/78/317, A/RES/78/322, A/RES/79/1.
39. Produce a methodology in collaboration with the IFIs on the use of the MVI in debt management including debt restructuring and sustainable debt servicing.

Long-term

40. Foster research and exercise thought leadership in vulnerability-informed, resilience building development policies and capacity building towards and beyond the SDGs.

At the time this assessment was produced, the intergovernmental system prepared the next Quadrennial Comprehensive Policy Review QCPR 2025-2028 in which dedicated paragraphs on the use of the MVI by the UN system starting with the integration of the index in the toolbox for the development of CCAs and new Cooperation Frameworks have been introduced.

In the event the text pertaining to the MVI and the proposed indicators for the Monitoring Framework remain in the QCPR 2025-2028 as adopted by the UNGA, the recommendations in this report will become operational in the next quadrennium.

ANNEXES

Annex 1 – UNSDG organizations and corresponding strategic plans (analysis of multidimensional vulnerability consideration in the attached Excel spreadsheet)

#	UNSDG	Strategic Plan/Framework	Link to document
1	**DPPA**	**2023-2026, Strategic Plan**	https://dppa.un.org/sites/default/files/dppa_strategic_plan_2023-2026_updated.pdf
2	**FAO**	**2022-2031, Strategic Framework**	https://www.fao.org/3/cb7099en/cb7099en.pdf
3	**IFAD**	**2016-2025, Strategic Framework**	https://www.ifad.org/documents/38714170/39132730/IFAD+Strategic+Framework+2016-2025/d43eed79-c827-4ae8-b043-09e65977e22d
4	**ILO**	**2022-2025, Strategic Plan**	https://www.ilo.org/media/226546/download#:~:text=%E2%96%B6%20The%20Strategic%20Plan%202022,of%20the%20COVID%2D19%20pandemic.

#	UNSDG	Strategic Plan/Framework	Link to document
5	**IOM**	**2024-2028, Strategic Plan**	https://publications.iom.int/books/iom-strategic-plan-2024-2028#:~:text=Drafted%20at%20the%20request%20of,the%20world's%20most%20vulnerable%20people.
6	**ITC**	**2022–2025, Strategic Plan**	https://intracen.org/uploadedFiles/intracenorg/Content/About_ITC/Corporate_Documents/Strategic_Plan/ITC%20Strategic%20Plan%202022-2025%20-%20WEB.pdf
7	**ITU**	**2024-2027, Strategic Plan**	https://www.itu.int/en/council/Documents/basic-texts-2023/RES-071-E.pdf
8	**OCHA**	**2023-2026, Strategic Plan**	https://www.unocha.org/publications/report/world/ochas-strategic-plan-2023-2026-transforming-humanitarian-coordination
9	**OHCHR**	**2022-2023, Management Plan**	https://www.ohchr.org/sites/default/files/2022-05/OMP-2022-2023.pdf
10	**UN DESA**		
11	**UNECA**	**2024-2026 Medium-term business plan**	https://repository.uneca.org/handle/10855/50165#:~:text=ECA%20will%20deliver%20strategic%20policy,sustainable%20transitions%3B%20sustainable%20industrialization%20and
12	**UN ECLAC**	**2015 - 2025 Strategic plan**	https://repositorio.cepal.org/bitstreams/ddd994db-0de1-4d28-a274-384995139791/download
13	**UN ESCAP**	**2025 Proposed programme plan**	https://www-unescap-org.webpkgcache.com/doc/-/s/www.unescap.org/sites/default/d8files/event-documents/80_21_2400174_R_2.pdf
14	**UN ESCWA**	**2025 Proposed programme plan**	https://www.unescwa.org/sites/default/files/event/materials/16-%20Proposed%20programme%20plan%20for%202025_1.pdf
15	**UN PBSO**	**2020-2024 PBF Strategy**	https://www.un.org/peacebuilding/sites/www.un.org.peacebuilding/files/documents/pbf_strategy_2020-2024_final.pdf
16	**UN WOMEN**	**2022-2025, Strategic Plan**	https://undocs.org/en/UNW/2021/6
17	**UN HABITAT**	**2020–2025, Strategic Plan**	https://unhabitat.org/sites/default/files/2023/01/5.2023_member_states_pp_strategic_plan_red.pdf
18	**UNAIDS**	**2021-2026, Strategy**	https://www.unaids.org/en/Global-AIDS-Strategy-2021-2026
19	**UNCDF**	**2022-2025, Strategic Framework**	https://www.uncdf.org/article/7489/uncdf-strategic-framework-2022-2025-illustrated-version
20	**UNCTAD**	**(April 2024) Strategy for SIDS 2020-2024 Strengthening Debt Data Transparency**	Substitute Document One: UNCTAD Strategy for SIDS (April 2024),
21	**UNDP**	**2022-2025, Strategic Plan**	https://documents.un.org/doc/undoc/gen/n21/184/50/pdf/n2118450.pdf
22	**UNDRR**	**2022-2025 Strategic Framework**	https://www.undrr.org/publication/undrr-strategic-framework-2022-2025
23	**UNECE**	**2022-2030 Strategic Plan**	https://unece.org/sites/default/files/2022-01/Aarhus_MoP7_SP_2022-2030_E.pdf
24	**UNEP**	**2022—2025 Medium-Term Strategy**	https://www.unep.org/resources/people-and-planet-unep-strategy-2022-2025
25	**UNESCO**	**2022-2029 Medium-Term Strategy**	https://unesdoc.unesco.org/ark:/48223/pf0000378083

#	UNSDG	Strategic Plan/Framework	Link to document
26	**UNFPA**	**2022-2025, Strategic Plan**	https://www.unfpa.org/sites/default/files/board-documents/main-document/ENG_DP.FPA_.2021.8_-_UNFPA_strategic_plan_2022-2025_-_FINAL_-_14Jul21.pdf
27	**UNHCR**	**2022-2026 Strategic Directions**	https://reporting.unhcr.org/unhcr-strategic-directions-2022-2026
28	**UNICEF**	**2022–2025 Strategic Plan**	https://digitallibrary.un.org/record/3939950/files/E_ICEF_2021_L.14-EN.pdf?ln=en
29	**UNIDO**	**2022-2025 Medium-Term Programme Framework**	https://www.unido.org/sites/default/files/unido-publications/2023-02/2022-2025-MEDIUM-TERM-PROGRAMME-FRAMEWORK-en.pdf
30	**UNODC**	**2021 - 2025 Strategy**	https://www.unodc.org/unodc/en/strategy/full-strategy.html
31	**UNOPS**	**2022-2025 Strategic Plan**	https://content.unops.org/documents/libraries/executive-board/documents-for-sessions/2023/annual-session/item-15-united-nations-office-for-project-services/en/DP-OPS-2023-6_EN.pdf
32	**UNRWA**	**2023-28 Strategic Plan**	https://www.unrwa.org/sites/default/files/content/resources/strategic_plan_2023-2028.pdf
33	**UNV**	**2022-2025 Strategic Framework**	https://www.unv.org/sites/default/files/UNV%20Strategic%20Framework%202022-2025.pdf
34	**WFP**	**(2022-2025) Strategic Plan**	https://fsnnetwork.org/sites/default/files/2024-03/WFP-0000132205.pdf
35	**WHO**	**(2022–2026) Strategy**	https://iris.who.int/rest/bitstreams/1487604/retrieve
36	**WIPO**	**2022-2026 Medium-Term Strategic Plan (MTSP)**	https://www.wipo.int/edocs/mdocs/govbody/en/wo_pbc_32/wo_pbc_32_3.pdf
37	**WMO**	**2024–2027 Strategic Plan**	https://reliefweb.int/report/world/wmo-strategic-plan-2024-2027-enarruzh#:~:text=The%20WMO%20Strategic%20Plan%202024,water%20and%20other%20environmental%20events%E2%80%9D.

Annex 2 – UNDRR's Risk Framework

	UNDRR Hazard - Exposure - Vulnerability Framework			
#	Hazards	Exposure	Vulnerabilities	Exogenous vulnerabilities
1	**Earthquakes**: Sudden ground shaking caused by the movement of tectonic plates.	**People**: The population living in hazard-prone areas.	**Physical Vulnerability:** This includes the susceptibility of buildings, infrastructure, and other physical assets to damage from hazards. Factors such as construction quality, building materials, and design standards play a significant role.	Large areas of low lying lands would further expose infrastructure / desert areas make infrastructure less likely to withstand shocks and similarly housing and other exposed assets
2	**Tsunamis**: Large sea waves generated by underwater earthquakes or volcanic eruptions.	**Infrastructure**: Buildings, roads, bridges, and other critical infrastructure.	**Social Vulnerability:** This pertains to the characteristics of communities that affect their ability to respond to and recover from disasters. It includes aspects like population density, age distribution, health status, and socioeconomic conditions.	Small populations, low density, low dependency ratios may mean fewer human losses, but also much slower recovery
3	**Floods**: Overflow of water onto normally dry land, often due to heavy rainfall or river overflow.	**Housing**: Residential areas that might be affected by natural hazards.	**Economic Vulnerability:** This involves the economic stability and resilience of a community or country. It considers factors such as income levels, employment rates, and the diversity of economic activities.	High export concentration, import dependency combined with production concentration etc
4	**Cyclones/Hurricanes/Typhoons**: Intense tropical storms with strong winds and heavy rain.	**Production Capacities**: Economic assets and industries located in vulnerable areas.	**Environmental Vulnerability:** This refers to the susceptibility of natural ecosystems to damage from hazards. It includes the health of ecosystems, biodiversity, and the availability of natural resources.	Low elevation coastal areas
5	**Droughts**: Prolonged periods of insufficient rainfall leading to water shortages.	**Other Tangible Human Assets:** This includes schools, hospitals, and other essential services.	**Institutional Vulnerability:** This includes the effectiveness of governance structures, policies, and institutions in managing disaster risks. It looks at the capacity of institutions to implement disaster risk reduction measures and respond to emergencies	non-exogenous
6	**Volcanic Eruptions**: Explosive events where magma, ash, and gases are expelled from a volcano.			
7	**Landslides**: Movement of rock, earth, or debris down a slope.			
8	**Heatwaves**: Extended periods of excessively high temperatures.			
9	**Wildfires**: Uncontrolled fires in forests, grasslands, or other natural areas.			
10	**Desertification**: Degradation of land in arid, semi-arid, and dry sub-humid areas due to various factors, including climatic variations and human activities[123].			

Annex 3 – Consideration to multidimensional vulnerability in access to development finance (*Draft contribution to the Elements paper for FFD4)*

I. The case for multidimensional vulnerability-informed development finance

To date, allocation of development finance through the multilateral system is based on the country's GNI per capita which is, in essence, a flow indicator measuring the country's overall performance in a year time. The Gross National Income (GNI) per capita does not capture the systemic vulnerabilities that determine the country's susceptibility to losses and its medium and long-term development potentials. A thorough assessment of structural and induced vulnerabilities and resilience deficits hindering development is the purpose of country analyses that multilateral organizations, bilateral partners and national governments are conducting to inform multi-year and annual planning, programming of resources and delivery of results. In their vast majority, such analyses do not distinguish between inherent features - usually measured through stock indicators (size, density, volume of resources, distance, geographic and geophysical profile) - and the vulnerabilities stemming from policy and programme implementation and their multidimensional interplay.

As per the High-Level Expert Panel's report titled The Multidimensional Vulnerability Index (MVI) – structural vulnerabilities and resilience deficits influence the country's ability to advance towards sustainable development leading to significant difference in progress at the same level of GNI per capita. It is therefore important to consider such differentiating factors impacting on the country's development performance in the design of development cooperation and allocation of resources to close the performance gap.

While changing the way development cooperation works remains a complex undertaking, getting more out of what is being mobilized as Official Development Assistance (ODA) is high on every contributor's list of objectives.

This paper aims to make the case for multidimensional vulnerability-informed development finance in the lead up to the 4th Financing for Development Conference (FFD4) and the use of the MVI from programme design to delivery of results as appropriate.

II. Proposed consideration of the MVI in the outcome of FFD4 and development cooperation moving forward

The **Multidimensional Vulnerability Index (MVI)** can be a useful tool in **financing for development** by helping to better allocate resources and improve the effectiveness of financial interventions, particularly in countries or regions that face complex and intersecting vulnerabilities.

1. **Targeting Development Assistance**

The MVI captures a variety of structural factors—economic, social, and environmental—that go beyond traditional income metrics like the GNI. By identifying countries with higher levels of multidimensional vulnerability, development finance providers (such as international financial institutions, bilateral and multilateral organizations) can better **target development assistance** to those in greatest need. This allows for more **equitable allocation of resources** to vulnerable populations and regions.

FFD4 may consider calling on multilateral and bilateral providers of technical assistance to integrate the MVI in their country analysis and prioritization and report back to the intergovernmental process as per paras 12 and 13 of A/RES/78/232.

2. **Improving Access to Concessional Financing**

Many small or vulnerable countries, particularly **small island developing states (SIDS) and Landlocked Developing Countries (LLDCs)** may not meet traditional income-based thresholds for concessional financing (loans with low-interest rates and favorable terms). Equally, countries meeting graduation criteria may be locked out of concessional finance post-graduation despite of high levels of multidimensional structural vulnerability and resilience deficits. The MVI, which considers exogenous factors increasing countries' propensity to losses and lowering their long-term development potentials, can be used to **redefine eligibility for concessional finance**, ensuring that these countries have access to more favorable financial terms despite of not being classified as low-income.

The FFD4 may resolve to call on UN organizations to undertake further testing of how the MVI scores affect the effectiveness of the development cooperation that each country has access to including the specific SDG performance.

3. **Risk Assessment for Investors**

For private investors and development finance institutions (DFIs), the MVI can be used to **assess the risk profiles** of investing in vulnerable countries. Such an analysis can establish the additional cost that structural vulnerabilities and resilience deficits generate in each context and inform budget design and execution to secure the expected returns on investment. By understanding the multidimensional vulnerabilities, investors can better evaluate the potential risks (such as climate risks, social instability, or economic volatility) and tailor their investment strategies to include risk mitigation measures. This may also make the case for higher **impact investing**, where financial returns are combined with

positive social or environmental outcomes. Equally important, the MVI scores should determine optimal contractual clauses to protect all relevant parties.

The MVI and the VRCP could also provide valuable insights in the *credit rating process* by offering a framework for creditors to assess which investments are more likely to contribute to long-term economic and fiscal strength and, consequently, improve country scoring. At present, there is considerable evidence that, in their scoring, credit rating agencies favor immediate interventions at the expense of long-term sustainable results.

FFD4 can call on private investors to grant consideration to the MVI score as a whole and at indicator level to better design contractual terms and prioritize investments that seek medium and long-term gains thus helping development countries to improve their credit ratings.

4. **Incentivizing Sustainable and Resilient Projects**

The MVI highlights countries' exposure to external shocks, such as climate change or economic volatility. This information can guide development financing toward **projects that build resilience** in these countries. For instance, financing could prioritize **climate adaptation** projects, infrastructure that mitigates disaster risk, or programs that strengthen social safety nets in vulnerable areas. In this way, MVI-linked financing can **incentivize projects that enhance long-term sustainability and reduce vulnerability**.

5. **Advocacy for Debt Relief and Restructuring**

Many highly vulnerable countries face debt sustainability issues, which are exacerbated by external shocks. The MVI can be used to advocate for **debt relief or restructuring programs** for countries whose vulnerabilities—particularly to climate change or disasters—limit their ability to manage their debts. By linking financing decisions to vulnerability, financial institutions could push for debt restructuring including reprofiling and relief as well **debt-for-climate swaps** or **debt-for-development swaps**, where debt relief is provided in exchange for investments in climate resilience or other high social, economic and environmental returns.

FFD4 can call on the IFIs and private creditors to offer terms in sovereign borrowing that better reflect the country's multidimensional vulnerabilities and its capacity to sustainably service debt. State-contingent debt instruments informed by the MVI and guided by the VRCP are powerful instruments allowing countries to develop while swiftly responding to disasters and shocks.

To enable the use of the MVI as a complement to the GNI per capita in sovereign borrowing, a formula to logically link the two indices and explain how they influence one another and, together, the country's development performance is needed.

6. Monitoring and Evaluation

The MVI can be incorporated into the **monitoring and evaluation frameworks** of development programmess. By regularly tracking changes in a country's MVI score and VRCP, providers of resources can assess the effectiveness of their interventions in delivering results at various levels of multidimensional vulnerability. This would enable adjustments to be made in the design or targeting of financial flows based on real-time data on a country's progress or emerging challenges.

FFD4 may consider acknowledging that by comparing countries' performance at similar levels of MVI, important lessons could be drawn as to what type and make-up of of financing and what elements of planning and programming are behind better development performance.

7. Mobilizing Climate Finance for multidimensional impact

Vulnerabilities to climate-related disasters and environmental shocks are often exacerbated by other forms of structural vulnerabilities including economic and social in nature, which at present are disregarded in the allocation of climate funds. The MVI can help ensure that, while financing mitigation, adaptation and loss and damage, climate funds also analyze intertwined challenges that go beyond climate and integrate them in programme design and implementation. This can help countries access funding from climate-focused initiatives such as, inter-alia, the **Green Climate Fund (GCF), Global Environment Facility (GEF)** and the **Loss and Damage Fund** that is broader in scope and creates positive social, economic and environmental externalities.

FFD4 can advocate the use of the MVI and VRCP in project design to ensure vertical funds for climate also advance the country's social and economic agenda.

8. Policy Dialogue and Advocacy

The MVI provides a comprehensive picture of a country's vulnerabilities, which can be a powerful tool in **policy dialogue** between developing countries and international financial institutions and bilateral donors. By using the MVI, countries can better argue for financial assistance that reflects their **unique vulnerability contexts**, thus strengthening their case

for more customized support, whether in terms of debt relief, aid, or broader technical assistance.

As the only forum for intergovernmental deliberations on the present and future of development finance and recognizing that the call for the MVI was made by the Member States to bring justice and equity in the international finance system, the FFD4 should thoroughly reflect in its discussions and outcome documents the MVI and VRCP tools and advocate their use in development cooperation for higher value for money moving forward.

Conclusion

The MVI and VRCP can reshape **financing for development** by ensuring that resources are allocated based on a more nuanced and granular understanding of vulnerability and resilience deficits and their impact on a country's development trajectory. By doing so, the focus will shift from purely economic / income metrics to a more holistic, one-system approach that integrates social, environmental, and economic factors, allowing for more targeted, efficient, and impactful development finance.

FFD4 may consider mandating the Inter-Agency Task Force to continue assessing correlations between the MVI - informed financing and the results achieved and provide technical inputs into the work of the Independent Expert Advisory Panel for future revisions of the MVI as per A/RES/78/322.

Given the low number of countries that have an Integrated National Financing Framework (INFF) and the ongoing work to update those that are already in place, FFD4 could call for the inclusion of the MVI analysis in the Development Finance Assessment to determine the losses caused by structural vulnerabilities and resilience deficits. By factoring in such losses, the resulting financing architecture that the INFF represents will better reflect the cost of disbursing development finance in vulnerable contexts.

Annex 4 – Consideration to multidimensional vulnerability in monitoring effectiveness of development cooperation (Global Partnership for Effective Development Cooperation)

The GPEDC is a multistakeholder partnership to ensure development cooperation, *once allocated*, is more conducive to sustainable results. It replaced the Paris Declaration on Aid Effectiveness (to go beyond aid and recognize partnerships with non-state actors as equally important to sustainable development). Quality programming by UN agencies align with those.

The OECD DAC eligibility criteria refer to *how the resources should be allocated* (based on country classification and the GNI per capita). FRRs of UN agencies align with those.

The MVI has a role for both.

The role referred to in Recommendation 14 c) is to operationalize the MVI as a quality criterion for the aid in all forms to be better informed and utilized. If the use of the MVI is included as an additional indicator in the monitoring framework, countries providing resources and those receiving today will start embedding and reporting biennially on the use of the MVI in programme design and delivery as a quality criterion. Such an approach will provide extensive information to the Independent Advisory Expert Group.

UNDP and OECD constitute the Joint Support Team (JST) for the GPEDC and the technical work for the biennial Monitoring of GPEDC is done with the direct supervisory role of the JST.

The MVI and the VRCP can be included in an existing indicator below (**Scenario 1**) or as a distinct one (**Scenario 2**). None will change the eligibility criteria for access to funds, but rather how the funds are spent.

Scenario 1 – in this scenario, the MVI and VRCP are better positioned with the donor countries

1. **Development co-operation is focused on country-owned results**:
    - Measures alignment of development cooperation to the recipient country's objectives and development results frameworks.
2. **Civil society operates within an enabling environment**:

    - Assesses whether civil society organizations (CSOs) operate in a supportive environment that allows them to contribute to development processes.
3. **Public-private dialogue**:
    - Measures the extent to which governments engage the private sector in the development of public policies and other relevant areas.
4. **Transparency and mutual accountability**:
    - Focuses on the availability of timely, comprehensive, and transparent information on development cooperation.
5. **Aid is predictable**:
    - Assesses whether development cooperation commitments are delivered predictably in the short-term and medium-term.
6. **Aid is on budget**:
    - Examines the extent to which development cooperation is recorded on national budgets.
7. **Mutual accountability among development actors is strengthened through inclusive reviews**:
    - Assesses the inclusiveness and effectiveness of mutual accountability frameworks at the country level.
8. **Gender equality and women's empowerment**:
    - Evaluates the extent to which development partners and governments prioritize gender equality in their development cooperation.
9. **Quality of public financial management (PFM) systems**:
    - Measures the use of country systems by development partners and assesses the quality of those systems.
10. **Development cooperation is untied and multidimensional vulnerability-informed using the MVI and the VRCP**:
    - Monitors the percentage of aid that is untied, meaning that it is not conditional on procuring goods and services from the donor country.
    - **Monitors the percentage of aid that is informed by the MVI and monitored by the VRCP in line with A/RES/78/322**

Scenario 2 – in this scenario, recipient countries will build strong ownership of the MVI and, implicitly, the providers of development assistance

1. **Development co-operation is focused on country-owned results:**
    - **Measures alignment of development cooperation to the recipient country's objectives and development results frameworks.**
2. **Development co-operation is informed by country's multidimensional vulnerabilities as measured by the MVI and monitored by the VRCP**

- **Measures the extent to which country's priorities are informed by the MVI and effectiveness of development cooperation tracked using the VRCP**

3. **Civil society operates within an enabling environment:**
    - **Assesses whether civil society organizations (CSOs) operate in a supportive environment that allows them to contribute to development processes.**
4. **Public-private dialogue:**
    - **Measures the extent to which governments engage the private sector in the development of public policies and other relevant areas.**
5. **Transparency and mutual accountability:**
    - **Focuses on the availability of timely, comprehensive, and transparent information on development cooperation.**
6. **Aid is predictable:**
    - **Assesses whether development cooperation commitments are delivered predictably in the short-term and medium-term.**
7. **Aid is on budget:**
    - **Examines the extent to which development cooperation is recorded on national budgets.**
8. **Mutual accountability among development actors is strengthened through inclusive reviews:**
    - **Assesses the inclusiveness and effectiveness of mutual accountability frameworks at the country level.**
9. **Gender equality and women's empowerment:**
    - **Evaluates the extent to which development partners and governments prioritize gender equality in their development cooperation.**
10. **Quality of public financial management (PFM) systems:**
    - **Measures the use of country systems by development partners and assesses the quality of those systems.**
11. **Development cooperation is untied:**
    - **Monitors the percentage of aid that is untied, meaning that it is not conditional on procuring goods and services from the donor country.**

Annex 5 – UNCTAD Note on the MVI

Feedback on the application of the Multidimensional Vulnerability Index (MVI)

A note by UNCTAD

The High-Level Panel on the Development of a Multidimensional Vulnerability Index (MVI) for Small Island Developing States (SIDS), established in February 2022, aimed to create an international benchmark for measuring vulnerability across multiple sustainable development dimensions at the national level. The panel concluded its work in September 2023 and the final report was published in February 2024. By paragraph 13 of resolution A/RES/78/232. By paragraph 13 of resolution A/RES/78/232A/RES/78/232 the General Assembly requests the Secretary-General to launch an intergovernmental process to consider the recommendations presented in the panel's report, its applicability, scope, custodianship and governance, and ways to improve it further that allow its implementation and to report back to the GA by the end of the ongoing 78th session. By paragraph 13 the GA requests the SG to assess the current consideration of multidimensional vulnerability within the United Nations system, explore the potential uses and applications of the MVI, and inform the intergovernmental process. Among other UN entities, UN Trade and Development has initially explored the potential uses of the MVI, demonstrating its applications, and identifying challenges associated with its use.

The MVI has been designed to address the crucial need for measuring vulnerabilities and building resilience, which in turn can help determine eligibility for development financing and assistance (i.e., concessional loans and grants) using new criteria. The need for metrics of vulnerability was also highlighted in the UN Secretary-General's initiative on 'Valuing What Counts: Framework to Progress Beyond Gross Domestic Product (GDP)', while beyond GDP metrics have not yet been proposed. Supported by UN system-wide efforts led by UNCTAD, UNDESA, and UNDP, the Policy Brief highlights that similar GDP levels can mask vastly different development realities and vulnerabilities among countries. Therefore, the MVI needs to be used and analysed in various contexts, including time series data, to assess its contribution to complementing other indicators predominantly used for policy and analytical purposes.

Assessing the use of the MVI is challenging without time series data to compare its evolution over time relative to other developments. Enhancing data availability in countries is essential for strengthening the MVI, including for current indicators and potential future enhancements, such as climate-related debt statistics (UNCTAD, 2021). The final report underscores the alarming

magnitude of the data challenge in developing countries, especially SIDS, affecting both SDG indicators and MVI source data. Mechanisms to integrate data investment into MVI review processes should be considered, including financing statistical capacity building for SDGs and the MVI, leveraging existing UN resources to avoid duplication.

UNCTAD emphasizes the need to pilot test the MVI in countries with varying vulnerabilities and data challenges to identify national data gaps, plan enhancements, and assess local policy relevance so that the MVI can be effectively operationalized to meet countries' expectations. The proposed Vulnerability and Resilience Country Profiles (VRCPs) could offer a deeper understanding of individual countries' development needs. A country-led vulnerability reporting system could improve the MVI's contextual application.

Given current and widespread debt distress among certain groups of developing countries, including SIDS, external debt vulnerability remains a critical issue, with currency depreciation a key source of rising debt costs in domestic currency. Nations face the dilemma of servicing debt or addressing essential public needs (such as education and health), while 3.3 billion people live in countries that spend more on interest payments than on education or health. With global public debt outpacing GDP growth since 2000, the MVI could inform decisions around financial and debt vulnerabilities and efforts to enhance economic resilience. This requires the inclusion of additional indicators, especially those related to financial vulnerability and debt sustainability, which are currently lacking in the MVI design.

Earlier in the process, on request by the technical Secretariat of the High-level panel of the MVI, UNCTAD reviewed the MVI source indicators and proposed including an external debt sustainability indicator, compiled by UNCTAD based on data from the World Bank, the International Monetary Fund and national sources. The final data set excluded 15 countries and was not included in the MVI. We agree with the need for further efforts to enhance national debt statistics, highlighted in the final report, via the UN Statistical Commission. As the host of the Debt Management and Financial Analysis System, UN Trade and Development would welcome the possibility to strengthen its support on debt statistics to fill persisting data gaps, jointly with partners.

We recognize the analytical value of indicators on export concentration, fluctuations in export earnings, food and fuel import dependency, and the trade-weighted minimum average distance to reach 50 per cent of the world markets. However, the MVI also lacks an indicator for exposure to fluctuations in international financial flows driven by global financial conditions that adversely affect developing countries integrated into the international financial market, contributing to debt vulnerability.

The MVI's analytical usefulness could be enhanced by using it voluntarily alongside other development indicators, such as the UNCTAD Productive Capacities Index (PCI), Human Development Index, Remoteness Index, Inclusive Growth Index, and others. For instance, the UNCTAD-UNIDO Remoteness Index (2021) measures geographical distance from markets, financing sources, cultural and political centres, and transport, social, political and digital connectivity. Poor connectivity which correlates negatively with GDP per capita and positively with vulnerability, is not considered in the MVI.

The UNCTAD Inclusive Growth Index (2023) measures economic, living conditions, equality, and environmental sustainability, revealing significant within country inequalities and regional differences in living conditions. While within country and regional differences are mentioned in the final report, they are not fully integrated in the MVI indicators. The importance of within country

vulnerabilities for future development and uses of the MVI could be discussed, and potentially additional data on vulnerable populations could be considered in the VRCPs.

Lack of productive capacities is one of the drivers of vulnerabilities. Analysis of PCI, alongside the MVI, could help assess countries progress in developing these capacities. The enhanced PCI (2023The enhanced PCI measures productive capacities across 194 economies with 42 indicators of human capital, natural capital, energy, transport, ICTs, institutions, the private sector, and structural change. It can help inform policy formulation and action at both national and regional levels.

An independent scientific process is essential for the MVI's further development and refinement. We welcome the establishment of suitable mechanisms in this regard, for instance an Independent MVI Advisory Review Panel and/or consultations with the UN Statistical Commissions. The panel should be balanced in technical, statistical, and policy expertise to strengthen the MVI's conceptual foundation, refine its methodological framework, ensure balanced consideration of vulnerability challenges of countries, and promote transparency and reliability. For PCI, UNCTAD has devised both a High-level Advisory Board (HLAB) and a Statistical and Technical Advisory Group (STAG) to provide critical oversight, peer review, and substantive advice to ensure the index remains relevant, accurate, and coherent. The HLAB advises on policy frameworks and dissemination strategies, while the STAG focuses on methodological soundness, data sources, and quality.

Moreover, concerned countries' validation of the MVI before its institutionalization by the UN system is crucial for ensuring its relevance for strategic planning and financing efforts aimed to address vulnerabilities and build resilient economies. While data limitations prevent a more thorough review of the uses of the MVI at this stage, this feedback aims to inform the UN Secretary-General's efforts to assess its application. Enhancing its validity and usefulness for countries in special situations is key to effectively operationalizing vulnerability assessments for the benefit of the countries.