

## Australia's feedback on the Multidimensional Vulnerability Index – 12 May 2023

Australia thanks the Panel for its diligent efforts to prepare and share these documents for consultation. This is important work, which Australia strongly supports.

We appreciate the Panel's efforts to develop a novel product that respects the Secretary-General's guidance, the Panel's Terms of Reference, and the mandate provided by the General Assembly. We also recognise the central challenge posed by the lack of availability of some data. With that in mind, we would like to make the following comments.

### Indicators

The documents set out clearly the case for the MVI and we support the principles and general approach.

However, the scores generated by the current model do not reflect well-understood development realities. Some of the results of the model don't match existing evidence or countries' own observations about their vulnerability and/or resilience.

We think this indicates a need to interrogate whether the indicators are appropriate. **We encourage the panel to test how each indicator or combination of indicators is affecting the scores.**

In meeting the criterion of **universality**, the index should not be skewed in such a manner that could privilege non-SIDS over SIDS, especially given the lack of data affecting indicator selection is most pronounced in SIDS. The balance of the full suite of indicators should demonstrate appropriate sensitivity to SIDS in order to meet the intended purpose of the exercise.

The indicator choice might bias the ranking of the output vulnerability, but also the type of intervention it encourages. Paragraph 84(a) of A/76/211 cites a possible use of the index as 'facilitating action to address vulnerability and build in-country resilience'. However, addressing the indicators included would lead to a development program that seeks to reduce trade and end regional conflicts, which may not be the highest priority factors for some countries.

Australia notes that the **social dimension of vulnerability** is comprised of two indicators focused on violence – in our view there should only be *one* violence indicator to encourage multi-dimensionality. Additionally, three out of four of the indicators measure social vulnerability as a spillover of social stressors from other countries. Internal social stressors and/or vulnerabilities should be better considered and would be more relevant for island states.

Australia suggests changing the indicator on **population size** from resilience to vulnerability. While we recognise that the Panel indicated during consultations that this change would not have an impact on the score, we need to be certain that smallness of population is sufficiently picked up in the model (and indeed, that none of the current indicators are skewed in favour of larger populations). **On environmental vulnerability**, share of drylands

is included as a vulnerability indicator justified by drought, but the broader vulnerability of water/agricultural land is not. These are only included as resilience indicators.

**We suggest the Panel runs a model with population considered differently (either a different indicator or placed in vulnerability) to see whether the rankings would change.**

We support the Panel's effort to focus on indicators that are not related to government policy. However, the consultation documents indicate that it's not a simple matter to distinguish between **structural and non-structural vulnerability**. We note, for example, that policy changes can be difficult to enact in countries where non-structural vulnerabilities are deeply entrenched. Some governance issues such as capacity of public service may seem non-structural in microstates with limited pools for public servants and leadership; these are in fact structural. **We would encourage the Panel to consider whether there is a need to reassess the definitions agreed in the interim report to allow for necessarily subjective decisions on structural versus non-structural.**

With this in mind, 'tree cover' would not be considered a resilience factor that meets the requirement of being exogenous, unless it was 'natural tree cover' to exclude government policy.

With regard to the issue of **weighting**, we recognise the Panel's view that vulnerability is the sum of its parts. However, we would question whether the absence of weighting implies that all indicators are equally likely and/or equally severe. **We encourage consideration of whether there is a need to include weighting based on probability and likely severity. Relatedly, we would encourage consideration of whether the current environmental indicators best capture the severity and likelihood of increased vulnerability based on a changing climate.** We recognise that there are existing environment focused indexes and that this index is intended to be multi-dimensional. However, it is important that climate and environment are sufficiently balanced in this index to truly capture the nature of multi-dimensionality, including how climate and environmental shocks influence other dimensions. For example, climate change impacts food and water security which in turn has broader security impacts.

There are some structural dynamics of countries that are threshold questions for viability – largely relating to population size, landmass (and landmass compared to EEZ, number of land masses, etc) that significantly impact state viability and should be accounted for. We suggest land area is also considered alongside connectivity for geographic isolation / remoteness.

While we note that **data availability** has hampered ability to use the most attractive and/or fit for purpose indicators, we would suggest re-consideration of the proposal to use only indicators with full data sets from UN sources. Alternatively, **the Panel could consider establishing a phased approach to finalisation of the MVI**, for example with the first preliminary phase using existing data, the second phase focused on collection of data for a suite of identified preferred indicators, and the third phase a recalculation based on the collected preferred data. It is important the index is able to evolve over time to account for improvements in data quality.

It is important to recognise **debt** in some way, whether as a factor of resilience or vulnerability. We note the Panel's advice that a consistent indicator on debt that truly captures all information is not available. However, given the link between debt and both vulnerability and resilience, we recommend the Panel goes into detail about this decision in its Report. This could also address factors such as reliance on ODA and external financing.

With regard to possible uses, it is important to maintain a disciplined focus on what the index is mandated to do: that it is a tool for the UN system. We note that, while it will helpfully be a useful tool for determining access to concessional finance in future, this will not be one of the immediate uses. Rather, **the UN system must identify how it will take up and promote uptake for the purpose of allocation of UN development support, including climate finance.**

**Conclusion:**

We thank the Panel for its work on this critical matter and we look forward to the finalisation of the MVI.