

## Aotearoa New Zealand Comments on the draft Multidimensional Vulnerability Index

This document provides Aotearoa New Zealand's comments on the draft Multidimensional Vulnerability Index (MVI). These comments are divided into general comments on the draft MVI and more specific comments on the draft MVI's composition.

### General Comments

Aotearoa New Zealand thanks the High Level Panel (HLP) for its efforts to produce this draft MVI. This is important and valuable work. Measures of sustainable development that do not include social, environmental and economic dimensions are partial at best, and have the potential to mislead and misdirect our collective international development cooperation efforts. We welcome this important step which will help us address current deficiencies.

We also thank the HLP for consulting with Member States on the draft MVI. This is an excellent process which will lead to a stronger, more credible, MVI. We encourage the HLP to continue this approach and to be available to engage with Member States on their questions and concerns. We encourage particularly dedicated engagement with Small Island Developing States (SIDS).

The HLP's mandate and work is in **response to SIDS concerns**. The General Assembly established the HLP in response to the Secretary-General's recommendation on "the potential development and co-ordinator of work with the United Nations system of and MVI for SIDS" and is extensively detailed in the Secretary-General's report A/76/211. We are therefore concerned that SIDS vulnerabilities and resilience do not feature strongly in the draft MVI results. We have below provided some suggestions on how this might be remedied, and we welcome other Member States views on better reflecting SIDS circumstances and actual observed reality.

As the HLP consults on and refines the draft MVI, Aotearoa New Zealand considers **the focus should continue on developing a credible tool for understanding and incorporating resilience and vulnerability** into sustainable development considerations by the UN system. We understand the temptation to step forward into how the MVI might be used for, for example, concessional finance considerations by other agencies. But we do not think diffusing the focus onto these topics helpful or useful for achieving the HLP's objectives.

### Specific Comments

Aotearoa New Zealand has the following specific comments on the draft MVI:

- The equal weighting of indicators creates a misleading index. Though vulnerability can be expressed in a cumulative way, **we question weighting all indicators equally**. For example, we find it difficult to understand how trade openness generates the same risks as exposure to natural hazards. We support proposals to consider weightings that better reflect severity and likelihood of risks to vulnerability and resilience.
- We suggest the indicators capturing the concept of exposure to **natural hazards include their frequency**. Climate change is increasing the frequency of cyclones, and this is an aspect of vulnerability that should be captured. We are furthermore not convinced that the two indicators for 'exposure to extreme weather events' – 'rainfall shocks' and 'temperature shocks' – adequately capture all the vulnerabilities created by **droughts and cyclones**.
- An indicator of **internal connectivity** would be useful addition to measuring economic or social resilience. Many Pacific SIDS comprise atolls spread over large areas of ocean, with up to thousands of kilometres (e.g., Kiribati) separating communities from capital and regional hubs.

This creates risks and costs similar to those for international competitiveness as well as additional ones related to the ability to reach communities with goods and services, and in responding to shocks.

- We suggest including an indicator on **access to and availability of finance**. The greater the ability a country has to access domestic and external sources of finance, the greater its ability to build resilience and respond to shocks. With few or limited sources of finance, countries face larger and spiralling vulnerabilities. We understand indicators could be derived from information available from the World Bank Group. We furthermore note that **excessive debt**, which can be generated by exogenous shocks, also constrains countries' ability to invest in resilience and respond to vulnerability.
- Several indicators would benefit from **including oceans related dimensions**. "Resilience of agriculture system" is useful, but should be complemented by a similar oceans related indicator, reflecting the essential contribution of oceans to SIDS food security and income. Similarly, with "resilience to heat shocks", contribution to "climate change mitigation", healthy oceans and coastal environments generate extensive ecosystem services and are an enormous sequester of carbon dioxide (nearly one-third of that humans put into the atmosphere).
- We suggest **reconsidering the indicator for "trade openness"**. While we understand the rationale, we note that trade has the potential to increase resilience by enabling access to diversified goods and services that can assist development. Furthermore, increasing exports can be an important part of a country's sustainable development plans. We also note that that the indicator proposed does not provide an indicator of vulnerability to fluctuations in international financial flows (as suggested by the concept).
- Recalling the HLP interim report discussion on structural social resilience as representing "the inherent and structural social capabilities and social capital" (page 15, para 41(iii)), we think an indicator is needed to actually measure the **nature and extent of public service delivery ability**. We note that many SIDS have small and stretched public administrations, and that this contributes to lower levels of resilience, for example in responding to shocks and to managing their adaption to climate change. We understand the World Bank has indicators of bureaucratic quality which could be used.
- We are concerned that the **focus on available data may be reinforcing current inadequacies** in the way we assess sustainable development, vulnerability and resilience. The lack of available data for important indicators may mean we are measuring less than optimal indicators, leading to a less than optimal index. This is not to criticise the HLP, which has worked well within its parameters. But it does cause us to view this draft MVI as very much a first prototype run, that identifies gaps and data needs. Following the finalisation of this prototype, we would like to see an ongoing programme of work that explores and develops new and more directly relevant indicators and supporting data systems.

## Conclusion

Aotearoa New Zealand is grateful to the HLP for its hard work on the draft MVI. Progress is being made and our collective understanding of vulnerability is broadening and deepening. We look forward to the finalisation of the MVI.