Zambia's Remarks - Virtual Informal Consultations for LDCs, LLDCs, MICs and SIDS on a multidimensional vulnerability index (MVI) for SIDS, Wed, 10 May 2023 at 10:00 a.m.

1. Zambia appreciated the opportunity to provide remarks as both an LDC and LLDC as well as LIC and vulnerable. We applauded the principles especially that of Universality and use of data that is readily available and credible.
2. Indicators: There must be a clear distinction between “external shocks” and “Exogenous shocks” when defining vulnerability. For Zambia, the most relevant definition is one that refers to Exogenous shocks. In this respect, economic indicators would not be restricted to Balance of Payments items.
3. Debt Vulnerability: It may be necessary to include the exogenous factors. While it is noted that debt vulnerability is also dependent on economic policy, there are exogenous factors that raise the risk of debt distress
4. Use of the MVI: The distinction between vulnerability and poverty will impact question on the inclusion or exclusion of GNI. While GNI may not be included at this stage, thought must be given as to whether the eventual use of the MVI will be to replace the GNI-base indicators or to complement them.
5. Weighting: the current aggregation method provides equal weight to the components. Further thought may be given to this matter since there are different forms of vulnerability and comparing countries which have different exposures may have some complexities for the validity of the comparisons.
6. Governance of the MVI: The MVI should be designed to stay stable in its composition over a long period of time so that is can be traced over time. The simplicity and broad acceptability of the methodology would be important for the sustainability of the MVI.