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**COVER PAPER FOR THE
DRAFT OACPS MULTIDIMENSIONAL VULNERABILITY INDEX
(OMVI) REPORT & DRAFT OACPS MULTIDIMENSIONAL
RESILIENCE INDEX (OMRI) REPORT**

**AGENDA ITEM 3 OF THE
26TH MEETING OF THE OACPS SMALL ISLAND DEVELOPING
STATES (SIDS) FORUM**

**TUESDAY, 4 JULY 2023
10:00-13:00 HRS (VIRTUAL)**

COVER PAPER FOR THE DRAFT OACPS MULTIDIMENSIONAL VULNERABILITY INDEX (OMVI) & DRAFT OACPS MULTIDIMENSIONAL RESILIENCE INDEX (OMRI) TO THE 26TH MEETING OF THE OACPS SMALL ISLAND DEVELOPING STATES (SIDS) FORUM

PURPOSE

1. This paper should be read in conjunction with the draft OMVI and OMRI reports, and its purpose is two-fold:
 - a) To provide an update to the OACPS SIDS Forum on the evolution of work undertaken by the Secretariat to develop two separate draft reports for the OACPS Multidimensional Vulnerability Index (OMVI), referenced in document No. **ACP/84/105/23**, and the OACPS Multidimensional Resilience Index (OMRI), referenced in document **No. ACP/84/110/23**; and,
 - b) To facilitate relevant decisions of the SIDS Forum on the two draft reports, to be conveyed as part of the OACPS SIDS Forum Report to the 116th Session of the OACPS Council of Ministers, for consideration and endorsement.

BACKGROUND

2. The reports respond to mandated decisions from paragraphs 74¹ and 75² of the *Nairobi Nguvu Ya Pamoja Declaration* issued by OACPS Heads of State and Government at their 9th Summit held in Nairobi, Kenya in December 2019, and reinforced by the OACPS Council of Ministers through Decisions No. 5/CXII/21³, No. 12/CXIII/21⁴, and No. 6/CXIV/22⁵ of July 2021, December 2021 and June 2022, respectively.
3. Work on the construction of an OACPS Multidimensional Vulnerability Index (OMVI) started in October 2022. On 8 February 2023, a verbal update on the composite structure of the OACPS Multidimensional Vulnerability and Resilience Index (OMVRI) was provided to the 24th meeting of the OACPS SIDS Forum. The same meeting also received a presentation from the Co-Chair of the UN High-Level Panel (HLP) on Multidimensional Vulnerability Index (MVI), H.E Erna Solberg of Norway, which showed the UN MVI has a composite index covering both Vulnerability and Resilience, and provided advice the UN MVI would be tabled in the UN General Assembly in June 2023, for adoption.
4. Building on the emerging trend from the feedback received on the Interim Report of the UN HLP of the MVI, released in August 2022, the OACPS Secretariat made a conscious decision to develop a composite index for both Vulnerability and Resilience, being guided by the strong commitment towards resilience building by OACPS Heads of State and Government in paragraph 75 of the

¹ “We recognise that SIDS will face significant challenges in accessing concessional financing for development, as outlined in the Addis Ababa Action Agenda, and express concern about the exclusion of many SIDS from concessional financial resources on the basis of their status as middle and high-income countries and the persistent use of per capita GNI as a criterion for determining access eligibility. We therefore call for the establishment of a vulnerability index as a criterion to be used for accessing development finance.”

² “We underscore the need to build the resilience of ACP States against external economic shocks, through the provision of support measures, including the necessary investments, which would reduce vulnerability”.

³ “Mandate the Committee of Ambassadors to support a coordinated, integrated approach to implementing the priority issues of the OACPS SIDS Forum, including debt distress and debt sustainability, access to concessional finance, and advocacy for a universal/multidimensional vulnerability index”.

⁴ “Instruct the Committee of Ambassadors to expedite and finalise a multidimensional Vulnerability Index”.

⁵ “Task the Secretariat to expedite the finalisation of the OACPS Multidimensional Vulnerability Index, which must include Climate Vulnerability”.

Nairobi Nguvu Ya Pamoja Declaration. At that time, both the Vulnerability and Resilience indices were combined in a single report, and individual ranking was also computed for a sample size of 177 countries, including OACPS Members and other developing and developed countries. The focus was primarily on the OACPS SIDS Members, and to some extent LDC Members.

5. The first draft report for an OACPS Multidimensional Vulnerability and Resilience Indices (OMVRI) was circulated to Member States on 15 February inviting written comments on the draft report by 10 March 2023. This followed with a Special hybrid Meeting of the SIDS Forum on 22 February to present the draft report to OACPS Members and Regional Organisations. A supplementary Secretariat Policy Note on the OMVRI was sent out to Members after the Special Meeting. While verbal comments were made during the Special Meeting on 22 February, no written comments, or objections to finalising the report were received from any OACPS Member State by the first deadline of 10 March. In response to requests from some Members, a further 3 weeks extension was given (up to 31 March). Regrettably, no written comments were received by 31 March, 2023. Recognising the need to finalise the report in time to make a submission to the UN High-level Panel on MVI, the Secretariat tabled a Paper on the “State-of-Play of the OMVRI” at the 25th meeting of the OACPS SIDS Forum held on 6 April, 2023. At the meeting, a number of key issues were raised by some Member States.
6. A Second Special Meeting of the SIDS Forum was convened on 27 April, to discuss pending issues related to the OMVRI report. The UN HLP on MVI released their Preliminary Report on 29 April and invited comments by 12 May. On 2 May, a report on the “State of Play for an OACPS Multidimensional Vulnerability and Resilience Index” was presented to the 956th session of the Committee of Ambassadors for information and noting, based on the outcome of the Second Special Meeting of the SIDS Forum on 27 April, which decided for further work to be undertaken on the draft report. A Third Special Meeting of the SIDS Forum was held on 9 May to review the draft Initial Submission by the OACPS on the Preliminary Results of the UN HLP of the Multidimensional Vulnerability Index. During the third special meeting, there was agreement that the submission to the UN HLP on MVI would only draw on the OMVI component while further improvements are done to the report. The OACPS submission to the UN MVI was approved by the Committee of Ambassadors at their Special Meeting on 11 May 2023.

SUMMARY OF KEY ISSUES RAISED BY MEMBER STATES

A. Vulnerability Index vs Resilience Index

7. The combination of an OACPS Multidimensional Vulnerability Index (OMVI) and an OACPS Multidimensional Resilience Index (OMRI) in a single composite index (OMVRI), along with a computed ‘net vulnerability’ was an issue for some Members. A few Members perceive the “net vulnerability’ calculation (net vulnerability = resilience score – vulnerability score) as a drawback to proving an individual country’s level of vulnerability and questioned the origins of the mandate for including a multidimensional resilience index. On the other hand, there are many OACPS Members that have national policy commitments toward ‘building resilience’. As such those Members have raised at recent meetings of the Committee of Ambassadors the need to retain a multidimensional resilience index.

Secretariat response:

- On political mandate, the Secretariat has constructed an OACPS Multidimensional Resilience Index (OMRI) in line with the OACPS Heads of State and Government’s commitment in paragraph 75 of the 2019 *Nairobi Nguvu Ya Pamoja Declaration*: “We

underscore the need to build the resilience of ACP States against external economic shocks, through the provision of support measures, including the necessary investments, which would reduce vulnerability". Technically, having a composite index that includes resilience is consistent with recent global trends (e.g., Commonwealth Universal Vulnerability Index approved in 2021).

- Recognise that while the advocacy goal to access concessional finance from development partners is to build resilience, OACPS Members' needs vary from country to country. The Secretariat has split the initial single report for an OMVRI into two separate reports, one focusing specifically on vulnerability (OMVI Report) and the other focusing specially on resilience (OMRI report) - an index intended to measure progress and the effectiveness of support mobilised from partners to reduce vulnerability. This will allow flexibility for OACPS Members to utilise whichever tool/instrument is appropriate to their needs and national circumstance.

B. Inclusivity

8. Although the provenance of the 2019 decision was to assist OACPS SIDS Members that are categorised as High-Income or Upper Middle-Income economies, other OACPS Members have underscored the need to be inclusive, leaving no one behind.

Secretariat response:

- The results of the OMVI and OMRI reports draw attention to the unique circumstances of OACPS SIDS, LDC and LLDC Members. It drew from a sample size of 177 countries, including OACPS Members and other large developing countries and developed countries, making it the only MVI tool that assesses the largest number of countries both from developing and OECD, High-Income countries (e.g., UN MVI 2023 – rank 143 developing countries, Commonwealth UVI 2021 – rank 138 developing countries, and UNDP MVI 2021 – rank 126 developing countries). This approach clearly demonstrates that SIDS, LDCs and LLDCs are the most vulnerable and least resilient groups compared to OECD and High-Income countries.
- Another novel approach of the OMVI and OMRI was to shift away from ranking OACPS countries against each other towards a more inclusive 'country group classification' ranking, building on universally recognised groups such as SIDS, LDCs, LLDCs, OECD countries, High-Income Countries, Upper Middle-Income Countries and Lower Middle-Income Countries. These country groups are recognised by the UN and International Financial Institutions, when assessing eligibility to access concessional finance.

C. Integration and complementarity to the UN MVI

9. Members highlighted the need to integrate and ensure the OACPS MVI complements the UN MVI.

Secretariat response:

- Building on the results of the OACPS MVI, the OACPS made a formal submission (https://sdgs.un.org/sites/default/files/2023-05/OACPS_Submission_Comments_on_MVI_Indicators.pdf) on 12 May 2023 to the UN HLP of the MVI on their Preliminary Report. UNDESA has provided written feedback that the OACPS' submission was very comprehensive and the recommendation on the Governance Arrangement very helpful. UNDESA also invited the ECA ASG to moderate a session of the High-level Political Forum on Sustainable Development in New York in mid-July.

- While the UN HLP of the MVI is recommending undertaking Vulnerability and Resilience Country Profiles (VRCP) as the next steps, the proposed next steps for the OACPS MVI is to undertake Thematic OMVI's (e.g., Climate Change, Water, Food systems, Gender, Health etc.) using the country group classification approach. These are complementary initiatives.
- Work on the OACPS Multidimensional Resilience Index (OMRI) will prepare the OACPS to meaningfully engage and influence future UN work on a mechanism to track progress and the effectiveness of support mobilised through the UN MVI to reduce vulnerability and build resilience in recipient countries. This is in line with a statement by AOSIS in December 2022.
- OACPS work on a MVI has strategically positioned the OACPS to have a potential role in the Independent High-Level Panel of Experts for the review of the MVI as recommended by the UN HLP of the MVI in their preliminary report.

D. Inclusion of new Indicators

10. A number of new indicators were suggested by OACPS Member States and Regions to ensure the OACPS MVI and OACPS MRI results sufficiently reflect the challenges faced by all OACPS Regions.

Secretariat response:

- All suggested new indicators were investigated against the set of criteria used for all variables and indicators in the reports, which include the need for data to: (a) have a wide country coverage; (b) be derived from reputable sources; (c) compiled on an ongoing basis for a number of years (10-year period). As such some useful data and indicators, though relevant, did not pass the requirements above and could not be used. Nevertheless, there were a few indicators that have been added or deleted, as summarised in the tables below.

OMVI Report

Variable	Old set of indicators	New set of indicators
Economic Vulnerability	Export concentration (ratio of total exports of goods and services and the GDP)	Export concentration (ratio of total exports of goods and services and the GDP)
	Dependence on strategic imports (ratio of total imports of food items and fuels and the GDP)	Dependence on strategic imports (ratio of total imports of food items and fuels and the GDP)
	Trade openness (ratio of exports and imports of goods and services to GDP)	Trade openness (ratio of exports and imports of goods and services to GDP)
		NEW - Value-add to primary sectors e.g., agriculture, fisheries and forestry (% of GDP)
Environment Vulnerability	Exposure to natural hazards (economic damage as % of GDP)	Exposure to natural hazards (economic damage as % of GDP)
	Ratio (%) of coastal areas over total landmass	Ratio of coastal areas over total landmass
		NEW - Ratio of arable land over total landmass (% of arable land over total landmass)
Social Vulnerability	Malaria deaths (per 1,000 population)	Malaria deaths (per 1,000 population)
	Number of external interventions	Number of external interventions
		NEW - Epidemics (total number of people affected by epidemics over total population)

OMRI Report

Variable	Old set of indicators	New set of indicators
Economic Resilience	General Government Gross Debt (% of GDP)	General Government Gross Debt (% of GDP)
	Current Account Balance (% of GDP)	Current Account Balance (% of GDP)
	Ease of doing business	Ease of doing business
Environmental Resilience	Unsafe drinking water	Unsafe drinking water
	Unsafe sanitation	Unsafe sanitation
Social Resilience	Expected years of schooling (years)	Expected years of schooling (years)
	Life expectancy at birth (years)	Life expectancy at birth (years)
Political Governance	Law and Order	NEW - Government effectiveness
Enabling Environment	Control of corruption	NEW – Quality of regulations

E. Need for detailed assessment and analysis

11. There is need for detailed assessment before the OMVI and OMRI reports could be presented for approval.

Secretariat response:

- The work on an OACPS MVI has taken 9 months, including several opportunities for consultation with OACPS Embassies and Missions, capitals and regional organisations over the past 5 months, as outlined in the Background section of this paper. These have assisted to further refine the OACPS MVI methodology and approach. This has significantly raised the profile and visibility of the OACPS with recent invitations to share the OACPS MVI work at the OECD Climate Experts Group Global Forum in March in Paris, Wilton Park Dialogue on Finance for SIDS in April in London, ODI/UK FCDO/UNOHRLLS MVI Event in May in London, and UNDESA High-level Political Forum on Sustainable Development in July in New York. There is opportunity to build on the OACPS MVI methodology to undertake detailed thematic assessments focusing on climate vulnerability, water vulnerability, food systems vulnerability, gender vulnerability, energy vulnerability, health vulnerability etc.).

STATUS OF THE TWO REPORTS

OACPS Multidimensional Vulnerability Index (OMVI) Report

12. This draft report, with reference No. ACP/84/105/23, focuses specifically on measuring the vulnerability of country group classifications. It builds on agreed positions and concepts submitted to the UN HLP on MVI on 12 May, which were already cleared by the OACPS Committee of Ambassadors at their Special Meeting on 11 May 2023. The report is organised into five sections: Section 1 is Introduction; Section 2 provides the Background on Vulnerability Indices; Section 3 discusses the Methodology used to develop the OACPS Multidimensional Vulnerability Index (OMVI); Section 4 presents the Outcomes of the OMVI and value-add to the UN MVI; and Section 5 summarises the Key Messages and Recommendations. This is followed by the list of References and the Appendix. The report does not include any table on individual country ranking. All graphs are updated based on the new set of indicators with specific focus on SIDS, LDCs and LLDCs.

OACPS Multidimensional Resilience Index (OMRI) Report

13. This draft report, with reference No. ACP/84/110/23, focuses specifically on measuring the resilience of country group classifications, including a linkage to vulnerability through computed 'net vulnerability'. The report is organised in five sections. Following the Introduction in Section 1, Section 2 focuses on the Background to the concept of resilience and its application in developing the vulnerability and resilience framework, and reviews previous work on resilience indices. Section 3 discusses the Methodology for developing the OACPS Multidimensional Resilience Index (OMRI). Section 4 presents the Outcomes of the OMRI and juxtaposing those results with the vulnerability measures yielded by the OMVI to define 'net vulnerability'. Section 5 summarises the Key Messages and Recommendations. This is followed by the list of References and the Appendix. The report does not include any table on individual country ranking. Graphs are currently being reworked to include LLDCs and the new indicators (government effectiveness and quality of regulations) under the Enabling Environment variable, which replaces the Political Governance variable.

RECOMMENDATIONS

14. The OACPS SIDS Forum is invited to support the following recommendations for the OACPS Council of Ministers consideration:

- a. **Commend** the work of the OACPS SIDS Forum in developing the OACPS Multidimensional Vulnerability Index to inform Member States' engagement and advocacy, including official submission to the UN HLP of the MVI Preliminary Results, on the UN Multidimensional Vulnerability Index to be considered by the UN General Assembly;
- b. **Welcome** the outcome of the OACPS Multidimensional Vulnerability Index (OMVI) which clearly demonstrates that Small Island Developing States (SIDS), Least Developed Countries (LDCs) and Landlocked Developing Countries (LLDCs) are the most vulnerable compared to other groups;
- c. **Approve** the report for an OACPS Multidimensional Vulnerability Index (OMVI) and **task** the Secretariat to secure support from partners to undertake a Climate Change thematic OMVI for consideration at the 117th session of the Council of Ministers; and,
- d. **Reaffirm** the need to build the resilience of OACP States against external economic shocks, through the provision of support measures, and support in principle further work by the Secretariat to develop and finalise a multidimensional resilience index to measure progress and the effectiveness of development support.