

**HIGH-LEVEL POLITICAL FORUM ON SUSTAINABLE
DEVELOPMENT**

Building back better in vulnerable situations: Small Island Developing States

11 July 2022; 3 - 5pm

Conference Room 4 UN Headquarters

Context:

An update on the Work of the MVI Panel

Remarks – Hon. Gaston Browne

Excellencies, Colleagues, Distinguished Guests.

It is indeed an honour to welcome you all to this important session on a most important topic: the (or MVI). I bid you warmest greetings from sunny Antigua and Barbuda, on what I hope is a lovely summer day in New York City. This is indeed one of my favourite times of year to visit New York, and I regret not being able to join you in person, however, I am still grateful for the opportunity to share an update on the work of the UN High Level Panel on the MVI, in my capacity as Co-Chair.

Friends, it is clear that the old way of measuring development is no longer working. The accepted wisdom that the development process is a linear, upward-trending pathway that correlates with GNI per capita, all things being equal, becomes more irrelevant with every passing year. The problem is that all things are not equal – they never were.

In an interconnected world, several countries, by virtue of their structural handicaps, are disproportionately disadvantaged in the face of external shocks. The reality is that external shocks such as climate change, natural hazards, global pandemics, and economic shocks like the 2008 Financial crises, generate huge disruptions that were not contemplated by outdated development models. Today's development challenges are complex, diverse and interconnected, and there is an urgent need for measures that better reflect this reality.

Ladies and Gentlemen,

The Covid-19 pandemic opened the world's eyes to how vulnerable ALL developing countries truly are. How easily our financial security and import cover can be wiped away at a moment's notice. The pandemic also laid bare, beyond the scale of many countries and especially so for SIDS, just how inadequate the current global financial system is. It revealed that there is need for a new lens to assess development outcomes and a more nuanced understanding of vulnerability. The lesson here is that shocks, beyond the control of states, reduces resilience and limits sustainable development.

This is the fundamental philosophy on which the the Panel has been developing the MVI.

In addition the Secretary General's five guiding principles articulated in his report A/76/211 remains at the core of the structure of the index.

I will take a moment to remind you of them

- **Multidimensionality** – The MVI should not just cover a single dimension of vulnerability, but instead should address at least the environmental, economic, and social dimensions of vulnerability;
- **Universality** – The MVI must include all categories of countries for points of comparison and should include indicators that capture vulnerabilities of all developing states;
- **Exogeneity** – The MVI should “distinguish between exogenous and inherited factors” for compatibility with performance-based financial allocation models;
- **Availability** – The MVI should use “available, recognized, comparable and reliable” data;
- **Readability** – The MVI should be “clear and easily understood,” and avoid redundancy;

and finally, very crucially, to ensure that the interventions and assistance the MVI enables is targeted and productive;

- **Resilience** – “corresponding measures of resilience should be employed to determine ‘net vulnerability’ over time, such that measures of vulnerabilities are balanced by resilience, thus eliminating the need for perpetual support”.

Striking the right balance between these sometimes competing principles is a difficult undertaking and we have a tight timeframe within which to complete our work. However, our panel has been working assiduously and we will shortly release our Interim Report for comment and feedback, before the end of this month.

So far, key definitions of **structural vulnerability** and **structural resilience** have been agreed, as well as an overall MVI structure that would guide the selection of the best indicators to inform vulnerability across all dimensions. The agreed structure satisfies the Secretary General’s recommendations, and is proposed at two levels:

1. A global level assessment of structural vulnerability and resilience (‘net vulnerability’) to take the form of an easy to understand dashboard, backed by a detailed, transparent, vulnerability and resilience model; and,

2. National vulnerability-resilience profiles for vulnerable countries to provide granularity and greater characterisation of country specific vulnerability, including non-structural vulnerability; allow for country ownership and be used to direct support and cooperation to address the vulnerability in question and build resilience.

Simply stated, if a country is deemed to be vulnerable at the global level assessment then cooperation and assistance should be provided and guided by vulnerability and country resilience profile. This approach ensures there is consistency as well with the Performance Based Allocation (PBA) model utilised by most multilateral development banks (MDBs) and international financial institutions (IFIs) and is flexible enough to account for targeted assistance.

The Panel has made a preliminary selection of indicators and is now working on the data analysis and on building a prototype so that results can be examined.

At this juncture, you may be asking yourself whether the MVI is intended to replace GNI per capita. The answer to that is a resounding NO. GNI per capita remains the best, most reliable indicator we have currently, to identify least developed countries, and prioritise necessary financial and technical cooperation to them.

The MVI is intended to complement GNI per capita. To provide developing countries, the opportunity to access the support they need at the global level, based also on their structural vulnerabilities, and not only on indices that have little relevance to their real needs.

Understanding a country's structural vulnerability, its extent and impacts is important for growth and sustainable development. Measurement can only properly be done through assessments using indicators or indices, that are comparable between countries, reliable and likely to be used for policy purposes, in particular for international allocation of development finance on concessional terms.

The MVI will allow for this, in a clear and transparent, data-driven, scientific manner. This will enable the formulation of better partnerships, more targeted resources allocation, aimed at risk reduction and resilience building.

This approach will ultimately give rise to greater returns on the investments made by development partners and IFIs in developing countries, improved international development cooperation and by extension better development outcomes. A win-win situation for all.

But, even in the first iteration of this report, we need your help. And this is why today's event is so critical and I am looking forward to a frank discussion. We need your feedback on what is required to build the international consensus necessary to have the MVI adopted in the first instance, and then actually implemented. Where are your red lines? Moreover, we need your insights on how can the MVI best be applied to inform financing strategies and mechanisms for the most vulnerable. Your guidance today would be crucial in helping our Panel make final determinations in producing the interim report.

Friends, before I leave you in the capable hands of my fellow Panel members as well as the other specially invited speakers taking part in the broader Q&A discussion, one final word.

For the MVI to be adopted and eventually used, we will need the support of everyone – both developed and developing countries. The crises spawned by the conflict between Russia and Ukraine reminds us all, that peace and security are at the core of global stability and sustainable development; in a world as interconnected as ours, conflict and insecurity also render countries vulnerable.

There has been a two-fold increase in strong hurricanes in the Caribbean, within the last decade. This trend will only worsen if global warming remains unchecked. Hurricane Irma in 2017 wreaked absolute havoc in Barbuda. Five years later, we are still struggling to rebuild to the status quo ante, including to build back better. If the global financial system remains as it is, we will never be able to afford another Hurricane Irma.

If we are to set one goal for ourselves, with regard to improved new global partnerships, then that should be to settle the issue of vulnerability criteria. It is the only thing that will unlock access to the resources that SIDS and other developing countries need to enable them to fight their own battles.

I thank you.