

DRAFT
STATEMENT
DELIVERED
BY
H.E MR. AMRIT BAHADUR RAI
AMABSSADOR AND PERMANENT REPRESENTATIVE OF NEPAL TO
THE UNITED NATIONS
&
CHAIR OF THE GLOBAL COORDINATION BUREAU OF THE LEAST
DEVELOPED COUNTRIES (LDCs)
ON BEHALF OF
THE GROUP OF LEAST DEVELOPED COUNTRIES (LDCs)
DURING THE CONSULTATIONS WITH THE MEMBERS OF THE HIGH-
LEVEL PANEL ON THE MULTIDIMENSIONAL VULNERABILITY INDEX
FOR SIDS
10 MAY 2023
10am-1pm
Virtual

Please check against delivery

Madam Chair,

Excellencies,

Distinguished delegates,

Ladies and gentlemen;

I have the honour to deliver this statement on behalf of the least developed countries.

At first, let me express our sincere gratitude to H.E Mr. Gaston Browne, the Prime Minister of Antigua and Barbuda; and Her Excellency Ms. Erna Solberg, former Prime Minister of Norway, the Co-Chairs of the High-Level Panel of Experts on a Multi-Dimensional Vulnerability Index (MVI) for Small Island Developing States, for convening today's Meeting and briefing our Groups of Countries, on this ongoing process.

The Group would like to make the following points:

First: The Group of LDCs appreciates the efforts of the Panel for their work on the MVI, along with the Vulnerability-Resilience Country Profiles (VRCP). However, the Group would be willing to understand the background or the legislative mandate that requires to make the MVI universal. In all iterations of the relevant resolution calling for an MVI, starting from 74th Session to the one adopted at the 77th Session of the General Assembly (GA) after the panel was constituted, there is a clear and unambiguous reference to 'multidimensional vulnerability index for Small Island Developing States (SIDs)'.

Nowhere is it implied that the vulnerability profile shoehorn all the developing countries in a one-size-fits-all single ranking order. It is common knowledge and agreed understanding that all groups of countries in special situations have their unique challenges and problems. The Group also feels that it did not have the opportunity to adequately engage in this exercise to reflect its priorities and concerns with regard to their vulnerability and resilience. Therefore, our group is of the view that MVIs can best be used as the measurement of vulnerability of the SIDs, as per the mandate of the relevant GA resolutions. In their current form, the MVIs and attendant VRCPs may not be pragmatic and applicable to other groups, in particular the LDCs.

Our **second** point relates to the key purposes and usages of the MVIs. For any intergovernmental process or initiative, it is pivotal that the purposes and objectives are clearly articulated. We see in one of the documents entitled MODALITIES FOR THE DEVELOPMENT OF VULNERABILITY-RESILIENCE COUNTRY PROFILES that the VRCP has three objectives which are more directly related to national circumstances and actions. But when we look at the SG's report contained in A/76/211, the purposes are identified to be much broader. Before entering into the debate on the technical aspects of the MVIs, we need to have a broader agreement and consensus on the objectives, purposes and usage of the VRCP.

Third: In an earlier meeting on the MVI, we made it very clear that MVI should be technically robust, logically convincing, and politically accepted. This is also manifested in SG's report (that I referred to earlier), which suggests that the "Indicators should be drawn from all three dimensions of sustainable development to ensure equity and broad acceptance". Therefore, what we develop now, need to be inclusive, comprehensive, and robust.

Fourth: From our preliminary reading, we have noticed important omissions of certain variables which are highly pertinent in the calculation of vulnerability and resilience of a country. Let me highlight a few:

- We are in agreement with the Panel that GNI per capita is an inadequate measure of well-being. However, complete omission of per capita income is seriously misleading. As we mentioned in our last intervention, the level of income reflects the purchasing power of individuals and nations which provides a powerful resilience against shocks. It is basically with the availability or possession of wealth and resources with which countries overcome shocks or rebuild after the shocks.

For LDCs, it seems that vulnerability profile based on factors that can trigger large downward fluctuations of income is hard to relate, because large fluctuations can happen only when the income is already high. Logically, such an assumption ironically justifies the lowest levels of incomes as the least vulnerable ones. Consequently, those left the furthest behind in development suddenly become the most resilient lot. Nothing more could subvert and repudiate the basic premise of Agenda 2030—that of leaving no one behind—than such an assumption.

Similarly, in terms of 'Trade Openness', if more trade openness and more export are signs of high vulnerability, then countries should aim at less trade openness and less export. This notion is difficult to comprehend.

- In the same vein, for LDCs, external debt is not a choice or merely induced by domestic policies, but a necessity, taking into account the huge resources and investment gaps to meet the SDGs.
- Equally important is the lack of social protections, which can not be a choice, but relates to serious capacity constraints of a government.
- Some other elements that the Group would like to flag are related to access to energy and ICT, and the level of poverty.
- Commodity dependence also poses a high vulnerability to an economy. We have experienced time and again including in recent time the high volatility of the commodity prices which poses high vulnerability to commodity dependent countries.
- The list is not exhaustive, as we have sent the documents to our respective capitals, and they need a lot more time. This brings me to my next point.

Fifth: The MVI is no doubt highly technical in nature. Many of our Missions do not have the capacity to digest the proposals that even took months for the expert panel to develop. We need time to carefully study, understand and digest the indicators and the composite Index. The Group of LDCs would therefore not agree to be bound by any artificial deadline that can compromise the robustness of this exercise.

Finally: I would like to highlight that the Group of LDCs is historically recognized as the most vulnerable group of countries in the world that enjoys special and differential treatment. The latest QCPR resolution recognizes that "...the least developed countries, as the most vulnerable group of countries, need enhanced support to overcome structural challenges that they face in implementing the 2030 Agenda for Sustainable Development..."

We must ensure that the support going to LDCs, which is the poorest and most vulnerable group of Countries, is maintained and enhanced. It should not be affected or compromised due to the application of any other process. This reality should not be overshadowed by any exercise.

Thank you.