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News: Multidimensional Vulnerability Index (MVI)

- The UN General Assembly launched the Multidimensional Vulnerability Index (MVI) to assist small island developing states (SIDS) in securing low-interest financing.

Multidimensional Vulnerability Index (MVI)

- The Multidimensional Vulnerability Index (MVI) is a **new international quantitative benchmark to measure structural vulnerability and the lack of structural resilience across multiple dimensions of sustainable development at the national level.**
- It **can be used to complement Gross National Income (GNI) per capita.**

Need of MVI

- **Current Limitations:** National income, **typically measured by Gross National Income per capita, is an inadequate indicator of development and well-being, especially for countries facing high risks of external shocks.**

- **Access to Concessional Financing:** Countries often struggle to access affordable development support, such as concessional assistance, because eligibility is based on income thresholds rather than vulnerability.
- **Inclusive Aid Allocation:** A widely accepted MVI could better guide development policies, aid allocation, and provide early identification of nations requiring international assistance.

MVI incorporates two main components.

- **Universal Level Quantitative Assessment:** A summary index ranks countries based on their structural vulnerability and resilience using a common methodology. This is presented as an overall MVI score.
- **Vulnerability-Resilience Country Profiles (VRCP):** It is a more detailed, tailored, and individualised characterisation of a country's vulnerability and resilience factors.