



FONDATION POUR LES ETUDES ET RECHERCHES SUR LE DEVELOPPEMENT INTERNATIONAL

## **Designing an Index of Structural Vulnerability to Climate Change**

**by  
Patrick Guillaumont and Catherine Simonet**

Policy Brief / 18 (Eng)  
March 2011

La FERDI est une fondation reconnue d'utilité publique.  
Elle met en oeuvre avec l'Iddri l'Initiative pour le Développement et la Gouvernance Mondiale (IDGM).

*Patrick Guillaumont is Professeur émérite, Université d'Auvergne, and President of Ferdi. Catherine Simonet is PhD student at Cerdi.*

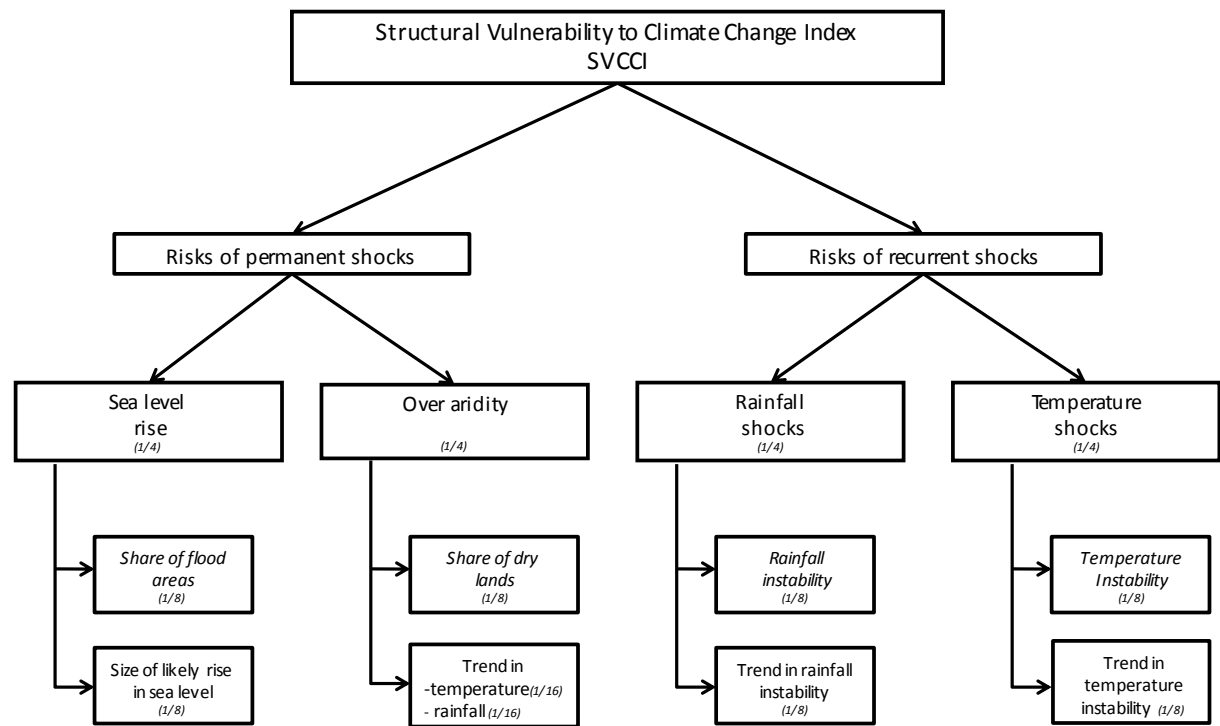
This is an attempt to build an Index of Structural Vulnerability to Climate Change. It differs from the burgeoning and already rich literature on vulnerability to Climate Change by only considering this part of the vulnerability which does not depend on the present policy, and future policy as well. To this aim it relies only on physical components reflecting a likely impact of climate change, without any use of socioeconomic data. It is an index of *structural vulnerability* to climate change, changing only progressively and slowly. It also differs from other vulnerability indices, both from the more general environmental vulnerability indices, which include resilience and policy components, and from the Economic Vulnerability Index (EVI) used by the Committee for Development Policy (CDP) for the identification of the Least Developed Countries (LDCs). The EVI is related only to structural vulnerability (independent from the present will of countries), as the present Structural Vulnerability to Climate Change Index (SVCCI), but, differing from the latter, it covers all kinds of exogenous shocks likely to affect economic growth.

Thanks to these features, the SVCCI, set up at the country level, could be used as a criterion for the geographical allocation of the international resources available for the adaptation to climate change. It is a relevant criterion precisely because it doesn't depend on the present policy (the vulnerability resulting from a poor policy cannot be a reason for a higher allocation), and it only gives an indication of the need for adaptation. By the same way the EVI has been proposed as a possible criterion for the allocation of development assistance. The two indices SCCVI and EVI can then have a complementary role in allocation of international resources as far as these resources are provided from separate windows (Guillaumont 2008 and Guillaumont, Guillaumont Jeanneney and Wagner 2010).

The design of the SVCCI draws both from the environmental literature and from the attempt to measure structural economic vulnerability, as it is done by the Economic Vulnerability Index (UNCDP 2008, Guillaumont 2009a and 2009b). As an environmental index, the index relies on components reflecting the physical consequences of climate change that can directly affect population welfare and activity, rather than an assessment of their long term economic consequences, which is more debatable. And, as an index of structural vulnerability to climate

change, it refers only to the vulnerability that does not depend on the present will of the country.

The present index relies on eight components, considered as relevant, reliable, available for the whole set of developing countries and easily understandable, so that the index can be used in a transparent manner. These eight components are respectively related to the risks of recurrent shocks and to the risks of permanent shocks due to climate change, and they capture both the likely size of the shocks and the country exposure to these shocks.



NB. The boxes corresponding to the two last rows of the graph respectively refer to exposure components and to size of the shocks components.

The *risks of permanent shocks* (or continuous hazard) refer to possible persistent consequences of climate change at the country level. The two main kinds of such risks, as identified in the literature, are a rise of sea level, possibly leading to flood, and an increase of aridity, possibly leading to desertification. The vulnerability of a country to the sea level rise is evidenced by the risk of this country to be flooded. Its assessment involves making a distinction between the likely size of this shock (rise of the sea level) and the exposure to this shock (altitude). The indicator of the risk of increasing aridity and desertification relies on the

same distinction between the exposure to shocks and the size of shocks. The exposure can here be proxied by the actual share of dry lands in the country (or the actual average level of rainfall in the country). The higher the share of dry lands (or the lower the rainfall level), the higher is the risk to be affected. As for the size of the shocks, it has appeared relevant to retain the trend in the annual average temperature in each country (over the last decades). A complementary proxy of this shock measurement can also be found in a decreasing trend of the average rainfall level.

The *risks of recurrent shocks* generated by climate change occurs through more frequent or more acute natural shocks on rainfall and temperature (such as droughts, typhoons, floods,...). The vulnerability to rainfall and temperature shocks has again two main components, corresponding to the previous distinction between exposure and shocks. The exposure component is related to the size and frequency of the shocks during past years (or the past rainfall and temperature instabilities). The shock component, here capturing a risk of shocks *increasing as a result of climate change*, and more forward-looking, is reflected by the trend in the frequency and size of the past trends (or the trends in rainfall and temperature instabilities), supposing that these trends are determined by climate change and are likely to go on in the future. These two components are measured by the same way for rainfall and temperature.

Each of the eight components is normalized following the min-max method. Following the usual practice for averaging such synthetic indices, the SVCCI is first calculated from an arithmetic average. Equal weights are given to the two main categories of shocks (half and half), then to the four main components and finally to the eight sub-components. However, any of the main components may be of crucial importance for a country, more or less independently from the level of the other components. In that case it is relevant to use an averaging method reflecting this limited substitutability between components, by either a quadratic average of the components or by a reversed geometric average (as discussed in Guillaumont, 2009a and 2009b). The companion database gives the measure of each component and sub-component, allowing one to use its own averaging method or to use them separately.

Data are obtained from the works of Dasgupta and al. (2009) for the calculation of exposure to rise of sea level. Rainfall and temperature data come from Global Air Temperature and

Precipitation: Gridded Monthly and Annual Time Series (Version 2.01, Cort J. Willmott and Kenji Matsuura, University of Delaware). Data of the exposure of dry lands come from the World Resources Institute (1999) and the United Nations Environment Program/Global Resource Information Database (UNEP/GRID 1991).

The SVCCI has been calculated on the basis of data covering the last 60 years (since 1950) for 146 developing countries and territories. Provisional results evidence a high heterogeneity among countries in the level of structural vulnerability to climate change, even within a same regional area. Country grouping results are presented in the Table below, showing the high structural vulnerability to climate change of the LDCs, already found to have a high economic vulnerability, as evidenced by EVI.

Table: SCCVI, by group of countries (arithmetic average of the eight components)

group of countries	number of countries	Mean	Median	Standard Deviation
All Developing countries (DCs)	116	36.43	35.89	6.77
Least Developed Countries (LDCs)	46	38.28	38.38	8.04
All Developing countries non LDCs	72	35.48	34.77	6.30
Low and Lower middle income countries	84	37.64	37.21	7.13
Low and LMI countries non LDCs	39	36.66	36.72	5.92
Small Islands Developing States (SIDS)	29	38.00	34.60	9.42
SIDS non LDCs	18	35.98	34.29	7.51
SIDS-LDCs	11	40.19	38.67	11.85
Landlocked Developing Countries (LLDCs)	27	37.14	36.87	6.24
LLDCs non LDCs	11	39.43	40.09	4.96
LLDCs-LDCs	16	35.56	33.52	6.67

*The method and results have been presented in details in:*

Guillaumont P. and Simonet C (2011), “Designing an index of structural vulnerability to climate change”, *Ferdi Working Paper* N° 109

#### Other references

Committee for Development Policy and Department of Social and Economic Affairs (2008), *Handbook on the Least developed Country Category: Inclusion, Graduation, and Special Measures*, United Nations.

Guillaumont P. (2008), *Adapting Aid Allocation Criteria to Development Goals, An Essay for the UN Development Cooperation Forum, Ferdi Working Paper*, P 1, May.

Guillaumont P. (2009a), *Caught in the Trap: Identifying the Least Developed Countries*, Paris: Economica.

Guillaumont P. (2009b), An Economic Vulnerability Index: Its Design and Use for International Development Policy, *Oxford Development Studies*, 37:3, pp. 193-228.

Guillaumont P., S. Guillaumont Jeanneney and L. Wagner (2010), How to take into account vulnerability in aid allocation criteria and lack of human capital as well; improving the performance based allocation, *Ferdi Working Paper* P 13, October,

*In the case you use the data from the companion database:* please quote the reference paper and “Data available on the FERDI website: [www.ferdi.fr](http://www.ferdi.fr)”

Contact : [cat.simonet@gmail.com](mailto:cat.simonet@gmail.com) or [michael.goujon@u-clermont1.fr](mailto:michael.goujon@u-clermont1.fr)