

Measuring remoteness for the identification of LDCs  
Note by the CDP Secretariat, August 2015

Introduction

The Committee for Development Policy uses an indicator of remoteness as one of the components of the Economic Vulnerability Index (EVI), which is one of three criteria to identify least developed countries (LDCs) for a br

0tep +\$ #or each country under consideration all countries are sorted by distance

Step 8: The minimum average distance is transformed into logarithms and converted into the remoteness value using the following formula:

$$r_i = 100 \times \frac{\ln(d_i) - \ln(d_{\min})}{\ln(d_{\max}) - \ln(d_{\min})}$$

here

$i$  is the country index;

$r_i$  is the remoteness value of country  $i$ ;

$d_i$  is the minimum average distance of country  $i$ ;

$d_{\min}$  is the smallest minimum average distance (8,444 km); and

$d_{\max}$  is the largest minimum average (+4,744 km)

The values  $d_{\min}$  and  $d_{\max}$  are based on the smallest and largest minimum average distance values of all 193 member states in developing regions.

Step 7: (An adjusted remoteness value is computed to take into account the heightened transport costs of landlocked countries discussed above). Based on a number of empirical studies of the transport costs to or from landlocked countries, an adjustment coefficient of +3 per cent (as chosen) hence, adjusted remoteness of a country is computed as:

$$r_i^{\$} = 0.03 \times r_i + 0.97 \times r_i$$

here  
 $r_i'$  is the adjusted remoteness value of country  $i$ ;  
 $l_{dc_i}$  is a dummy variable whose value is +44 for landlocked countries and 4 for other countries"

For each of the various indicators into the EVI index, the CDP first transforms individual indicator values into index values ranging between 4 and +44 and then aggregates these index values. This transformation is done using the max/min procedure. The methodology includes for all indicators the imposition of lower and upper bounds in order to reduce the influence of outliers on the in

capitals or major alterations, calculated following the great circle formula which uses information on latitudes and longitudes" Internal d