



## Fueling sustainable development for all through fair and inclusive taxes

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Taxes play a vital role in helping governments deliver key services that benefit both individual citizens and societies. Effective, efficient, and inclusive collaboration on tax matters among nations can drive the mobilization of domestic resources, promote investment, and stimulate economic growth. International tax cooperation is also key in helping countries to finance the [Sustainable Development Goals \(SDGs\)](#).

International tax cooperation is a key part of [the Addis Ababa Action Agenda](#) and contributes to building resilient and sustainable economies worldwide. It does this through combatting tax evasion, reducing illicit financial flows, and enhancing financial transparency. It also fosters the equitable distribution of resources, strengthens institutions, and helps to ensure that the benefits of development reach all segments of society.

The [ECOSOC Special Meeting on International Cooperation in Tax Matters](#) serves as a global platform for inclusive, evidence-based, and action-oriented discussion on tax issues. Since 2013, this annual gathering brings together UN Member States, the UN Tax

Committee, as well as stakeholders from international and regional organizations, business sectors, civil society, and academia. It aims to advance effective fiscal policies that support sustainable development, while making progress toward inclusive, fair, and effective tax systems at all levels.

The 2024 Special Meeting comes as we face a pressing collective need to realign efforts with the SDGs, strengthen institutions amidst technological transformations, and address gaps within the international financial architecture. Participants will delve into two main themes: **promoting inclusive and effective international tax cooperation at the United Nations** and **exploring the role of net wealth taxes in fostering equality and financing the SDGs**.

This year's meeting will contribute to several forthcoming events, including the Financing for Development Forum, the [Summit of the Future](#), and the Fourth International Conference on Financing for Development (FfD4) in 2025. It also provides an opportunity to inform the work of the ad hoc intergovernmental committee tasked with developing draft terms of reference for a United Nations framework convention on international tax cooperation, established by the [UN General Assembly](#).

The first panel discussion on promoting inclusive and effective international tax cooperation at the United Nations follows the organizational session of the ad hoc committee held on 20-22 February 2024. This session will focus on identifying international rules or practices that are the most significant barriers to domestic resource mobilization by developing countries. The panel will also examine how protocols to the framework convention could make substantial progress in addressing two key areas mentioned in the resolution – tax-related illicit financial flows and cross-border services. Finally, the panel will explore how the work towards a UN framework convention on international tax cooperation can complement ongoing initiatives, including reform of the international financial architecture.

The second panel will focus on the role of net wealth taxes in promoting equality and financing the SDGs. As concerns over wealth inequality within and between countries grow, calls for taxing wealth, especially through annual net wealth taxes, have gained momentum. While such taxes can enhance progressivity and encourage productive asset utilization, administering them remains complex. This session will explore policy design, administrative challenges, and the potential for international cooperation in implementing effective net wealth taxes.

The 2024 ECOSOC Special Meeting represents a timely opportunity to address major tax-related issues and advance sustainable development. By fostering dialogue and cooperation, the meeting aims to deliver actionable recommendations to realize the SDGs and promote inclusive, fair, and effective tax systems.





## Why the Multidimensional Vulnerability Index (MVI) matters

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What is the Multidimensional Vulnerability Index (MVI), what does it measure and why is it important for countries in special situations? Ahead of

the Fourth International Conference on Small Island Developing States (SIDS4) this coming May, Ambassador Walton Webson, Permanent Representative of Antigua and Barbuda to the United Nations, explains.

### What is the Multidimensional Vulnerability Index (MVI) and what does it measure?

“The 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 per capita (GNI pc).

It consists of two levels:

1. A universal level quantitative assessment of structural vulnerability and (lack of) structural resilience using a common methodology for all developing countries, which is presented via a summary index number to rank countries and;
2. Vulnerability and Resilience Country Profiles (VRCPs) which are a more detailed, tailored, and individualized characterization of a country’s vulnerability and resilience factors, including non-structural resilience. These national profiles, prepared by individual countries, can be used, among other things, to direct support and cooperation toward addressing specific vulnerabilities that are being identified and to enhance resilience.

Results are expressed in scores. While a lower MVI score indicates that a country is relatively less vulnerable to the effects of external shocks, it should not be interpreted to mean that the country is completely immune to external shocks.

Given the evolving nature of global challenges, including disasters, conflicts, and health pandemics like COVID-19, there is a pressing need for a nuanced understanding of vulnerability and resilience that transcends traditional economic indicators like the Gross Domestic Product (GDP) and GNI pc.”

### Why is this measurement important for developing countries and countries in special situations?

“Access or eligibility to development finance for many developing countries is often linked to or determined by a country’s GNI per capita. The system has been further complicated by the many special windows or ad hoc exceptions that have been developed or created and which are often only triggered by a major external shock. These exceptions often focus on post-shock response, relief, and recovery, rather than building long-term resilience.

These approaches are useful and are a recognition of the challenges currently experienced by many developing countries in accessing sufficient development resources to meet their sustainable development needs. But they do not adequately consider the intricate nature of the interactions between structural, inherent disadvantages, especially the multifaceted dimensions of vulnerability, and the pursuit of sustainable development.

While GNI pc is useful for examining a country's income and its development trajectory to date, it has limitations, including its inability to account for inflation, income disparity, poverty, wealth, or savings. GNI pc measures a country's average income flow at a specific time. It does not reflect potential income fluctuations, including those stemming from external shocks and stressors.

As such, the MVI could address the limitations of using GNI pc alone by providing a comprehensive measure of vulnerability that includes factors beyond income. This would allow for a more nuanced understanding of a country's development needs and eligibility for concessional assistance.

The MVI will be useful in making a credible case that a country's structural vulnerability justifies stronger international support. It can help capture those specific vulnerabilities and by extension allow countries to advocate for tailored solutions and international attention. The index can be a basis for countries to qualify for specialized assistance programs designed to address their unique challenges. It underscores the need for international cooperation and solidarity in supporting the most vulnerable nations towards achieving sustainable development, as the highest needs are directly proportional with the level of vulnerability."

#### **How does this measurement relate to GNI and GDP for example?**

"The MVI can be used as a complementary measurement to GNI and GDP to assess developing countries' vulnerability, based on a defined selection of variables that reflect countries inherent features such as size, distance to market and exposure to the impacts of climate change, just to name a few.

While GNI and GDP provide economic assessments based on income and production respectively, the MVI adds a critical dimension by considering a range of additional factors that make part of the country's GNI and production volatile and susceptible to losses. Should a country plan future development based on its entire GNI pc or should it acknowledge that a part of it, as measured by the MVI is volatile and uncertain for planning purposes? Should GNI pc be considered alone when a country's access to development finance is decided, or the MVI-adjusted GNI pc should be taken into consideration as a more reliable measurement of the country's situation?

When answering these questions, it is important to note that vulnerability does not necessarily mean poverty. A wealthy country may also be vulnerable although they have the resources to overcome their vulnerability. One effect of the MVI is to separate the concepts of vulnerability and poverty. By providing a comprehensive measure of vulnerability that includes factors beyond income, it allows for a more nuanced understanding of a country's development needs and hence better allocation of development resources."

For more information:

[Fourth International Conference on Small Island Developing States \(SIDS4\)](#)

[Multidimensional Vulnerability Index \(MVI\) for Small Island Developing States \(SIDS\)](#)



## THINGS YOU NEED TO KNOW



# 5 things you need to know about the Committee for Development Policy

The [Committee for Development Policy \(CDP\)](#) will hold its annual meeting at UN Headquarters in New York on 4-8 March. Its 24 members bring a wealth of

perspectives on development issues from their work in academia and other organizations across the world. Here are five things to know about the Committee's efforts to make a difference for development around the globe:

### 1. The CDP played an instrumental role in the creation of the [least developed countries \(LDC\) category](#)

Although 14 per cent of the world's population lives in LDCs, they share just 1.4 per cent of the global income. While many have seen significant improvements, for example in access to essential services such as water, sanitation and electricity, they still face many development challenges, and many are highly vulnerable to climate change. That is why they benefit from [special support measures](#). The CDP continues to dedicate much of its work to LDCs. Every three years, the CDP reviews the LDC category and recommends which countries should [graduate](#) (i.e. when countries reach certain milestones and leave the category). It also monitors the progress of countries throughout the process.

### 2. The CDP advocates for building [productive capacity](#)

The Committee has identified that limited [productive capacities](#) are a root cause of LDCs' persistent challenges, including insufficient progress in resilience building, the failure to create decent and productive jobs, and limited technological upgrading. Enhancing these capacities must be at the centre of efforts to achieve the Sustainable Development Goals (SDGs). See what the Committee has to say about the potential of a new generation of sustainable industrial policies [here](#).

### 3. Implementing the 2030 Agenda requires that no one is pushed behind

Beyond the notion of [leaving no one behind](#), the CDP has argued that it is critical not to push people further behind. Even efforts aimed at development, if inadequately designed or implemented, can have negative consequences for groups of people, particularly vulnerable groups, and countries. Hence the importance of equity, inclusion, and human rights in policymaking. A [just transition](#) to low-carbon economies requires climate mitigation and adaptation measures to be implemented in ways that do not push people or countries further behind.

### 4. The CDP recommends a new generation of Voluntary National Reviews (VNRs)

Based on an analysis of the first years of [VNRs](#) – the process through which countries assess and present national progress made in implementing the 2030 Agenda – the CDP advises on a new approach to the reviews. This new approach should focus on core transformations, ensure greater space for the contributions of civil society, and allow for more systematic peer review arrangements. Read the CDP's Communiqué [here](#).

### 5. The CDP is currently working on innovation ecosystems for development, equity and structural change

Join their open session on this topic: [Innovation ecosystems: making intellectual property work for development, equity and structural change](#) on 5 March, at 1:15-2:30

pm EST at UN Headquarters in New York (valid grounds pass required) or online. Register [here!](#)

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## Marginalized communities are not voiceless; it is time for us to listen

*By Jean Quinn, Executive Director, UNANIMA International; Chair, NGO Committee for Social Development*

When I came to the UN eight years ago, I was overwhelmed by the extent of the issues presented to me. However, I knew almost immediately that I was in the right place at the right time. The UN is a vastly different landscape to where I come from in the West of Ireland. Yet I went towards it with an open heart, a reverence, and receptive to what it was going to reveal to me. All of us—whether UN Personnel, Member States, or NGOs— are involved in the construction of a new world. For me, partnerships and collaboration are key to our success. As members of international organizations, we have a significant role

to play in the reduction of inequality and the implementation of the United Nations 2030 Agenda for Sustainable Development. This role must be undertaken with shared responsibility, cooperation, dignity, and respect.

Each year the Commission for Social Development focuses on fostering social justice and the social perspective of development. It necessitates the inclusion of Civil Society and grassroots organizations in the deliberations, and in turn Civil Society is highly engaged in the work of the Commission. For me, this has been evidenced at the Civil Society Forum, hosted annually at the UN Headquarters by the NGO Committee for Social Development (NGO CSocD), and also by the increased opportunities for nongovernmental organizations to host side events and present remarks at meetings.

As Chair of the NGO CSocD, I have presented the Civil Society Declaration at the Opening of the Commission for the past two years and have had numerous opportunities to raise the experiences of grassroots communities. In the words of the Permanent Representative of Ireland to the UN, Ambassador Fergal Mythen, during his remarks at this year's Civil Society Forum, "CSocD is a special time at the UN because the doors open to Civil Society and the energy rushes into the room with you... it's really important that we keep that space open for all of you, where we can work together, challenge each other, and make this world a better place."

The CSocD is certainly one of the busiest and most engaging times for our committee and as Civil Society representatives here at the UN. Ahead of the CSocD, we meet with Member States to discuss advocacy priorities and share about our work. I love the fact that when we meet, we witness each other's gifts and bring them out, and in turn they provide an incredible *gift to those left behind in our world*.

Civil Society works year-round to advance social justice and promote inclusive societies that leave no one behind. We attend a wide variety of UN Summits, Conferences, and Commissions to share the insights gained through our advocacy and research with grassroots communities. There are numerous NGO Committees on issues like migration, climate, the status of women, and sustainable financing. We as Civil Society intimately understand that social, political, environmental, economic, and cultural issues are interconnected, and we have developed and advocated for holistic approaches which confront the unique realities of vulnerable populations worldwide. We collaborate with a variety of stakeholders and stand ready to complement and help shape state efforts at every level.

Unfortunately, the space for Civil Society at the UN often feels like it is shrinking, despite recognition of the value of Civil Society inclusion in the room where policy decisions are made. The work of Civil Society should be more visible in all UN processes, not just during the CSocD. The inclusion of grassroots communities also needs to be more systematically integrated. As I often say, it is not that marginalized communities are voiceless, it is that no one is listening to their voices.

We have 6 years left to achieve the ambitious goals outlined in the 2030 Agenda. This CSocD in many ways represented a stock take of progress on the Sustainable Development Goals and the commitments of the Copenhagen Declaration which informed them. In every aspect we as an international community are off track from meeting those goals. A theme that came up repeatedly throughout CSocD62 was that we at the UN have already developed the framework to address the global challenges of today, as outlined in the 2030 Agenda. However, we struggle to reach consensus on the implementation of that framework.

Despite the many multifaceted challenges facing the UN today, there is reason for hope too. Member State partnership and cooperation with Civil Society was high this year ahead of and during the Commission, indicating promising signs of a renewed commitment to multilateralism and more inclusive policymaking. Through collaboration between Member States, Civil Society, and other stakeholders across the globe, we can accelerate progress on the SDGs and continue to forge a path towards a more just, sustainable, and transparent system at every level.

\* The views expressed in this blog are the author's and do not necessarily reflect the opinion of UN DESA.



## SDG 5 IN NUMBERS



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