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Globalization and interdependence: development cooperation with middle-income countries

Report of the Second Committee*

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I. Introduction

1. The Second Committee held a substantive debate on agenda item 21 (see [A/72/422](#), para. 2). Action on sub-item (d) was taken at the 24th and 26th meetings, on 1 and 28 November 2017. An account of the Committee's consideration of the sub-item is contained in the relevant summary records.¹

II. Consideration of draft resolutions [A/C.2/72/L.23](#) and [A/C.2/72/L.60](#)

2. At the 24th meeting, on 1 November, the representative of Ecuador, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Development cooperation with middle-income countries" ([A/C.2/72/L.23](#)).

3. At its 26th meeting, on 28 November, the Committee had before it a draft resolution entitled "Development cooperation with middle-income countries" ([A/C.2/72/L.60](#)), submitted by the Vice-Chair of the Committee, Cristiana Mele (Italy), on the basis of informal consultations held on draft resolution [A/C.2/72/L.23](#).

4. At the same meeting, the attention of the Committee was drawn to the informal conference room paper ([CRP.15](#)) containing the final agreed text for insertion where indicated in draft resolution [A/C.2/72/L.60](#).

* The report of the Committee on this item is being issued in five parts, under the symbols [A/72/422](#), [A/72/422/Add.1](#), [A/72/422/Add.2](#), [A/72/422/Add.3](#) and [A/72/422/Add.4](#).

¹ [A/C.2/72/SR.24](#) and [A/C.2/72/SR.26](#).



5. Also at the same meeting, the Committee was informed that draft resolution [A/C.2/72/L.60](#), as revised according to the conference room paper, had no programme budget implications.
6. Also at the 26th meeting, the representative of Australia, as facilitator of the draft resolution, orally corrected the seventh, ninth, twelfth and eighteenth preambular paragraphs and operative paragraph 11 of draft resolution [A/C.2/72/L.60](#).²
7. Also at the same meeting, before the adoption of the draft resolution, a statement was made by the representative of Belarus.
8. Also at its 26th meeting, the Committee adopted draft resolution [A/C.2/72/L.60](#), as revised according to the conference room paper and as orally corrected (see para. 11).
9. At the same meeting, following the adoption of the draft resolution, a statement was made by the representative of the United States of America.
10. In the light of the adoption of draft resolution [A/C.2/72/L.60](#), as revised according to the conference room paper and as orally corrected, draft resolution [A/C.2/72/L.23](#) was withdrawn by its sponsors.

² See [A/C.2/72/SR.26](#).

III. Recommendation of the Second Committee

11. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Development cooperation with middle-income countries

The General Assembly,

Recalling the outcomes of all the major United Nations conferences and summits in the economic, social, environmental and related fields,

Reaffirming its resolution [70/1](#) of 25 September 2015, entitled “Transforming our world: the 2030 Agenda for Sustainable Development”, in which it adopted a comprehensive, far-reaching and people-centred set of universal and transformative Sustainable Development Goals and targets, its commitment to working tirelessly for the full implementation of this Agenda by 2030, its recognition that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development, its commitment to achieving sustainable development in its three dimensions — economic, social and environmental — in a balanced and integrated manner, and to building upon the achievements of the Millennium Development Goals and seeking to address their unfinished business,

Reaffirming also its resolution [69/313](#) of 27 July 2015 on the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, which is an integral part of the 2030 Agenda for Sustainable Development, supports and complements it, helps to contextualize its means of implementation targets with concrete policies and actions, and reaffirms the strong political commitment to address the challenge of financing and creating an enabling environment at all levels for sustainable development in the spirit of global partnership and solidarity,

Welcoming the Paris Agreement¹ and its early entry into force, encouraging all its parties to fully implement the Agreement, and parties to the United Nations Framework Convention on Climate Change² that have not yet done so to deposit their instruments of ratification, acceptance, approval or accession, where appropriate, as soon as possible,

Welcoming also the New Urban Agenda, adopted at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), held in Quito, Ecuador, from 17 to 20 October 2016,

Recalling its resolution [70/215](#) of 22 December 2015,

Recalling also that the 2030 Agenda for Sustainable Development recognizes, inter alia, that middle-income countries still face significant challenges to achieve sustainable development and that, in order to ensure that achievements made to date are sustained, efforts to address ongoing challenges should be strengthened through the exchange of experiences, improved coordination and better and focused support of the United Nations development system, the international financial institutions, regional organizations and other stakeholders,

Reaffirming its resolution [71/243](#) of 21 December 2016, entitled “Quadrennial comprehensive policy review of operational activities for development of the United

¹ Adopted under the UNFCCC in [FCCC/CP/2015/10/Add.1](#), decision 1/CP.21.

² United Nations, *Treaty Series*, vol. 1771, No. 30822.

Nations system”, in which it recognized that middle-income countries still face specific challenges,

Taking note of the outcomes of the international conferences on development cooperation with middle-income countries held over the past 10 years in Madrid,³ San Salvador,⁴ Windhoek⁵ and San José,⁶ and noting the regional conferences held in Cairo, in 2008, in Amman, in 2013, and in Minsk, in 2013 and 2015,

Emphasizing that cohesive, nationally owned sustainable development strategies, supported by integrated national financing frameworks, will be at the heart of efforts by Member States, reiterating that each country has primary responsibility for its own economic and social development and that the role of national policies and development strategies cannot be overemphasized, highlighting the need to respect each country’s policy space and leadership in the implementation of policies for poverty eradication and sustainable development while remaining consistent with relevant international rules and commitments, recognizing that national development efforts need to be supported by an enabling international economic environment, including coherent and mutually supporting world trade, monetary and financial systems and strengthened and enhanced global economic governance, and highlighting the fact that processes to develop and facilitate the availability of appropriate knowledge and technologies globally, as well as capacity-building, are also critical, including pursuing policy coherence and an enabling environment for sustainable development at all levels and by all actors and reinvigorating the global partnership for sustainable development and for the achievement of the 2030 Agenda for Sustainable Development,

Reaffirming that the fundamental characteristics of the operational activities for development of the United Nations system should be, inter alia, their universal, voluntary and grant nature, their neutrality and their multilateralism, as well as their ability to respond to the development needs of programme countries in a flexible manner, and that the operational activities are carried out for the benefit of programme countries, at their request and in accordance with their own policies and priorities for development,

Recalling that the most vulnerable countries and, in particular, African countries, least developed countries, landlocked developing countries and small island developing States deserve special attention, as do countries in situations of conflict and post-conflict countries, and that there are also serious challenges within many middle-income countries,

Recognizing that there is no “one size fits all” approach to development and that development assistance by the United Nations development system should respond to the varying development needs of programme countries, including those of middle-income countries, in a manner that addresses their specific challenges while mindful of their diversity, and should be aligned with their national development plans, strategies and circumstances in accordance with its mandates, keeping in mind the needs of the least developed countries,

Noting that national averages based on criteria such as per capita income do not always reflect the actual particularities and development needs of middle-income countries and that, despite notable progress in reducing poverty levels in both absolute and relative terms, poverty remains a problem in many middle-income

³ See A/62/71-E/2007/46, annex.

⁴ See A/62/483-E/2007/90, annex.

⁵ See A/C.2/63/3, annexes I and II.

⁶ See A/C.2/68/5.

countries as they are still home to 73 per cent of the world's people living in poverty,

Recognizing that inequality, or even a rise in inequality, remains pervasive in middle-income countries, even in those with high levels of economic growth, that further investment in social services and economic opportunities are needed in order to reduce inequalities and that economic growth needs to be sustained, inclusive and equitable,

Stressing that middle-income countries continue to face particular challenges related to, inter alia, job creation, the diversification and transformation of their economies and access to international markets and, in this regard, that efforts to create a national enabling environment for development should be complemented by a global enabling environment,

Recognizing that connectivity through quality, reliable, sustainable and resilient infrastructure, with a focus on affordable and equitable access for all, contributes to the sustainable development of middle-income countries,

Recalling that, for all countries, public policies and the mobilization and effective use of domestic resources, underscored by the principle of national ownership, are central to our common pursuit of sustainable development, including achieving the Sustainable Development Goals,

Recalling also the resolve of Member States to enhance and strengthen domestic resource mobilization and fiscal space, including, where appropriate, through modernized tax systems, more efficient tax collection, the broadening of the tax base and the effective combating of tax evasion and capital flight, and reiterating that, while each country is responsible for its tax system, it is important to support national efforts in these areas by strengthening technical assistance and enhancing international cooperation and participation in addressing international tax matters,

Recalling further the importance of international support, in various forms, including North-South, South-South and triangular cooperation, that is well aligned with national priorities to contribute to addressing the development needs of middle-income countries, including through capacity-building,

Recognizing the need to better understand the multidimensional nature of development and poverty, and acknowledging the significant role that the United Nations system has played and should continue to play in this regard,

Expressing concern that climate change is adversely affecting productivity in every country, in particular developing countries, including middle-income countries, as extreme weather shocks directly affect productivity through the destruction of infrastructure and labour force displacement, and that a number of middle-income countries have sizeable sectors that are exposed to climate change, such as agriculture, construction, mining, tourism and transport,

Reaffirming that achieving gender equality, empowering all women and girls, and the full realization of their human rights are essential to achieving sustained, inclusive and equitable economic growth and sustainable development, and in that regard reiterating the need for gender mainstreaming, including targeted actions and investments in the formulation and implementation of all financial, economic, environmental and social policies,

Noting with concern that the ratio of public debt to gross domestic product for middle-income countries increased from around 48 per cent in 2015 to 50 per cent in 2016,

Recognizing that the remaining effects of the world financial and economic crisis have the potential to undermine progress towards achieving the internationally agreed development goals, including the Sustainable Development Goals, and threaten debt sustainability in many countries, especially developing countries,

Reiterating the pledge that no one will be left behind, reaffirming the recognition that the dignity of the human person is fundamental, and the wish to see the Goals and targets met for all nations and peoples and for all segments of society, and recommitting to endeavour to reach the furthest behind first,

Recommitting to ensuring that no country or person is left behind and to focusing our effort where the challenges are greatest, including by ensuring the inclusion and participation of those who are furthest behind,

1. *Takes note* of the report of the Secretary-General;⁷
2. *Acknowledges* the efforts made and successes achieved by many middle-income countries in eradicating poverty and achieving the internationally agreed development goals, including the Millennium Development Goals, as well as their significant contribution to global and regional development and economic stability;
3. *Also acknowledges* that identifying structural gaps can improve the understanding of development needs of developing countries, including middle-income countries;
4. *Underlines* the need for sustained efforts towards achieving debt sustainability in middle-income countries in order to avoid a debt crisis;
5. *Recognizes* that, with 73 per cent of the world's poor population concentrated in middle-income countries, cooperation with those countries can contribute to the achievement of the internationally agreed development goals, including the Sustainable Development Goals;
6. *Welcomes* the solidarity of middle-income countries with other developing countries, in particular the financial, technical, technology transfer and capacity-building support being provided by middle-income countries, particularly to the least developed countries, through South-South and triangular cooperation, while stressing that South-South cooperation is a complement to, and not a substitute for, North-South cooperation, and in this regard calls upon the United Nations development system to continue its ongoing efforts to mainstream support to South-South cooperation and triangular cooperation;
7. *Recalls* that the creation, development and diffusion of new innovations and technologies and associated know-how, including the transfer of technology on mutually agreed terms, are powerful drivers of economic growth and sustainable development;
8. *Requests* the United Nations development system to ensure that it addresses the diverse development needs of middle-income countries in a coordinated manner through, inter alia, an accurate assessment of the national priorities and needs of these countries, taking into account the use of variables that go beyond per capita income criteria;
9. *Calls upon* the United Nations development system, in line with its resolution 71/243, to continue to support developing countries in their efforts to achieve the internationally agreed development goals and their development objectives, and requests the development system to address, within existing resources and mandates, the special challenges facing the most vulnerable countries,

⁷ A/72/329.

as well as the specific challenges facing middle-income countries, in line with the Addis Ababa Action Agenda of the Third International Conference on Financing for Development⁸ and the 2030 Agenda for Sustainable Development,⁹ and in this regard requests the Secretary-General to present, as part of his report on the implementation of the present resolution, an assessment of the outcomes of existing strategies within the United Nations development system related to middle-income countries;

10. *Invites* the President of the General Assembly to convene, within existing resources, a high-level meeting of the General Assembly at the beginning of its seventy-third session, and no later than December 2018, to discuss the gaps and challenges of middle-income countries in the implementation of the 2030 Agenda for Sustainable Development, and requests the Secretary-General to consider these discussions in the drafting of his report on the implementation of the present resolution;

11. *Recognizes* the importance of the role of the private sector, as well as of the role of public-private partnerships, in meeting the challenges of sustainable development for middle-income countries and other developing countries;

12. *Welcomes* the launch of the Technology Facilitation Mechanism at the United Nations summit for the adoption of the post-2015 development agenda, in this regard welcomes the convening of the first and second annual multi-stakeholder forums on science, technology and innovation for the Sustainable Development Goals, held on 6 and 7 June 2016 and on 15 and 16 May 2017 at United Nations Headquarters in New York, as well as the mapping exercise carried out by the United Nations inter-agency task team on science, technology and innovation for the Sustainable Development Goals, and calls for voluntary contributions for resources to support the full operationalization of all components of the Mechanism;

13. *Recognizes* the great importance of providing trade-related capacity-building for developing countries, including African countries, the least developed countries, landlocked developing countries, small island developing States, countries in conflict and post-conflict situations and middle-income countries, including for the promotion of regional economic integration and interconnectivity;

14. *Acknowledges* that good governance and the rule of law at the national and international levels are essential for sustained economic growth, sustainable development and the eradication of poverty and hunger;

15. *Also recognizes* that middle-income countries still face significant challenges in achieving sustainable development and that, in order to ensure that achievements made to date are sustained, efforts to address ongoing challenges should be strengthened through the exchange of experiences, improved coordination and better and focused support of the United Nations development system, the international financial institutions, regional organizations and other stakeholders, requests those stakeholders to ensure that the diverse and specific development needs of middle-income countries are appropriately considered and addressed, in a tailored fashion, in their relevant strategies and policies, with a view to promoting a coherent and comprehensive approach towards individual countries, and acknowledges that official development assistance and other forms of concessional financing are still important for a number of these countries and have a role to play in achieving targeted results, taking into account the specific needs of these countries;

⁸ Resolution 69/313, annex.

⁹ Resolution 70/1.

16. *Notes with concern* that access to concessional finance is reduced as countries' incomes grow and that countries may not be able to access sufficient affordable financing from other sources to meet their needs, encourages shareholders in multilateral development banks to develop graduation policies that are sequenced, phased and gradual, and encourages multilateral development banks to explore ways to ensure that their assistance best addresses the opportunities and challenges presented by the diverse circumstances of middle-income countries;

17. *Recognizes* that Governments will have the primary responsibility for follow-up and review at the national, regional and global levels in relation to the progress made in implementing the Sustainable Development Goals and targets and that quality, accessible, timely and reliable disaggregated data will be needed to help with the measurement of progress and to ensure that no one is left behind, and in this regard reiterates the commitment to intensify efforts to strengthen statistical capacities in developing countries, including middle-income countries;

18. *Recalls* paragraph 11 of its resolution [67/290](#) of 9 July 2013, and stresses that the concerns and specific challenges of middle-income countries should be given consideration, as appropriate, in the follow-up and review process of the 2030 Agenda for Sustainable Development;

19. *Calls upon* the relevant organizations of the United Nations system, within their respective mandates and resources, to ensure that no one is left behind and no country is left behind in the implementation of the present resolution;

20. *Requests* the Secretary-General to submit to the General Assembly, at its seventy-fourth session, a report on the implementation of the present resolution, including an update on the ongoing efforts by the United Nations system, in consultation with the international financial institutions, regarding the development of measurements that recognize poverty in all its forms and dimensions, as well as an assessment of the importance of tailoring support to middle-income countries, and decides to include, under the item entitled "Globalization and interdependence", the sub-item entitled "Development cooperation with middle-income countries" in the provisional agenda of its seventy-fourth session.
