

HIGH-LEVEL CONFERENCE OF MIDDLE-INCOME COUNTRIES

Networks for Prosperity

SAN JOSÉ, COSTA RICA - 12 TO 14 JUNE 2013

DECLARATION



UNITED NATIONS
INDUSTRIAL DEVELOPMENT ORGANIZATION



Gobierno de Costa Rica



HIGH-LEVEL CONFERENCE OF MIDDLE-INCOME COUNTRIES

Challenges for Sustainable Development and International Cooperation in Middle-Income Countries: The Role of Networks for Prosperity

San José, Costa Rica, 12 – 14 June 2013

We, the Ministers and Heads of Delegation of countries participating in the High-Level Conference of Middle-Income Countries on *Challenges for Sustainable Development and International Cooperation in Middle-Income Countries: The Role of Networks for Prosperity* in San José, Costa Rica, on 12-14 June 2013,

Recalling the outcomes of the United Nations major international conferences and summits on development cooperation with middle-income countries held in Madrid on 1-2 March 2007, San Salvador on 3-4 October 2007 and Windhoek on 4-6 August 2008,

Further recalling the relevant provisions of General Assembly resolutions, including resolutions 63/223, 64/208 and 66/212 on the cooperation with middle-income countries and resolution 67/225 on industrial development cooperation,

Recalling also the United Nations Conference on Sustainable Development, held in Rio de Janeiro, Brazil, from 20 to 22 June 2012, and General Assembly resolution 66/288 entitled “The future we want”,

Further recalling resolution GC.14/Res.2 of the General Conference of the United Nations Industrial Development Organization on knowledge networking and knowledge sharing and decision IDB.40/Dec.2 of the Industrial Development Board of the United Nations Industrial Development Organization on knowledge networking and knowledge-sharing,

Having also considered the regional conferences on “Increasing the competitiveness of African middle-income countries”, held in Cairo on 11-12 March 2008, and on “Middle-Income Countries Perspective on Sustainable Development in CIS, Eastern and Southern Europe”, held in Minsk on 16-17 May 2013,

Taking note of the United Nations Industrial Development Organization report “Networks for Prosperity: Connecting Development Knowledge beyond 2015”, launched in November 2012, and taking further note of the report’s focus on the importance of South-South Cooperation and network governance among middle-income countries in economic development processes,

Reiterating the importance of international knowledge networking and the exchange of experiences and best practices for the achievement of local, regional and international development goals and prosperity, particularly for middle-income countries,

Taking note of the outcomes of the Ministerial Conferences on Green Industry in Asia in Manila and Tokyo, and recalling resolution GC.13/Res.8 of the General Conference of the United Nations Industrial Development Organization and decision IDB.38/Dec.10 of



the Industrial Development Board of the United Nations Industrial Development Organization on strengthening activities of the United Nations Industrial Development Organization in the fields of energy and environment,

Also taking note of the Green Industry Platform of the United Nations Industrial Development Organization, which has the potential to advance sustainable development through multi-stakeholder processes and to offer an effective instrument for strengthening sustainable industrial development, particularly in middle-income countries,

Recognizing the importance of industrial development that contributes to sustainable development and the attainment of internationally agreed development goals to achieve sustained prosperity for all,

Emphasizing the importance of better addressing issues related to industrial development in the framework of the global development agenda,

Being cognizant of the efforts in the United Nations in developing the post-2015 United Nations development agenda and of the need for continued follow-up on matters pertaining to the development of the middle-income countries,

Recognizing that, in the context of the three dimensions of sustainable development, energy, including access to, efficiency of, and new and renewable sources of energy, plays an important role,

Taking note of the reports A/64/253 and A/66/220 of the Secretary-General to the United Nations General Assembly on “Development cooperation with middle-income countries”,

Recognizing that the group of middle-income countries consist of a wide range of diverse countries, which have made a contribution to international economic stability, while still facing specific challenges and needs in the context of sustainable development, respectively, in the economic, social and environmental areas,

Emphasizing that middle-income countries should have a greater voice and a more effective participation in the global decision-making processes, including through intensified international cooperation with and among middle-income countries,

Reaffirming that middle-income countries have primary responsibility for their own development, and that their national efforts should be adequately supported by the international community with cooperation programmes, measures and policies aimed at expanding the development opportunities of middle-income countries, including the continuity of their eligibility to have access to financing for development, while taking into account their specific national needs and priorities,

Acknowledging that statistical averages based only on criteria such as per capita income do not reflect the actual particularities and development needs of middle-income countries, and recognizing that this type of classification fails to recognize the diversity among and within middle-income countries and disregards the multidimensional nature of development, and that these criteria fail to measure factors such as, unequal distribution of income, quality of life and the servicing of basic needs,

Highlighting that development cooperation strategies for middle-income countries, should be adapted to each particular context and help to preserve and sustain their economic, environmental and social achievements, and that such cooperation should not come at the expense of aid to least developed countries,



Recalling the need for a comprehensive, resource-oriented action plan on cooperation with middle-income countries, as called for in the Windhoek Ministerial Declaration on Development Cooperation with Middle-Income Countries, adopted on 6 August 2008,

Taking note of the important contribution of the Human Development Report as a relevant effort to address development needs beyond macro-economic indicators,

Further recognizing that international aid plays a major role in financing the development of developing countries, including middle-income countries, and that the effectiveness of any development cooperation activity should therefore be measured in terms of complementarity and supportiveness to national development strategies, priorities and interests, the additionality of knowledge and networks provided, and the increase in local capacity to mobilize additional and non-traditional resources or to attract other sources of investment,

Recalling the Nairobi outcome document of the High-level United Nations Conference on South-South Cooperation, held in 2009, and thus reaffirming our view of South-South cooperation as a manifestation of solidarity among peoples and countries of the South that contributes to their national well-being, national and collective self-reliance and the attainment of internationally agreed development goals, including the Millennium Development Goals,

Further recalling that South-South cooperation and its agenda have to be set by countries of the South and should continue to be guided by the principles of respect for national sovereignty, national ownership and independence, equality, non-conditionality, non-interference in domestic affairs, mutual benefit, complementarity, and solidarity,

Highlighting the positive role played by middle-income countries in advancing South-South cooperation, and underlining the importance of the United Nations system in promoting and supporting South-South and triangular cooperation,

Recognizing the efforts undertaken by the United Nations system in South-South and triangular cooperation, and the need to increase and enhance these efforts, including existing platforms and networks within the framework of the United Nations Industrial Development Organization, such as the Industrial Knowledge Bank,

Recognizing further that the significant diversity of middle-income countries requires individualized responses of the United Nations system to specific country needs and national priorities,

Taking into consideration that economic and industrial development cooperation is at the core of any middle-income country development strategy and is crucial to achieve inclusive and sustainable development,

Highlighting the key role of the United Nations Industrial Development Organization in advancing industrial development cooperation and sustainable development through services linked to industrial policy and strategy, institutional capacity development and enterprise level piloting,

Welcoming the initiative of the Government of Costa Rica to host the High-level Conference of Middle-income Countries in 2013, and recognizing the efforts and support provided by the United Nations Industrial Development Organization in facilitating the Conference,



1. *Agree* to promote international and national measures and cooperation that advance the following fields of mutual interest (a) Inclusive and equitable economic growth and prosperity at national and international levels, (b) Industrial advancement in the framework of sustainable development, (c) Finance and investment in middle-income countries;
2. *Highlight* that eradicating poverty is the greatest challenge facing the world today and an indispensable requirement for sustainable development, and in this regard are committed to free humanity from poverty and hunger as a matter of urgency;
3. *Request* the United Nations to develop a more robust and comprehensive conceptual framework regarding the current diversity among developing countries, that shall preserve the continuity of the current modalities of multilateral development cooperation to those countries and which should include, inter alia, equity, human development, industrialization, economic development, and environmental sustainability;
4. *Emphasize* that middle-income countries have made progress in education, health and social programmes, and such efforts require a higher commitment and need to be supported by the international community in order to sustain those achievements through the promotion of new and specialized international cooperation mechanisms for middle-income countries;
5. *Reaffirm* that international trade is an engine for development and sustained economic growth, and also reaffirm the critical role that a universal, rules-based, open, non discriminatory and equitable multilateral trading system, as well as meaningful trade liberalization, can play in stimulating economic growth and development worldwide, thereby benefiting all countries at all stages of development;
6. *Call for* a successful, balanced, ambitious, comprehensive, inclusive, transparent and development-oriented outcome of the World Trade Organization Doha Development Round, in accordance with its mandate, aiming, inter alia, at resisting protectionism in all of its forms, enhancing market access for middle-income countries, and ensuring that special and differential treatment of developing countries is operational and effective, and in this context, call for a facilitated accession of middle-income countries that have not yet done so to the World Trade Organization, taking into account their development, trade and financial needs;
7. *Recognize* the need to achieve sustainable development by promoting lasting, inclusive and equitable economic growth that contributes to the eradication of poverty, fosters social development, and creates greater opportunities for all;
8. *Call on* all countries to prevent, mitigate and adapt to the adverse effects of climate change under the principles of equity and common but differentiated responsibilities, while stressing that developed countries have played a large role in climate change;
9. *Emphasize* the key role of public-private partnerships and knowledge networking as an effective instrument for middle-income and other countries in meeting the sustainability challenges of public and private sector development, which should be taken into account in the elaboration of the post-2015 development framework;
10. *Recognize* the important role the United Nations development system can play in the context of South-South cooperation, and further recognize the important contribution of the United Nations Industrial Development Organization in the above-mentioned fields;
11. *Recognize* that knowledge networks on sustainability may be necessary but not sufficient, and stress that such networks need to be action-oriented, responsive to new and



emerging challenges to development, and should find creative solutions for financing such action;

12. *Recognize further* the importance of the discussions and efforts generated within the various regional integration initiatives that constitute a complementary space where new proposals emerge to promote sustainable development from the South;

13. *Recognize* that a robust industrial transformation of economies of middle-income countries that contributes to sustainable development is one of the important tools in the achievement of internationally-agreed development goals, particularly poverty eradication, and in that context request the United Nations Industrial Development Organization to increase its efforts in supporting middle-income countries in adopting sustainable industrial development practices, including the provision of data and analytical inputs in these areas and the establishment of a special financial facility for middle-income countries in the framework of platforms, including the Green Industry Platform, to facilitate respective knowledge and governance networks, in order to mitigate the environmental impact and promote a quantitative leap with regard to the value added to products and companies;

14. *Recall* that most middle-income countries remain highly vulnerable to external shocks and in this regard underscore that regional integration processes among middle-income countries have the potential to offer alternatives to protect these countries from the effects of these shocks;

15. *Recognize* the importance of international cooperation in the fulfillment of internationally-agreed development goals, as well as the importance of strengthening South-South and triangular cooperation as a complementary mechanism to find innovative ways to support development priorities as a supplementary engine for development of middle-income countries, including through peer learning, knowledge experience and technology sharing, and emphasize the critical importance of reflecting this in the context of the post-2015 development framework;

16. *Recognize* that middle-income countries need models of cooperation that best suit their development priorities and enhance their productive capacities, including through support to small and medium-sized enterprises and entrepreneurs, better access to financing for development, environmentally-friendly technology and capacity-building;

17. *Further request* the United Nations in general, and the United Nations Industrial Development Organization in particular, to promote the implementation of commitments of Official Development Assistance, and consider to establish strategic multi-sector alliances, including with private sector entities, that foster mechanisms of joint financing for comprehensive development programmes;

18. *Emphasize* the importance of ensuring access to finance especially for small and medium-sized enterprises and other industrial development actors in the context of industrial development efforts, further recognize that enhanced linkages between finance and productive activities can ensure sustainable industrial development beyond public programmes, request the United Nations Industrial Development Organization to bring these issues to the current international discussion on access to finance, while recognizing that enhanced support and increased financing and investment flows to middle income countries are pivotal to their economic growth and competitiveness, private sector development and integration into the global economy;



19. *Reiterate* the importance of linking, without conditionalities, financing, technology, capacity-building and national needs for sustainable development;

20. *Stress in this context* that grant-funded support plays a critical role in improving access to finance for industrial development through working closely with financial institutions and developing inclusive financial markets;

21. *Further request* the United Nations system, in particular the United Nations Industrial Development Organization, to address access to finance issues, especially for micro-, small- and medium-sized enterprises and other industrial development actors, including micro-industries and other forms of economic organizations, such as those that are popular- and solidarity-based, and support implementing sustainable mechanisms, including replenishment of multilateral development banks, to encourage financial institutions to expand their businesses for such non-traditional clients;

22. *Request* the United Nations development system, in particular the funds and programmes, as well as the regional commissions, to consider this Declaration in order to reflect the views of the middle-income countries, in particular, African countries, landlocked developing countries and small island developing states, in their future programme decisions, including in the context of the elaborations of the post-2015 United Nations development agenda;

23. *Request* the United Nations system, and the United Nations Industrial Development Organization in particular, to support and promote thematic dialogues related to the findings and outcomes of the Conference, focused on inclusive and equitable economic growth and prosperity, industrial advancement in the framework of sustainable development and financing for sustainable economic development, working towards a compact for sustainable development according to General Assembly resolution 66/288 entitled “The future we want”, and other relevant United Nations documents;

24. *Further request* the United Nations system, and the United Nations Industrial Development Organization in particular, to follow the implementation of this Declaration and to report on its progress on a regular basis,;

25. *Also request* the United Nations system, and in particular the United Nations Industrial Development Organization, to explore ways for the implementation of financial mechanisms that can lever up the policies and specific instruments of cooperation for middle-income countries;

26. *Call for* the establishment of a comprehensive resource-oriented United Nations Action Plan on cooperation with middle-income countries, that will address, inter alia, the needs of middle-income countries in the context of sustainable development and of the post-2015 development agenda, including the views of all stakeholders such as member states and regional and international organizations;

27. *Recognize* that establishing a United Nations system coordination mechanism on cooperation with middle-income countries will serve to streamline and improve United Nations system-wide activities related to cooperation with and among middle-income countries;



28. *Encourage* the United Nations Industrial Development Organization and other relevant organizations to actively participate in such a mechanism through their comparative advantages stemming from their mandates;

29. *Decide* to review the implementation of this declaration, as well as of other documents adopted at the ministerial conferences on middle-income countries, in particular the “Windhoek Ministerial Declaration on Development Cooperation with Middle-Income Countries”, during a further conference of middle-income countries in 2016 and welcome offers to host this Conference in 2016;

30. *Reiterate* our support to the United Nations Industrial Development Organization as a vehicle for industrial development and as a key partner for developing and middle-income countries in their efforts to achieve economic development goals;

31. *Underscore* that timely follow-up and implementation of this Declaration will be crucial for its effectiveness, and request the Government of Costa Rica to coordinate such follow-up in collaboration with the United Nations Industrial Development Organization and other relevant international organizations.

Adopted in San José on 14 June 2013