**Highlights from the 77th Session of the Second Committee of the General Assembly**

28 November 2022

The seventy-seventh session of the Second Committee of the General Assembly concluded on 23 November 2022. Over the course of the session, the Committee approved 43 resolutions, the vast majority of which were fully negotiated for the first time since 2019. This includes 7 resolutions under agenda items on “**Macroeconomic policy questions**” and “**Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development**”. As a result, there are several new features that were introduced to ensure the resolutions adequately reflect current circumstances and policy priorities.

The resolution titled “**International trade and development**” ([A/C.2/77/L.5/Rev.1](http://undocs.org/en/A/C.2/77/L.5/Rev.1)) includes new language welcoming the commitment of World Trade Organization (WTO) members to work towards the reform of the Organization and underscoring the urgency of keeping food, fertilizer and agricultural markets open, equitable, transparent, non-discriminatory and predictable by eliminating trade-restrictive measures and distortions, speculation and hoarding through the reform of the agricultural multilateral trade rules. The resolution further stresses the continuing importance of the provision and mobilization of new and additional means of implementation, such as climate finance, technology transfer and capacity-building to developing countries, for expanding trade in renewable energy.

The resolution titled “**International financial system and development**” ([A/C.2/77/L.63](http://undocs.org/en/A/C.2/77/L.63)) reached consensus for the first time in five years. Some of the new elements in the resolution include encouragement for regulators to consider the opportunities and risks surrounding central bank digital currencies, as well as a new paragraph noting the growing usage of local currencies in cross-border payments. The resolution also includes an invitation for the G20 and Paris Club to discuss options to expand support to highly indebted developing countries, implement comparability of debt treatment, and to consider temporary debt standstills on a case-by-case basis.

The resolution titled “**External debt sustainability and development**” ([A/C.2/77/L.64](http://undocs.org/en/A/C.2/77/L.64)) includes updates recognizing the rising debt levels and challenges of developing countries, as well as new language on the growing reliance on domestic borrowing, and on the need for credit rating agencies to ensure that their ratings are objective and independent, including by considering development, social and environmental indicators and impact of external shocks. It further reiterates that no single indicator should be used to make definitive judgments about a country’s debt sustainability.

The resolution titled “**Promotion of inclusive and effective international cooperation on tax matters at the United Nations**” ([A/C.2/77/L.75](http://undocs.org/en/A/C.2/77/L.75)) proposes to begin intergovernmental discussions in New York at United Nations Headquarters on ways to strengthen the inclusiveness and effectiveness of international tax cooperation through the evaluation of additional options including the possibility of developing an international tax cooperation framework or instrument that is developed and agreed upon through a United Nations intergovernmental process. It also requests a Secretary-General report analyzing all relevant international legal instruments, other documents and recommendations that address international tax cooperation, as well as outlining potential next steps, such as the establishment of a Member State-led, open-ended ad hoc intergovernmental committee to recommend actions on the options for strengthening the inclusiveness and effectiveness of international tax cooperation.

The resolution on “**Promotion of international cooperation to combat illicit financial flows and strengthen good practices on assets return to foster sustainable development**” ([A/C.2/77/L.66](http://undocs.org/en/A/C.2/77/L.66)) breaks new ground in a few areas, including encouragement for countries to create domestic institutional coordination mechanisms to combat illicit financial flows (IFFs), a specific request for the UN system to expand data collection on asset recovery and return, an invitation for countries to allow information exchanged for tax purposes to be used for other purposes such as law enforcement, an invitation for ECOSOC to update and strengthen the UN Code of Conduct on cooperation in combating international tax evasion, an invitation for UN agencies to map out the standards and guidelines for individuals and entities that enable IFFs (such as lawyers, accountants, and other professionals), and a request for the Inter-agency Task Force on Financing for Development to help incorporate measures to combat IFFs into integrated national financing frameworks (INFFs).

In the resolution titled “**Promoting investments for sustainable development**” ([A/C.2/77/L.65](http://undocs.org/en/A/C.2/77/L.65)), delegations successfully introduced language on the usefulness of sustainable finance taxonomies and that the value of sustainability-themed investment products in global capital markets increased significantly in 2021, but with developing country investment opportunities significantly lacking. Another significant new element is that the international community should support developing countries, especially in Africa and the least developed countries, including through scaling up technical assistance, to take advantage of the G20 OECD Base Erosion and Profit Shifting initiative.

The resolution titled “**Follow-up to and implementation of the outcomes of the International Conferences on Financing for Development**” ([A/C.2/77/L.50](http://undocs.org/en/A/C.2/77/L.50)) features Member States’ decision to consider convening a fourth international conference on financing for development in 2025, though the scope and the roadmap to arrive at the conference remain to be developed. In addition, new language is included on ongoing processes related to measures of sustainable development and the need to capture its multidimensional nature. The resolution also encourages strengthening the lending capacity of multilateral development banks (MDBs), noting the G20 independent review of MDB capital adequacy frameworks, and recommends the exploration of further voluntary options related to Special Drawing Rights.