

Intervention Like-Minded Group of Countries in Support of Middle-Income Countries.

**Forum on Financing for Development**

UN Headquarters, Trusteeship Council April 15th, 2019, 17:00 p.m.

5 minutes

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Madame President,

I have the honor to speak on behalf of the Like-Minded Countries Supporters of Middle-Income Countries, including the delegations of Armenia, Belarus, Chile, Colombia, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama and Philippines. In this opportunity, Ecuador also joins the statement. At the outset, we would like to thank H.E. Inga Rhonda King, President of ECOSOC for convening the Fourth Forum on Financing for Development and we would like to take note of the substantive report of the Inter-Agency Task Force on Financing for Development, while recognizing the efforts that went into drafting it.

Our group would also like to commend H.E. Mariangela Zappia, Permanent Representative of Italy and H.E. Lazarous Kapambwe, Permanent Representative of Zambia, for their earnest efforts to foster a constructive environment in the consensus-building process of the outcome document of the Forum.

Madame President,

The category of “middle-income country” includes a large number of countries from all regions of the globe, accounting for 70% of the world population, representing one third of the global GDP and being home to 73% of the world’s poor people. Despite sharing the same categorization, the homogenous classification “Middle-Income country” oversimplifies the complexities of the countries it encompasses, and does not adequately reflect the myriad of challenges faced by these countries, that require tailored engagement from the international community and, in particular, from the United Nations System.

At different levels of per capita income, middle-income countries continue to face serious challenges in all three dimensions of sustainable development, with obstacles that prevent them from reaching their goals around poverty eradication, inequality, external debt and environmental vulnerabilities, among others. There are, in addition, structural gaps that represent an entrenched barrier to inclusive growth and

which impede the developmental prospects of many middle-income countries to attain the Sustainable Development Goals, including addressing levels of savings and investment and the quality of affordable public health care and education. Improvements in macroeconomic indicators do not necessarily reflect an improvement in the efforts to eradicate poverty, given that high inequality, or even a rise in inequality, remains pervasive in middle-income countries, even in those countries with high economic growth.

Madame President,

We emphasize that the allocation criteria of International Development Cooperation, in its different modalities, including Official Development Assistance (ODA), must respond to the multidimensional nature of sustainable development, if we are to reshape a global cooperation architecture that allocates support to developing countries receive support in accordance with their specific challenges and structural gaps. We recognize the need for a more nuanced approach to global efforts that seek the reduction of inequalities, the empowerment of women and girls, addressing the effects of climate change and disaster risk reduction, fostering sustainable infrastructure, promoting science, technology and innovation, as well as sharing technologies and experiences, among other crucial aspects of development.

In light of the above-mentioned elements, our Group is convinced that targeted and differentiated strategies in cooperation and innovative mechanisms for the mobilization of resources for development are required in order to foster economic growth and poverty eradication in all its forms and dimensions. In this sense, we urge the United Nations Development System to elaborate a comprehensive UN system-wide and long-term strategy for the provision of coordinated support to countries currently classified under the MICS category, and to further implement the mandates of paragraph 129 of the Addis Ababa Action Agenda, which calls for the United Nations to work with international financial institutions in the development of transparent measures to assess levels of sustainable development beyond per capita income.

Our Group is convinced that middle-income countries play a strategic role in international cooperation and can provide shared experiences and good practices for sustainable development through South-South and Triangular cooperation. As such, we call upon the United Nations Development System to continue its ongoing efforts to mainstream support to South-South cooperation and triangular cooperation in this group of countries, considering the multiplying and leveraging effect that such efforts can have in the achievement of the sustainable development goals worldwide.

We recognize that South-South and Triangular cooperation contribute to the implementation of the 2030 Agenda for Sustainable Development and to achieving the overarching goal of eradication of poverty in all its forms and dimensions, as it shares the comprehensive vision of development contained in the 17 Sustainable Development Goals, that balance the three dimensions of sustainable development and while we stress that South-South cooperation remains a complement to North-South cooperation, we acknowledge the need to enhance the development effectiveness of South-South and triangular cooperation. Our Group further recognizes that triangular cooperation complements and adds value to South-South cooperation by enabling requesting developing countries to source and access more, and a broader range of, resources, expertise and capacities, that they identify as needed in order to achieve their national development goals and internationally agreed sustainable development goals.

Madame President,

We welcome and support the IATF Report and its conclusions, expressing particular concern on the mention that “public debt levels have continued to rise (...) with some middle-income countries experiencing debt levels last seen during the debt crises of the 1980s”. We also take note of the innovative and risk-reducing instruments mentioned such as the debt conversion and debt swap mechanisms, and we continue to request wider access to them for all developing countries, among them those under the middle-income country category, that could open spaces for a more efficient mobilization of resources towards sustainable development initiatives.

We note, however, that despite the focused analysis on graduation and access to concessional finance in last year’s IATF report, there is no advance in the concerns raised on the problem of categorization to evaluate the adequate implementation of our commitments in the Addis Ababa Action Agenda. As a result, we note that data and disaggregation in the new report relies on a general reference to Middle-Income country categories, rendering indiscernible the very different realities of the countries part of that category.

Madame President,

We welcome the High-level Dialogue on Financing for Development to take place in September and we reiterate the need to reaffirm our commitments and step-up our

efforts at all levels to accelerate the mobilization of resources and the means of implementation to meet the Sustainable Development Goals. Thank you.